

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.

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. 345-62  
CONFIDENTIAL

[Ottawa], October 25, 1962

THE SITUATION IN THE CONGO

The slow progress in implementing the United Nations reconciliation plan for the Congo, together with evidence of a military build-up in Katanga has created the impression that Mr. Tshombe, the Katanga leader, may be delaying matters in the hope that either Prime Minister Adoula's Government will fall or the United Nations, for financial reasons, will be forced to withdraw its troops.

2. To discourage further delay and prevent a further increase in Katanga's military strength Mr. Adoula, with the approval of UN representatives, has requested Union Minière to stop paying to Katanga taxes and fees lawfully due to the Central Government. Mr. Adoula has asked the Belgian Government to urge Union Minière to comply with the above request and has also sought the help of the United Nations.

3. If Union Minière decides to comply with the Central Government's request it may insist that UN troops protect its installations and European personnel from possible retaliation by the Katanga Gendarmerie. This could mean that UN troops might be asked to occupy the mining towns and perhaps establish garrisons at the power stations and along the railway. An attempt to deploy UN troops in this way could lead to fighting.

4. The United Nations are continuing their efforts to persuade both parties to implement the reconciliation plan. Meanwhile U Thant has indicated that should it become obvious that Mr. Tshombe has no intention of cooperating he will ask representatives at the next meeting of the Congo Advisory Committee on 30 October for their government's approval of the new approach. At the same time he has made it clear that approval can be meaningful only if contributing governments are prepared to accept the possible consequences.

5. In determining our attitude to these new developments I think we must bear in mind first that time is running out for the U.N. in as much as no new funds have been or are likely to be authorized for the Congo operation beyond 1962 and, secondly, that it would be a very severe blow to the prestige and future usefulness of the Organization were it to fail in the Congo or to suffer a military defeat at the hands of the Katanga gendarmerie.

6. Canada's contribution to the UN military operation consists of approximately 320 men. The bulk of these (276) are army signal troops who operate the UN forces communications network, and the rest are staff and air personnel. At the moment there are approximately 40 Canadian personnel in Katanga. Because of their key role in the field of communications, administration, air control and logistics and the fact that it would be very difficult for the UN to replace them from politically acceptable countries, a decision to restrict their use in Katanga could jeopardize the whole UN operation at a crucial moment. Also any weakening of support from Canada and the other Western countries at this time would make it more difficult for the Acting Secretary-General to resist the offer of troops from certain countries who are prepared to use force against Katanga.

7. U Thant has also raised the question of seeking a new mandate from the Security Council. It would seem preferable to avoid this because the Council might fail to reach a decision; and the Soviet Union might seize the opportunity to attack the whole reconciliation plan and possibly U Thant himself. A further deployment of U.N. troops in Katanga could be justified under the existing mandate on the basis of their right of freedom of movement and their duty, if requested, to protect the European population in the mining towns.

#### *Recommendations*

8. In view of the foregoing I have the honour to recommend that the Canadian Delegation to the United Nations be authorized to indicate in the Congo Advisory Committee that the Canadian Government:

(a) approves the new approach to the Union Minière to pay taxes and fees lawfully due to the Central Government.

(b) accepts the risks involved without placing restriction on the normal use of Canadian personnel should U.N. troops within the terms of the existing mandate be called upon to protect the installations and communications of Union Minière.

(c) is not in favour of seeking a new mandate from the Security Council at this time.

H.C. GREEN

2.

PCO

#### *Extrait des conclusions du Cabinet*

#### *Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 30, 1962

#### *Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),

The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

#### SITUATION IN THE CONGO

45. *The Secretary of State for External Affairs* said that the United Nations faced some serious problems in the Congo as a result of Prime Minister Adoula's request to the Union Minière to stop paying taxes to Katanga which were lawfully due to the Central Government. His objective was to prevent further military strengthening of Katanga. If the Union Minière agreed to this it might insist on U.N. protection. But the U.N. did not have the necessary force. It would be serious from the military point of view to attempt it. The Katanga forces almost outnumbered the U.N. forces by 2 to 1. The Union Minière was spread out and it would be almost impossible to give it full protection. However, the only hope was for Mr. Adoula's operation to proceed. He had gone as far as he could with Tshombe. The Belgians had moved in to support the U.N., but they needed some economic pressures on Tshombe if he did not agree. They were trying to get some of the Union Minière's money payable to the Central Government. This might eventually involve putting U.N. troops in to protect the mining companies. Canadian troops operated the central signal system. There might be shooting, and it was felt that Canada could hardly refuse to support the U.N. attempt to control Tshombe.

An explanatory memorandum had been circulated (Minister's memorandum, Oct. 25 – Cab. Doc. 345/62).

46. *During the discussion* the following points were raised:

(a) Some said to use force would be contrary to Canada's stand enunciated in London. Others said it would only mean the use of force defensively to protect property.

(b) Some felt that Canada should never have sent troops into the Congo, and to use them in this way would be viewed with horror in the United Kingdom. Others added that the U.N. force did not have the strength to put the protective plan into effect. They had a poor command, they would have poor communications because of the widespread operation, and in general would be incapable of doing the job.

47. *The Cabinet* agreed that the Canadian Delegation to the United Nations should not indicate in the Congo Advisory Committee that Canada in any way approves of the proposed new approach to the Union Minière, or accepts any increased risks to Canadian personnel in the protection of Union Minière's interests, or that Canada is in favour of a new mandate being sought from the Security Council, as had been outlined in the memorandum to Cabinet (Cab. Doc. 345/62, Oct. 25).

3.

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], December 5, 1962

CONGO – REQUESTS FOR MILITARY TRAINING ASSISTANCE

Attached are copies of telegrams 3229 of November 1<sup>†</sup> and 3240 of November 2, 1962, † in which our mission in Washington reported that the U.S. authorities would like to have our views concerning the possibility of providing assistance in modernizing and training the Congolese Armed Forces. The same subject was raised recently by General Mobutu in Leopoldville, as reported in paragraph 2 of our mission's attached telegram 194 of November 23 (amended copy). †

2. You will recall that the Cabinet agreed on January 26, 1962 that it was not possible to make available 20 officers with the qualifications and experience required for such a task, as requested by the Acting Secretary-General. U Thant was informed on January 30; on February 1 he replied by asking Canada to provide any number of officers that could be spared and indicated that officers who were retired, on the inactive list or in the reserve would be acceptable. You asked the Minister of National Defence to look into this revised request and on April 5 you were able to inform U Thant that it had been found that Canada could make available six or seven French-speaking officers who were not on the active list to assist in the training of the Congolese Armed Forces. The Permanent Mission informed us subsequently that the Acting Secretary-General was most grateful for our offer but that the plans for the provision of a U.N. Training Cadre had been put in cold storage on account of a difference of opinion between Prime Minister Adoula and General Mobutu.

3. We have always agreed in the past with the U.N. assessment that the modernization and retraining of the Congolese Army was one of the prerequisites of the re-establishment of peace and order in that country. We have always considered also that any military assistance to the Congo should be directed by and through the U.N. We have made this clear to the Congolese and Ghanaian leaders who have broached this subject with us in the past. This policy was based on the recommendations of the Security Council and also on our assessment that unless assistance was administered by the U.N. it would be open to criticism as a Western-sponsored move and would provide a pretext for military assistance proposals from the Soviet Bloc. For these reasons, I would be chary of openly endorsing General Mobutu's or even the U.S. "proposals" unless we had more details on the role which is envisaged for the U.N. in these schemes. In this connection I note that Washington's telegram 3229 reports that U.S. officials are contemplating the possibility of fulfilling all the requirements through bilateral arrangements rather than under the executive direction of the U.N. In a subsequent telephone conversation, however, our mission in Washington has made it clear that the State Department had no intention of bypassing the U.N. and wished simply to engage in direct negotiations with other countries in order to expedite the matter.

4. It may be that the U.N. has lost interest in assuming the executive direction of such a scheme and it must be recognized that the Congolese themselves may not be willing to accept a programme in which the U.N. would be responsible for the major share of the executive direction. You will recall that General Mobutu has expressed great misgivings on past U.N. "hodgepodge" proposals. He considered, and I believe that there is something to be said in

favour of his opinion, that if an Officers' Training School was staffed by officers recruited from several countries, its efficiency would be seriously impaired.

5. I consider that the best proposal was the original U.N.-sponsored scheme which aimed at entrusting each aspect of military training to one given country which was to run a defence institution in the Congo under U.N. auspices. Canada, however, is not in a position to go back to this proposal since we have had to decline the U.N. request to provide the full staff of 20 for an Officers' Training School in the Congo. Since no other politically acceptable country has agreed to take up this task, there would seem to be some merit in discussing the U.N. "proposal" with the State Department and representatives from other countries.

6. I have brought Washington's telegrams to the attention of the Chairman, Chiefs of Staff, who has agreed that more details on the U.S. proposals are needed, and particularly on the role of the United Nations in it, before we would be in a position to say whether we could support it and participate in it. With respect to the U.S. suggestion that a representative of his Department participate in discussions in the U.S. on this matter, he stated that he preferred to wait until discussions had gone a little farther so that he could prepare definite instructions for his staff.

7. Attached for your signature, if you agree, is a telegram outlining the following position to Washington:

(i) We favour the provision of military training assistance to the Congo under U.N. direction;

(ii) From the point of view of military efficiency, it would be desirable that the Congolese Armed Forces be trained, insofar as possible, according to a fixed and pre-determined military tradition. It would be preferable therefore to recruit the Commandant and the senior officers of each institution from a single country or at least from countries sharing a common military tradition;

(iii) We are prepared to provide, for any sound training scheme acceptable to the U.N., the six or seven French-speaking officers who were the subject of our offer to the Acting Secretary-General last April.

8. Also attached for your signature, if you agree, is a telegram asking Mr. Gauvin to inform General Mobutu that we have not found it possible to provide the twenty officers who would be required under his own proposal.<sup>1</sup>

N.A. R[OBERTSON]

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<sup>1</sup> Note marginale :/Marginal note:

Tels DL-1740† and 1741† to Wash[ington] and Leopoldville respectively signed by SSEA Dec. 9.62 and sent. [Auteur inconnu/Author unknown]

4.

DEA/6386-40

*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 2, 1963

Dear Norman [Robertson]

THE CONGO

I enclose the message for the Secretary of State from the Foreign Secretary which I mentioned on the telephone yesterday. I should be grateful if this could be conveyed to Mr. Green as soon as possible. I understand he is probably not returning to Ottawa until Saturday. In these circumstances it occurred to me that it might be useful if I could call to discuss the situation with you. I am therefore asking my Private Secretary to get into touch with yours to see if we can arrange a mutually convenient time.

Yours sincerely,

DEREK AMORY

[PIÈCE JOINTE/ENCLOSURE]

*Note du Foreign Secretary du Royaume-Uni  
pour le secrétaire d'État aux Affaires extérieures*

*Note from Foreign Secretary of United Kingdom  
to Secretary of State for External Affairs*

SECRET

[London], January 1, 1963

When we discussed the Congo in Nassau Mr. Diefenbaker told me that he thought that it was a mistake for the United Nations to get involved in fighting in the Congo to impose a political pattern on the country.

We have recently come near to that, but it seems now that the recent round of fighting is over. I feel therefore that all our efforts should be directed towards trying to secure a settlement which this time will really stick. I am doing everything I can to get Tshombe into renewed negotiations and I think that the United Nations as a result of the weekend's events are in a more co-operative mood. I think that they would be particularly sensitive to advice from your Government, having regard to your status in the United Nations, your position on the Advisory Committee and the presence of Canadian personnel in the Congo. I believe that anything that you can do to convince them of the importance of being magnanimous and imaginative at this stage will go a long way towards making a satisfactory settlement possible.

With all good wishes for 1963.

[LORD HOME]

5.

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*

SECRET

Ottawa, January 2, 1963

## CONGO

The attached note from the British High Commissioner to you and its enclosed message from Lord Home to the Minister were read to the Minister by telephone this morning.

2. On his instructions I phoned Mr. Tremblay to ask him to seek an appointment with U Thant today and to express to him the Canadian Government's hope that the U.N. would find a moderate solution to the current difficulties in the Congo. If Tremblay needed any pretext for seeking an interview with the Secretary-General it should be that Canada, as a member of the Congo Advisory Committee with forces assigned to O.N.U.C., had a close and continuing interest in day to day developments in Katanga, and that he was acting on instructions in seeking a meeting. Tremblay was instructed to make the above representations orally.

3. Mr. Tremblay was instructed also to treat the Congo situation as the No. 1 priority of his Mission at this time and to keep in constant contact with the Secretariat and with certain missions in New York, particularly concerned with the Congo problem – Sweden, Ireland and certain key African and Asian countries such as Nigeria, Malaya and India.

4. Mr. Tremblay later telephoned to say that he was seeing U Thant at 5:45 p.m. today and would report later by telephone.<sup>2</sup>

R[OSS] C[AMPBELL]

6.

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*

SECRET

Ottawa, January 3, 196[3]

## CONGO

Pursuant to instructions conveyed by telephone, Tremblay saw U Thant at 5:45 p.m. January 2 for the purpose of expressing the Canadian Government's hope that the United Nations would find a moderate solution to the problem of Katangan secession. Tremblay telephoned at 8 p.m. the following oral report which will be supplemented by a fuller account by telegram.

2. He found the Secretary-General relaxed and satisfied with the way things were going in Katanga. U Thant regarded the conduct of the U.N. forces as both correct and successful so far. He expressed considerable gratification that his predictions had been correct in that the U.N. was encountering no really organized resistance on the part of Tshombe's forces and

<sup>2</sup> Note marginale :/Marginal note:  
Noted. [N.A.] R[obertson]

U.N. casualties so far had been slight. U Thant's reaction to the statement of the Canadian position – the need to find a moderate solution and to exercise restraint – was that this was precisely his own position as well. He confirmed that he was determined that the eventual solution should be found in political negotiations rather than in military action. Concerning political negotiations the Secretariat had already made the decision to deal with Tshombe at the right moment, not to ignore him nor attempt to crush him.

3. Regarding U.N. military plans, U Thant was reluctant to be specific. He said that there was no overall plan to occupy by force key centres in Katanga although circumstances might arise that might make this necessary. However, no such instructions to the U.N. Commander had been issued and assurances to that effect had been given to the Belgian Foreign Minister earlier in the day.

N.A. R[OBERTSON]

7.

DEA/6386-40

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

TELEGRAM 32

Washington, January 4, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 15 Jan 2.†

Repeat for Information: CCOS Ottawa, DND Ottawa (OpImmediate) from Ottawa, London, Permis New York, NATO Paris, Paris, Brussels, Rome (Priority).

By Bag Tel Aviv, Leopoldville, Accra, Lagos, Yaounde, Delhi, Karachi, Jakarta, Kuala Lumpur, Dublin, Stockholm, Oslo, Copenhagen from London.

CONGO: ANC RETRAINING AND REORGANIZATION SCHEME

This morning we attended State Department Meeting at which Whitehouse of Congo Desk and Colonel Greene of USA Army<sup>3</sup> (not repeat not Air Force as previously reported) outlined further steps which had been taken towards implementation of retraining and reorganization scheme for Congolese Armed Forces. Others attending were representatives of British, Belgian and Italian Embassies and of AID. Although there was a new reference to Norway as a possible participant in scheme no repeat no Norwegian representative attended: we were told later that their involvement was a new idea and that State Department would be having initial discussions with them separately. We were also told that USA has shelved Israeli participation at least temporarily on political grounds.

2. Apart from bringing us up to date Whitehouse described purposes of meeting as (a) to alert our countries to likelihood that formal requests would be forthcoming from UN within next few weeks to participate in scheme and (b) to encourage possible participants to study the programme with a view to deciding in advance what portions they would be interested in undertaking. Meeting did not repeat not discuss recent events in Katanga but it was noted they might further delay discussions on implementation of scheme. Whitehouse also thought that trend of events seemed to reinforce need to develop ANC as a stabilizing factor. He repeated

<sup>3</sup> Voir/See *Foreign Relations of the United States 1961–1963*, Vol. XX (Washington: United States Government Printing Office, 1994), document 268 n. 4.



his earlier remark that the principal object of the whole exercise was to ensure that ANC would be a factor for peace and order in Congo.

3. Colonel Greene reported that he had on December 28 had discussions in New York with General Rikhye to clarify details of scheme and UN's involvement. Earlier (about December 22) Central Congo Government had sent a note to UN asking that it undertake implementation of the "proposal for modernization and training" of Congo armed forces (i.e. Colonel Greene's plan copy of which was attached to our letter 1652 November 2<sup>†</sup>) and setting forth specific first steps to be undertaken. English text giving terms of Congolese request is given in our immediately following telegram.†

4. Following Colonel Greene's discussions December 28 a positive response was sent by UN to Central Government indicating that UN will undertake full responsibility for programme and will shortly make specific proposals to Central Government on how it plans to fulfil the request. The next step will be a message from UN to Central Government giving a list of countries it proposes to invite to participate in programme. This list will include Norway, Italy, Britain, Belgium, USA and Canada. After receiving satisfactory response from Central Government Secretariat will proceed to invite countries to participate and to select portions of programme which they wish to take on. Whitehouse noted that in these further steps the list of countries might be altered but he thought it unlikely any would be dropped from present list.

5. In discussing Congolese request to UN Colonel Greene said it covered the broad first steps to be taken in implementing the scheme. He noted that reference in opening paragraph to ANC's "ultimate strength" reflected the difficulties that had arisen with Mobutu on the question of ANC's size. Mobutu was not repeat not willing to commit himself in advance to the envisaged strength of 15,000 and USA had acknowledged that in light of experience with training scheme it might be appropriate to make some adjustment in ultimate goals. Greene recalled that his proposal had been drawn up last summer and changing circumstances may have already made it outdated in some respects. He had pointed out to Mobutu that it would be possible to continue discussion over a long period searching for the perfect scheme but that it was necessary to begin somewhere and allow the scheme to develop and adjust as experience dictated.

6. Colonel Greene described the current over all operational concept of the scheme. He thought that each participating government would likely wish to have a military mission in Congo. Arrangements for these missions would be made by bilateral agreements between governments and Central Congo Government. These agreements would then (and Secretary-General had insisted on this) be passed to UN for approval and would in a sense thus become tripartite agreements involving participating country Congo and UN. There would thus be a series of small national missions (as an example Greene said USA planned a mission of seven; three officers and four enlisted men) whose activities would be coordinated by a small UN staff drawn from participating countries. The Head of UN Staff would be appointed by Secretary-General after consultation with Congo Prime Minister and General Mobutu. (Greene made the personal remark this officer should be ranked not repeat not higher than Brigadier General i.e. less than Mobutu's rank). Mobutu had insisted and UN and USA had agreed that group administering scheme be entirely separate from the present ONUC command; but UN head of scheme would nonetheless be responsible to UN officer in charge in Congo.

7. In describing proposed structure it was apparent that USA officials were using example drawn from their own requirements for a USA military mission. For legal reasons related to provision of equipment and support they would require to have USA mission on the spot and they thought that other countries might have similar requirements. For its part USA expected to establish its presence at a low level and to be occupied mostly with provision of equipment and support for scheme. Greene said also that they planned to undertake the English language

training part of the scheme (item 8 in the Congolese note). On financing Greene suggested that participating governments would pay and support their national missions whereas UN would cover cost of international coordinating staff.

8. Greene indicated that USA had already drawn up lists of equipment which might be required for scheme during current fiscal year. This was based on premise that first efforts might be made in respect of the Fourth Independent Brigade and some work on airforce side. He indicated that general approach underlying their plan was to work unit by unit through the ANC providing necessary equipment as and when units became capable of using it.

9. On total numbers of training officers required under the scheme Greene indicated that initially 15 would be required for the army, seven for the naval element and six (as noted in item 3 of Congolese note) for airforce. When scheme is fully operative these numbers may rise to perhaps 80 for army and 34 for airforce element. Some 18 personnel (including eight officers) would also be required for academy.

10. In response to a question about coordination and general philosophy underlying scheme (which you had raised in your telegram DL-1740†) Greene said they thought that once scheme was operating coordination could be most effectively carried out among UN head of scheme and heads of military missions in Leopoldville with any significant differences being settled between UN headquarters and national governments. It was important in the beginning that governments should select the area which they wished to cover so that each area of training would be handled by one national group. He noted that Belgian influence has predominated in ANC and that there should be no repeat no attempt to meddle with traditions which have been well developed. Some adjustment might be required but he thought that such adjustments could be worked out smoothly on the spot.

11. In concluding meeting USA officials stressed their desire to move ahead with implementing this scheme. In fact it could move ahead only as fast as necessary steps (indicated above) were taken by UN and Congo authorities but USA hoped by keeping other potential participants informed to shorten subsequent delays as much as possible. They also hoped that in a short while (and perhaps even before formal UN requests were received) there could be a further meeting of the same representatives once governmental views had been obtained. Early indication of governmental preferences with regard to areas of scheme they wished to cover would be most valuable.

12. After the meeting Colonel Greene spoke to us separately to say that in his discussions with Mobutu the latter had stressed his desire to have a Canadian officer placed in charge of the scheme. Greene said he had mentioned this to our Chargé in Leopoldville and to Rikhye during his December 28 discussions. He also said that while they had no repeat no wish to interfere in detailed Canadian consideration of the scheme they had thought that Canada might most suitably concern itself with the establishment of the military academy.

8.

DEA/6386-40

*Note du chef de la 1<sup>ère</sup> Direction de liaison avec la Défense  
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*

*Memorandum from Head, Defence Liaison (1) Division,  
to Assistant Under-Secretary of State for External Affairs*

SECRET. CANADIAN EYES ONLY.

[Ottawa], January 8, 1963

## U.N. ACTION IN KATANGA

The two attached telegrams to New York (DL-9† and 10† of January 7), repeating the text of reports from the Canadian Commanding Officer in the Congo, describe the circumstances under which the U.N. Command in the Congo reportedly decided to send troops toward Jadotville “regardless of New York’s wishes.” You will recall that this incident was also reported in telegrams from New York, Brussels and Leopoldville.

2. While this decision is understandable and may prove best in the Congo’s long-term interests, this division which has general responsibility for liaison with DND on the conduct of U.N. “peace-keeping” operations, is very much concerned about the precedent which may have been established. The chain of command between the U.N. Headquarters and the troops actually engaged in “peace-keeping” operations has always left something to be desired. In this case, if the allegation is confirmed, the local U.N. Commanders have taken a decision to proceed with military operations because of military considerations and of their assessment of the political situation in opposition to the political assessment made by the Secretary-General himself. Such a move, in our estimation, endangers the whole concept of peace-keeping operations as they have been supported consistently by Canada since 1956. It is essential, if such operations are to be successful, that troops serving under the U.N. banner be able to show greater restraint in any circumstances than could be expected from other armed forces. One may recall that in a similar situation, but a different political context, General MacArthur was asked to resign U.N. Command in Korea in 1951. At that time Canada would have strongly resented any independent move made by U.N. Commanders in the field.

3. It would seem that the Secretariat itself has appreciated the gravity of the incident and that the departure of Mr. Bunche for the Congo<sup>4</sup> may be related to it. This should help to restore the chain of authority between New York and Elisabethville. We wonder, however, whether what has already occurred may not have far reaching consequences. It may later on help to persuade Governments that to agree to the presence of U.N. troops on soil would be risky; at the very least it would induce them to insist on controlling the nationality of the local U.N. Commanders. There is no need to stress the dangers raised by this precedent insofar as it would affect the conduct of future U.N. “peace-keeping” operations.

4. I suggest that we should first endeavour to establish the facts. Even though there is little doubt that U.N. Commanders in the Congo did not fully obey orders from New York, it would be necessary to ascertain the terms of the instructions which were received from New York and how far U.N. Commanders were prepared to go against these. I suggest that the facts can best be obtained in Washington and a telegram is attached for your approval.†

<sup>4</sup> Voir/See *Foreign Relations of the United States 1961–1963*, Vol. XX (Washington: United States Government Printing Office, 1994), documents 400, 401; *American Foreign Policy, Current Documents, 1963* (Washington: United States Government Printing Office, 1967), pp. 641–647.

5. If Colonel Hamilton's report is substantially confirmed, then we might later go on to discuss the implications for U.N. peace-keeping operations, as indicated above.

A.R. MENZIES

9.

DEA/6386-40

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

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

SECRET. CANADIAN EYES ONLY.

[Ottawa], January 9, 1963

Reference: D.L. (1) Division's memorandum of January 8.

UNITED NATIONS ACTION IN KATANGA

The memorandum under reference expresses grave concern about recent events in the Congo and particularly about the ONUC advance on Jadotville apparently without proper authority from New York. The memorandum refers to two messages of January 3 and 4 from the Canadian contingent in the Congo and contained in telegrams DL-9 and DL-10 of January 7. The main concern of D.L. (1) Division is about the breakdown in the chain of command from New York to the troops in the field. The main worry of our military, as revealed in their telegrams, appears to be the chicken-heartedness of the United Nations authorities in New York in failing to exploit military advantage in Katanga.

2. D.L. (1) Division is also concerned about the "precedent" established by these recent events and about their implication on United Nations peace-keeping operations. The suggestion is that we approach the United States authorities for their "account of the facts" and their assessment of implications for the United Nations.

3. If there was a breakdown in communications and command from New York, and I understand that the Secretary-General has admitted this, it is a serious matter. If the Secretary-General's representative, Mr. Gardiner, and his military commanders in the field decided to move against Jadotville in defiance of precise orders from New York, that is also serious. It is important, moreover, that we try to establish the facts of the case in order to decide what should be done to prevent serious breaks in the United Nations chain of command in future peace-keeping operations.

4. I must confess, however, that I do not regard the most recent events as creating any new crisis in United Nations affairs or as establishing any particular precedent in relation to peace-keeping. In my experience, there have been frequent occasions when the situation in field became so confused that the United Nations authorities in New York lost touch with it. This happened from time to time in Lebanon in an operation much similar and much simpler. It has happened before in the Congo. It could happen again there. The reference to events in Korea involving General MacArthur is applicable only in the sense that it demonstrated that even a Great Power like the United States can have breaks in its chain of command, for there can be no doubt that General MacArthur's orders at that time emanated from Washington rather than United Nations Headquarters.

5. I am not condoning what happened in any of these cases. It has been very apparent in the Congo operation that the United Nations can no longer intervene in complicated political situations without great precision in its mandate, without a firm controlling command and without a carefully balanced and integrated military and civilian staff. Moreover, in a situation like that in the Congo, with the troops far flung and communications heavily burdened, there

could easily be confusion in the conduct of operations even with the best organization in the world. This kind of development has happened in the course of military engagements throughout history. It is part of the “confusion of battle.”<sup>5</sup>

6. My point is that there is no reason to seize upon one or more incidents in the Congo operation and to regard them as dangerous precedents. In terms of future peace-keeping under the United Nations flag, the whole Congo operation will have to be studied very carefully for all of its implications – political, military and otherwise. There can be no doubt that it represents a turning point in United Nations peace-keeping but also in the future life and role of the United Nations. Accordingly, I am reluctant to see us embark on any premature or piecemeal inquest.

7. The United Nations and its members have many lessons to learn from the Congo experience. The chain of command is one element. The delegation of authority is another. The establishment of competent staff in New York and on the ground is yet another. The role of individual contingents raises a whole set of questions, not the least of which is whether national commanders should be free to send unvarnished and incomplete reports about difficult situations, both military and political. We have already had several illustrations of the misunderstanding and false impression which can be created from an ill-advised report through our military channels.

8. As for the source of the facts of the present case, I seriously question whether Washington would be any more help to us than London, Brussels, Leopoldville or New York. It seems highly possible to me that the advance on Jadotville was encouraged by United States authorities either in Washington or in the Congo. From personal experience, I can vouch for the acute degree of pressure which is exerted locally by national representatives on United Nations representatives in the field. I do not argue that we could not try to find out as much as we can about events in the Congo but I question whether at the present time we are likely to be any wiser after a canvass of views from the parties most directly concerned. At this critical time, they are bound to be biased in their description and interpretation of facts.

9. My own guess is that, as in the case of Dr. Conor Cruise O’Brien and of a number of other United Nations representatives who found themselves in the same difficulty, the situation at Jadotville last week was not so much a case of defiance of orders as one of interpreting ambiguous instructions in a way which best suited the situation on the ground as seen by the civilian and military officers there. I do not advance this as an excuse for what happened but as a practical suggestion as to how it happened. We shall not remedy the ills of this situation by holding inquests and assigning blame. We can only hope to improve peace-keeping operations in the future by learning the lessons of the past and by strengthening the machinery (our own included) available to the United Nations.

G.S. MURRAY

P.S. I make these comments because I believe that in this particular case DL(1) is getting a little beyond its own field of responsibility which is detailed liaison with DND on established peacekeeping operations. I hope that you will agree that UN Div[ision] is the proper one for assessing implications of UN conduct of affairs – especially when political considerations are very much involved. G. M[urray]

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<sup>5</sup> Note marginale :/Marginal note:  
Yes. [Auteur inconnu/Author unknown]

10.

DEA/6386-40

*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*

SECRET. CANADIAN EYES ONLY.

[Ottawa], January 11, 1963

Reference: D.L. (1) Division Memorandum of January 8 and U.N. Division Memo of January 9.

## UNITED NATIONS ACTION IN KATANGA

According to our information the occupation of Jadotville by U.N. troops was carried out at the initiative of the Indian Commander on the spot with the reluctant concurrence of Leopoldville and against the orders of New York.

2. It seems that after U.N. troops had put two battalions across the Lufira River, New York ordered them not only not to advance on Jadotville but to withdraw back across the River. The Indian Commander pointed out to the Force Commander at Leopoldville that compliance with this order would jeopardize the security of his forces and have a serious effect on morale, and insisted that the momentum of the troops must be maintained. The Force Commander (presumably after consultation with Gardiner) replied that he did not have enough information to judge either of these factors and he must therefore leave the decision to the local commander. The latter not encountering any further resistance at this point moved into Jadotville.

3. New York's motives for ordering a halt at the Lufira River are not entirely clear, but presumably the U.N. was subject to pressure from the British and Belgians (U Thant is reported to have assured Mr. Spaak that U.N. troops would not take Jadotville) and they may genuinely have feared that a continued advance would have met with heavy resistance (and casualties) from the gendarmerie and would have provoked widespread sabotage of the mining installations at Jadotville. Neither of these fears were realized (some sabotage apparently did take place at the cobalt plant in Jadotville but not on the scale feared). It is quite evident that the Secretariat is not entirely unhappy at what happened, although they seem to appreciate the long-term disadvantage to the U.N. of the apparent civilian loss of control over the military. (We should imagine that the Indian Government is also not unhappy at the military kudos their troops have gained through the advance on Jadotville.)

4. Perhaps one lesson to be learned from the Congo experience is that once hostilities begin (or the enemy is engaged as it were) U.N. troops, being made up of national contingents with national military traditions, cannot be expected to act much differently from other soldiers in similar conditions. Thus when serious fighting is involved the civilian authority must in the interest of morale and the efficient conduct of operations be prepared to allow the military commanders a certain amount of discretion.

5. We have some doubts about the advisability of approaching the State Department at this time for an account of the facts.<sup>6</sup> For one thing, it might seem strange that Canada, who is a member of the Congo Advisory Committee and has a contingent of over three hundred men

<sup>6</sup> Note marginale :/Marginal note:  
I agree. R. C[ampbell]

participating in the Congo operation, should have to ascertain the facts from the U.S. Also, we think it is a little early to launch into an assessment of the Jadotville episode until the final scene in Katanga has been played. We therefore share U.N. Division's reluctance to embark on a piecemeal or premature study of the implications of the Congo experience for future U.N. peace-keeping operations.<sup>7</sup>

R.E. C[OLLINS]

11.

DEA/6386-M-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures  
pour le chef de la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Memorandum from Assistant Under-Secretary of State for External Affairs  
to Head, Defence Liaison (1) Division*

CONFIDENTIAL

Ottawa, January 19, 1963

CONGO – TRAINING OF ANC

During the week, Ivan White of the U.S. Embassy, acting on instructions from the State Department, expressed to the CCOS and myself the U.S. Government's hope that Canada would be able to respond favourably to the proposals for Canadian participation in the training of the ANC outlined to our Embassy in Washington on the basis of the recommendations made by Colonel Greene's mission to the Congo. He took advantage of the occasion to express also the U.S. Government's warm appreciation of the valuable contribution which Canada has made around the world through its participation in a variety of U.N. peace-keeping activities.

2. Air Chief Marshal Miller said that the undertaking given last autumn by Canada to furnish 5 or 6 retired bilingual officers to take part in the training of the ANC still stood in principle. There would, in his estimation, be no need to seek new government authority to contribute up to that level. He noted, however, that the contribution now asked of Canada as a result of the Greene mission – to supply the officer in charge of the training mission and to staff the proposed U.N. military academy – differed from the Canadian contribution asked last autumn, and the officers we had in mind then for the assignment might not be suitable for the new requirement. More precise information was needed concerning the rank and skills required before a further effort could be made to locate and assign Canadian personnel. White said that he would have his people make further enquiries and supply the necessary information. (Our Embassy in Washington should perhaps be so notified.)

3. CCOS agreed with the American assessment that any real prospect of phasing out ONUC and putting a final end to the commitment of contributing nations to that body, ultimately depended upon the ability of the U.N. quickly to train the ANC to take over the maintenance of the internal security of the Congo.

R. C[AMPBELL]

<sup>7</sup> Note marginale :/Marginal note:

It is reasonably apparent that the Sec[retary]-Gen[eral] has been saying one thing in N.Y. (to UK, Belg[ium], Fr[ance]) while at the same time tacitly condoning what was being done in the field by the U.N. C[omman]d[e]r. Given the imperatives of the Congo situation – the imminent exhaustion of UN funds & withdrawal of Indian troops, Tshombe's record of deception, etc., U Thant has had no option but to allow events to run their course, including the present military offensive. I do not think we should inject ourselves into this very delicate situation by a premature inquisition. R. C[ampbell] 14/1.

12.

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 30, 1963

#### THE SITUATION IN THE CONGO

Mr. Tshombe and his ministers have returned to Elisabethville where they are currently negotiating with Mr. Ileo, Central Government Minister of State in Katanga, about the practical problems of reintegrating the province. Reports from Leopoldville indicate, however, that there are strong pressures within the Central Government to get rid of Tshombe, a move which could lead to a breakdown in the province's administration. The Central Government have also been pressing the U.N. to permit them to send a contingent of the ANC to south Katanga to disarm and integrate the gendarmerie. Meanwhile a considerable number of ANC have already arrived in Elisabethville in civilian clothes.

#### *The Military Situation*

2. The present strength of ONUC is approximately 19,000 troops. By the end of April approximately 7,200 Indians, Tunisians and Nigerians will have been repatriated. To offset this decrease, current plans call for the arrival in the Congo by the end of March of approximately 2,340 troops (Indonesians, Ghanaians, Norwegians and Danes). It is possible, however, that some of these projected arrivals will be cancelled.

3. The United Nations have not set a firm date for the repatriation of ONUC forces. However, on January 23 Brigadier Rikhye suggested to the Canadian military adviser in New York that on the basis of the present favourable conditions in the Congo it might be possible to repatriate all U.N. forces, with the possible exception of one unit, perhaps in the size of a battalion group, by August 1963. Brigadier Rikhye hoped that the Canadian Government would not move the Canadian Signal Unit in the very near future although he agreed that should the Canadian Signals Commander and ONUC Headquarters concur New York would be prepared to accept a phased reduction of the Canadian contingent.

#### *ANC Training Programme*

4. One of the most urgent problems facing the Congolese Government is the retraining and reorganization of its security forces. You will recall that quite some time ago the U.N. tried to organize a programme on the basis of a multi-national team of U.N. training officers. Canada agreed to provide six or seven officers for this programme. The programme was turned down by General Mobutu, however, on the grounds that its multi-national character would make it inefficient. Subsequently an American, Col. Greene, made a full study of Congolese training requirements. He proposed a programme in which responsibility for each major training requirement (e.g., navy, air force, NCO's, officers academy, etc.) would be assumed by a separate country. The programme would be completely separate from ONUC but would be under the general supervision of the Civilian Officer in charge of the U.N. operation.

5. This "Greene plan" has been accepted in principle by the Central Government and the United Nations, and the Central Government have officially requested the U.N. to arrange a training and re-organization programme along the lines of the plan. Meanwhile, the Americans have been consulting in Washington with countries in a position to participate in the programme. Canada has been approached by the Americans and a member of the Embassy in



Washington has been attending these consultations. It has been mentioned that Canada might be asked to provide a Brigadier as director of the programme and perhaps undertake to staff the Officers Academy. However, we have not yet received an official request from the United Nations to participate in the programme. While the Department of National Defence have not considered this matter, Air Chief Marshal Miller is aware of it and has agreed that their original offer of six or seven officers still stood in principle, although the officers he had in mind originally may not be suitable for the Canadian role envisaged in the Greene Plan. More precise information will, therefore, be required concerning qualifications required before Canadian availabilities can be re-examined.

6. One difficulty lies in the fact that so far all the prospective participating countries are members of NATO (e.g., United Kingdom, Norway, Italy, Canada, Belgium). Unless some non-aligned countries acceptable to the Congolese can be persuaded to take part (Nigeria and Tunisia have been mentioned) there is a danger that the programme will run into opposition from the U.S.S.R. and the Casablanca states, as well as from left-wing elements in the Congo itself. Mr. Tremblay discussed this question with Brigadier Rikhye as reported in his letter No. 69 of January 23 (received yesterday – copy attached†). After going over the history of the training proposals, Brigadier Rikhye stated that the Adoula Government had now formally requested the assistance of the U.N. and that the U.N. had agreed to assist the Central Government in the reorganization and retraining of its forces. It is understood that the U.N. will, in the next few weeks, approach a number of governments, including Canada, with the object of getting the plan under way as soon as practicable. Morocco is to be approached by the United Nations.

#### *United Nations Technical Assistance*

7. With completion of the unification phase the emphasis has shifted to the civilian or technical assistance side of the Congo operation. In December the Secretary-General in a letter addressed to all members of the organization appealed for voluntary contributions to raise an immediate sum of \$8.6 million, which with sums already on hand plus a contribution of \$6 million from the Central Government, would support a \$19 million programme of civilian assistance to the Congo during 1963. (We are seeking additional information before considering what response Canada should make to this appeal.) This will provide for some 1,300 international experts who will work in all sectors of the country's life with the main concentration being in the fields of education, agriculture, health and communications. U Thant has indicated his intention of taking full advantage of every opportunity for transferring components of the Congo assistance programme which are of an advisory or training character to other normal sources of international financing. In this connection he has announced that the policy of channelling all aid through the United Nations is no longer necessary and that henceforth the Congo would be free to make bilateral arrangements for technical assistance in addition to U.N. aid.

[8.] The United States who are expected to bear a large share of the cost of U.N. technical assistance are currently drawing up plans in cooperation with the United Nations for dealing with a variety of administrative and economic problems. A U.S. team headed by Harlan Cleveland is scheduled to visit the Congo next week to assess future requirements of the U.N. military and civilian programme in the Congo in order to be able to deal confidently with Congress when funds are required. (Another U.S. mission headed by Mennen Williams may also go to the Congo.)<sup>8</sup>

<sup>8</sup> Voir/See *Foreign Relations of the United States 1961–1963*, Vol. XX (Washington: United States Government Printing Office, 1994), documents 413, 415.

[9.] It is to be hoped that with the progressive revival of the Congo's economy the Congolese Government can assume a greater share of the costs of the technical assistance they will require for some time to come. However, regardless of what financial contribution we may be asked to make it seems likely that Canada will be one of the countries which may be asked to provide French-speaking technicians to assist the Congo.

N.A. R[OBERTSON]

13.

DEA/6386-M-40

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

*Chargé d'Affaires in Congo  
to Secretary of State for External Affairs*

TELEGRAM 19

Leopoldville, January 30, 1963

CONFIDENTIAL. CANADIAN EYES ONLY. OPIIMMEDIATE.

Reference: My Tel 209 Dec 15/62.†

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

By Bag Pretoria, Accra, Lagos, Moscow, Delhi, Karachi, Kuala Lumpur, Dublin, Cairo from London.

#### TRAINING OF ANC

USA Ambassador Gullion called me this morning and showed me a telegram from State Department which stated they had a meeting with Embassy officials of various countries concerned with training scheme and that Canadian representative knew nothing about willingness of Canadian Government to appoint Brigadier to head UN Training Mission. I told Gullion that as far as I was aware our government was willing to put six to seven reserve officers at disposal of UN but that although I had mentioned to you General Mobutu's desire for Canadian Brigadier there had been no repeat no comment or decision on this specific point.

2. Gullion considers it essential that a Canadian head mission because otherwise they will be forced to appoint a Belgian which might delay further implementation of training scheme. Adoula was still reluctant to lessen predominance of Belgian contribution (although Mobutu favours it) and if head of mission were to be a Belgian Adoula would most likely find this an excuse to postpone his final agreement. Gullion also thought that in view of their past record with Force Publique Belgians did not repeat not deserve to play more than a secondary role in training. Although UN in New York and State Department appeared reconciled with this possibility Gullion thought it would be a pity to lose direction of scheme to Belgians by default. With regard to participation of countries other than European I understand that with the exception of Nigeria none of those approached showed interest in training scheme.

3. Gullion mentioned urgency of getting training underway because of eventual withdrawal of UN. It is estimated that by a year and a half from now no repeat no more than 6,000 UN troops would remain here. When I mentioned possibilities of placing ANC under UN command to fill gap (my telegram 15 January 28†) Gullion said Adoula had agreed to have ANC under command but UN Commander General Kebedde Guebre insisted that they become a UN contingent and Mobutu continues to be adamant against having ANC wear blue beret. This is situation at the moment. Gullion thought there might be an advantage in not repeat not

having ANC as coloured contingent because of possible breach of discipline for which UN might have to take blame if ANC wore blue beret.

[MICHEL] GAUVIN

14.

DEA/6386-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 155

New York, February 1, 1963

CONFIDENTIAL. CANADIAN EYES ONLY. PRIORITY.

Repeat for Information: London, Washington, Paris, NATO Paris, Brussels, Rome (Priority), DND, CCOS, CGS, CAS, DM, OAN, DP DMI (Priority) from Ottawa.

CONGO: ANC REORGANIZATION AND TRAINING

Planning for reorganization and retraining of ANC is in a state of flux. USA State Department is exercising considerable pressure on UN to move on this matter. This pressure is becoming increasingly embarrassing to Secretariat.

2. Secretariat state they do not repeat not accept Greene Plan as such and in future will not repeat not refer to it by this name. Secretariat claim that they initiated original training plan which is still acceptable to Adoula and while it will require refining in light of present and future circumstances it is still basis for retraining of ANC.

3. UN do not repeat not propose to sponsor any programme which involves bilateral agreements as envisaged by USA and believe they have talked Cleveland mission out of this proposal. UN will take a completely negative attitude if USA State Department insist on pushing Greene Plan under bilateral agreements between Congo Government and participating countries.

4. UN state Greene Plan has served its purpose in that it has obtained recognition by Central Government of necessity of reorganizing and retraining ANC. UN Secretariat also state they would discourage any direct military assistance to Congo on a bilateral basis during period UN is responsible for internal security of Congo. This stand is for obvious reasons as UN could not repeat not condone situation whereby a number of countries could be participating under bilateral arrangements and using UN as a shield. Under this circumstance any differences between Congolese and participating governments could be blamed on UN.

5. Not repeat not withstanding above UN appreciate urgency of evolving a suitable reorganization and retraining plan and for this reason Brigadier Rikhye and Urquhart are leaving for Congo on February 5. They propose to discuss this programme in detail and should return to New York approximately February 18.

6. UN Secretariat has again confirmed that any plan evolved will require participation of as many of present contributing governments as possible and particularly those which have capability both technically and from point of view of language to retrain ANC. Reorganization and retraining of ANC is of utmost importance to UN as it is only when this force is reconstituted that UN can withdraw its contingents from Congo.

7. Congo Desk Officer in USA Mission (Dickinson) who is in daily touch with Secretariat has apparently been given a different account by Secretariat. He claimed that Secretariat have fully accepted Greene Plan that they are not repeat not worried about bilateral arrangements and that their only doubt is over nationality of training groups. Secretariat have told Dickinson

that Rikhye has gone to Congo to persuade Congolese to accept Greene Plan. He said Secretariat have asked USA not repeat not to press with application of plan until Adoula has agreed; in meantime they have expressed wish that USA discourage representatives of other contributors from calling on Secretariat. Dickinson said he has asked State Department to postpone any initiative for promoting Greene Plan while Cleveland is in Congo.

8. This account is completely at variance with that given us by Rikhye. Since Rikhye was equally explicit and allowed us to take notes one or two explanations may account for differences. Possibly Rikhye wrongly believes that he persuaded Cleveland not repeat not to proceed with Greene Plan whereas he did not repeat not even get Secretariat's objections across to Cleveland. Alternatively USA may be trying to limit knowledge of Secretariat objections to Greene Plan. In either case we consider that it would be unwise at this point to advise USA that we have had different version from Secretariat as presumably Rikhye has been more candid with us than with USA representatives.

15.

DEA/6386-M-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-153

Ottawa, February 1, 1963

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 52 Jan 11/63† and your Let 69 Jan 23.†

Repeat for Information: CCOS, DM/DND, London, NATO Paris, Paris, Brussels, Rome, Tel Aviv, Leopoldville, Accra, Lagos, Younde, Delhi, Karachi, Jakarta, Kuala Lumpur, Dublin, Stockholm, Oslo, Copenhagen.

CONGO: ANC RETRAINING AND REORGANIZATION SCHEME

For Tremblay: Grateful if you would seek an opportunity to speak personally to U Thant about ANC retraining scheme; to confirm information given you by Brigadier Rikhye and to make points mentioned below not covered in earlier conversation. We should like to know whether plan meets with full approval of Secretary-General.

2. You may tell Secretary-General that although we have taken part in exploratory talks in Washington, no repeat no Canadian decision has yet been taken concerning Canadian participation. Secretary-General will recall we concurred with his last year's assessment that training of Congolese armed forces was essential to re-establishment of peace and order in country. We agreed in April 1962 to make available for that purpose six or seven retired French-speaking officers and that offer has not repeat not been withdrawn. We wish some assurances concerning long-term political acceptability of current USA proposals for ANC retraining. We are concerned lest fact that all countries who have been asked to take part are from West and in particular belong to NATO may eventually give rise to criticism from Communist and unaligned countries. It may be expected that in due course political forces will emerge in Congolese politics which will be suspicious of Western motives. Presence in country of military training personnel from NATO countries only might encourage these suspicions and play into hands of anti-Western elements. We are aware that USA and other Western countries are also concerned with this possibility. On the other hand, previous UN attempt to tackle problem has shown that few if any countries outside those mentioned in reference telegram may be in a position to provide military training assistance on standards

acceptable to Congolese leaders. We should like to know therefore whether Secretary-General agrees that plan is best possible under circumstances and if so whether he would envisage any modification which would enable non-repeat non-NATO countries to be drawn into it. It may be possible to ask African countries such as Nigeria or Tunisia to take associate tasks such as police or infantry training. In this connection, it should be noted that participation by non-repeat non-Western countries might help secure wider financial support in UN.

3. It would also be useful to know what relationship UN envisages between phasing out of ONUC operations and establishment of training scheme. Recent requests for bilingual officers to serve ANC battalions as training and administrative officers (your telegram 74 January 15<sup>+</sup>) would indicate that UN wishes to attach UN liaison officers to Congolese forces in the field. If officers performing these tasks are recruited from major participants of ONUC and incorporated in retraining and reorganization scheme, problem outlined in paragraph 2 might be partially alleviated.

4. We would also require full information on financial arrangements. Would UN for example, agree to pay special allowances, cost of transportation, etc., of instructors as it does for ONUC personnel?

5. You should also state that requests for Canadian assistance would be officially considered only if they come from Secretary-General and have been supported by Congolese Government. Requests should be specific and describe task to be performed, facilities to be placed at disposal of officers and likely duration of commitments.

6. For Washington: You may inform State Department of our approach to Secretary-General.

For other posts: Please do not repeat not discuss this matter with local authorities pending further instructions.

16.

DEA/6386-M-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, March 15, 1963

CONGO — U.N. TRAINING SCHEME FOR ANC

Recent telegrams from our Embassy in Leopoldville had raised certain doubts as to whether it would be possible to organize a training programme for the Congolese Armed Forces under a UN umbrella as originally envisaged by the USA mission under Colonel Greene. There were also new doubts as to whether it was still the Congolese and UN desire to have a Canadian head a UN co-ordinating staff if one were set up, or whether Canadian participation had now been reduced to bilateral assistance in training in communications. The Embassy in Washington was asked to ascertain from the State Department whether the USA Government considered that a fundamental change had come about in the proposed UN training scheme.

2. Mr. Robinson reported today by telephone that the State Department did not consider that the original plan was faltering or had undergone substantial change, and that they were anxious to move ahead with the task as quickly as possible. It was still their intention to preserve the UN umbrella in order that the USA could disengage quietly, confident that the scheme would go forward in competent hands.

3. Regarding financing, it had always been the USA view that the training contingents to be supplied by various UN members would be on the basis of national contributions paid for by

the sending governments, not by the UN. The only exception to that rule in their view would be the small international directing staff, which would be paid for the UN and would be under the authority of the Secretary-General. It was for the position of officer-in-charge of the international directing staff that the USA still hoped that Canada would provide an officer of brigadier rank, who would be paid for by the UN and would be responsible to the Secretary-General. It was true that Dericoyard's letter had cast some doubt on the rôle of the UN and on whether a Canadian was wanted to head the international directing staff, but since then clarifications had been received which made it clear that the Congolese still wanted a Canadian for the job and that there was no intention to depart from the terms of the UN rôle as envisaged in Adoula's first letter.<sup>9</sup> In the UN Secretariat there were still some who were opposed to the UN assuming any responsibility for the re-training scheme, but the USA were strongly advocating the recruitment of a small international directing staff at UN expense, and were confident that they would be successful. U Thant personally is in favour and to preserve the international character of the directing staff, intends to appoint some Africans and Asians to it.

4. The USA regard it as a matter of urgency to get the directing staff appointed before individual countries proceed too far in bilateral arrangements with the Congolese Government for individual aspects of the training programme. They attach considerable importance to the early naming of the Canadian to head the UN directing staff as they believe that he will be in a position to exert considerable influence on the organization of the whole training programme.

5. Robinson believes that if Canada looked favourably on accepting the post of brigadier-in-charge and if it were National Defence's wish that he have a small supporting staff of Canadians, this would be negotiable with the UN. He also thought it might be useful to have a senior Canadian Army officer visit New York in order to obtain clarification of the key problem in connection with this appointment, viz., the precise nature of the authority which the UN directing staff would have over the national contingents making up the training units.<sup>10</sup>

R. C[AMPBELL]

17.

DEA/6386-40

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

*Memorandum from African and Middle Eastern Division  
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], March 28, 1963

CONGO: ANC TRAINING

The Advisory Committee meeting has been postponed until the end of next week.

2. Rufus Smith of the American Embassy phoned this afternoon to ask whether there was anything we could tell him about instructions for Tremblay in connection with the meeting, which Washington expected to take place tomorrow. I gathered that the State Department had reported on our recent discussions in Washington and had suggested that the Embassy here do

<sup>9</sup> Voir UN Doc S/5240, Annexe I (4 février 1963), et UN Doc S/5240/Add.2, p. 2 à 4 (21 mai 1963), <http://documents.un.org/>.

See UN Doc S/5240, Annex I (February 4, 1963), and UN Doc S/5240/Add.2, pp. 2-4 (May 21, 1963), <http://documents.un.org/>.

<sup>10</sup> Note marginale :/Marginal note:  
Noted. N.A. R[obertson]

what it could do to enlist our assistance in the Advisory Group. I said that Tremblay was discussing the whole problem of United Nations responsibility and the Co-ordinating staff with the Secretary-General and that before sending any instructions we would probably wish to take account of the Secretary-General's own comments.

3. I then talked with Tremblay, who had just returned from his meeting with U Thant, and who was able to confirm that there would be no meeting tomorrow. He said all signs indicated that the Secretary-General was swinging to the African-Asian point of view; or at least towards a decision in which this point of view would be the determining factor. (A delegation of six or seven Permanent Representatives from the African-Asian group was waiting to go in when Tremblay left. Yost of the Americans was also to see him later in the day.)

4. U Thant told Tremblay that the USSR had already made it clear to him that they would not accept any scheme along the lines proposed without a special mandate from the Security Council. The three Governments in the African-Asian group involved in the proposed additions to the Co-ordinating Staff had been approached, and had refused to have any part in the exercise. From his conversation with the Secretary-General Tremblay was convinced that the real stumbling block so far as the African-Asians (and U Thant himself) are concerned is the major role of the Belgians in the programme. This raises a political issue which is probably not susceptible, from the Secretary-General's point of view, to any solution based on the degree of authority or nature of the functions of a co-ordinating staff.

5. In the circumstances Tremblay is more and more convinced that on political grounds the Secretary-General will feel himself forced to wash his hands of the present training programme. Tremblay doubts, however, that U Thant will make his final decision known at next week's meeting.<sup>11</sup>

R.E. C[OLLINS]

P.S. Tremblay will be in Toronto Friday and doesn't expect any comments or instructions before beginning of next week. R.E. C[ollins]

<sup>11</sup> Note marginale :/Marginal note:

I told Tremblay by phone 27/3

(1) We could live with outcome foreseen by Sec[retary]-Gen[eral], but could not be seen to be favouring it now.

(2) over-riding consideration should be

(a) to keep in step with USA

(b) not to take pro-Belgian [line in?] Advisory Com[mitt]ee

([3?]) U Thant probably

(a) unduly influenced by opposition of USSR (hence sudden change of position)

(b) underestimating USA influence on Belgians & Congo Gov[ernment] to bring about UN Co-ord[inating] Group

R. C[ampbell]

18.

DEA/6386-40

*Le sous-secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès des Nations Unies*

*Under-Secretary of State for External Affairs  
to Permanent Representative to United Nations*

LETTER NO. V-172

Ottawa, April 1, 1963

CONFIDENTIAL. CANADIAN EYES ONLY.

## MEETING WITH MR. C. V. NARASIMHAN

Mr. Narasimhan of the United Nations Secretariat recently came to Ottawa to participate in the meeting of the National Commission of UNESCO. While he was here, he agreed to come and speak informally to officials in the Department.

2. The attached memorandum is a record of Mr. Narasimhan's views which he expressed during his meeting with Departmental officials. Most of the meeting was devoted to discussing the current plan for training the ANC in the Congo. He did, however, deal briefly with a number of other current problems. We think you will find Mr. Narasimhan's views interesting.

3. Mr. Narasimhan spoke to us very frankly and we should be grateful if you would be especially careful not to attribute to him the statements which he made during the meeting.

ROSS CAMPBELL  
for Under-Secretary of State  
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

*Extrait du compte rendu de la réunion des représentants du Ministère  
avec C.V. Narasimhan du secrétariat des Nations Unies*

*Extract of Record of Meeting of Departmental Officials  
with C.V. Narasimhan, United Nations Secretariat*

CONFIDENTIAL. CANADIAN EYES ONLY.

[Ottawa], April 1, 1963

## MEETING WITH MR. C. V. NARASIMHAN

*Congo*

Narasimhan confirmed Tremblay's impression that the Secretary-General is seriously contemplating the advisability of withdrawing the United Nations umbrella from the ANC training operation. He claimed that this did not represent an about-face which took place during the course of the recent meeting of the Advisory Committee. It was rather a possibility which the Secretariat had been forced to consider when it became apparent from the recent exchanges with Adoula and the press leak in Leopoldville<sup>12</sup> that the Congolese (i.e., Mobutu) intended to have the Belgians take over the lion's share of the training programme. Narasimhan pointed out that the Secretary-General must take into account the views of both the communist bloc, which is ready to exploit any evidence to support their contention that the Secretariat is a tool of the United States, and of the Afro-Asians, who are equally sensitive on the score of the United Nations being used for the benefit of the ex-colonial powers. The

<sup>12</sup> Voir/See UN Doc S/5240/Add.2 (May 21, 1963), <http://documents.un.org/>; J. Anthony Lukas, "Congo Asks Six Nations To Help Retrain Forces," *New York Times*, March 15, 1963, pp. 1, 3.



composition of the group proposed by Colonel Greene and Adoula to undertake the training programme did not make U Thant's position any easier, consisting as it did exclusively of NATO countries plus Israel. In itself, this would not necessarily be an insurmountable obstacle, in view of the obvious difficulty of obtaining competent instructors from any other group. When to this was added the preponderant role of the Belgians, however, bitter opposition could be anticipated within the United Nations on the grounds that the Organization had not spent \$400 million and sacrificed many lives, including that of a Secretary-General, in order to bring the Belgians back. Experience of the Belgians in the Congo during the period of the United Nations effort there had convinced Narasimhan that, however, much Spaak might wish to co-operate in a genuinely United Nations oriented programme, the individual Belgians who would carry it out would find it impossible to shake off their former attitudes and aspirations. These objections would not apply in relation to any of the other countries named to take on training duties; there was no opposition, for example, on the ground of NATO membership. Narasimhan made it clear that he personally did not see the problem in terms of the nature or degree of authority vested in a United Nations co-ordinating staff. So far as he was concerned, given the contemplated role of the Belgian contingent, such authority could not be effectively exercised and any attempt to control the operation would simply result in a continual conflict of interests.

2. At the same time Narasimhan recognized that there might well be no one else who could undertake the job, and that the Americans were deeply committed to getting on with it in what seemed the most practical fashion as soon as possible. This had, in fact, been embarrassing for the Secretariat since the Americans had throughout shown a tendency to jump the gun. For example, the Greene, Cleveland and Truman missions and other similar initiatives had been undertaken without any prior consultation. He also recognized the desirability from the American viewpoint of a United Nations umbrella. In the circumstances, however, any umbrella which could be provided might well be both ineffective as a genuine instrument of United Nations policy and politically disastrous insofar as it implied United Nations sponsorship of a revival of Belgian influence.

3. The United Nations had probably over-reached itself in the Congo and in the process had tarnished the Organization's prestige. It had been lucky, however, in that the operation had ended as of now on a note of success. The Secretary-General might therefore be well advised to disengage while the record was relatively clean. The Belgians on their own could do the job, in all probability much more expeditiously than they could under any United Nations programme. This in turn might well enable ONUC to withdraw its forces more rapidly than had been anticipated, perhaps in a matter of months. Given the financial problem, this would be all to the good. Narasimhan also admitted, however, that on the financial side, washing his hands of the training programme in circumstances which opened the way to revived Belgian domination might create additional difficulties for the Secretary-General in connection with the effort to persuade the Soviet Union and others to honour their obligations with respect to the Congo operation.

4. Although Narasimhan was aware of the risks involved, he did not think that a large Belgian training mission would lead to a new "Katanga" situation. On the contrary he thought the Belgians would in fact find themselves responsible for seeing that such a situation did not arise.

5. Narasimhan said that although he preferred the above solution, he was sure the Secretary-General would welcome our views on the alternative solution of a strong United Nations coordinating group, under whose direction the military missions would train the Congolese forces. If such a group had a balanced composition, and the African-Asian states could be persuaded to accept this solution, it would, of course, ease the Secretary-General's position.

...

19.

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-100

Ottawa, April 15, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 481 Apr 11.†

Repeat for Information: London, Washington, Paris, NATO Paris, Brussels, CCOS (Routine).

By Bag Cairo, Delhi, Leopoldville, Accra, Lagos, Stockholm, Oslo.

CONGO: ANC TRAINING

We agree that in Congo Advisory Committee you should take whatever line is likely to be of most help to the Secretary-General in overcoming a difficult situation. Thus if U Thant recommends at beginning of meeting exclusively bilateral arrangements for training ANC you may accept his recommendation. If U Thant does not express any views and asks for advice of members you should emphasize relationship of withdrawal of ONUC to training programme and say we would prefer UN to coordinate the programme but if this is not feasible then Congolese should be allowed to make their own arrangements bilaterally.

2. For your own information we should not lose sight of fact that how this question is settled may have an important effect on future domestic political situation in Congo. Purely bilateral arrangements with Belgians will lay Adoula Government open to opposition charges they have taken Congo into Western camp. Presumably this possibility has not escaped Soviet Union as well as Casablanca powers and other non-aligned states who may find Adoula and present leadership in Leopoldville too pro West. It is important therefore UN reaction to whatever solution is found should not be such that it can be interpreted later as tacit disapproval or objection to bilateral arrangements.

3. We agree with your assessment of the feasibility of the Ghana compromise proposal (your paragraph 6) but think we should not take a public position on the question of African states training the ANC.

## SECTION B

COMITÉ DES 18 PAYS SUR LE DÉSARMEMENT  
18-NATION DISARMAMENT COMMITTEE

20.

DEA/50271-T-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 91

Moscow, February 21, 1962

CONFIDENTIAL. PRIORITY.

Reference: My Tel 82 Feb 14.†

Repeat for Information: London, Washington, NATO Paris, Paris, Bonn, Permis New York, Geneva, Brussels, Hague from London, PCO, CCOS, DM/DND from Ottawa. By Bag Vienna, Belgrade, Warsaw from London.

## DISARMAMENT PROSPECTS

Dated February 21 – I hope I am mistaken, but my impression is Soviet leaders are envisaging forthcoming Disarmament Conference in Geneva at least primarily in propaganda terms. Thus far neither I nor my principal Western colleagues have been able to find any indication that Soviet leaders are envisaging or planning serious effort to reach significant agreements on disarmament at this time. For reasons described later in this message I believe some genuine progress toward agreements in disarmament field could be very useful to USSR, and it is just conceivable that after March 5 Central Committee meeting decisions might be taken to achieve something in this direction. Nevertheless I thought I should report present melancholy indications that propaganda considerations still appear predominant here.

2. At Nepalese reception on February 19 I had a conversation with Kosygin. I asked him whether he anticipated any genuine developments at Geneva meeting. My impression from his remarks was that he did not repeat not. He made usual point that he and his colleagues always hoped for agreement, as they had for years, but he did not repeat not think West really desired it. He made standard Communist point about influence of arms industries in Western policy. He said he interpreted reluctance of Western heads of governments to go to Geneva to start off meeting as evidence West itself considered its case a weak one. I got impression that even at his Praesidium level Geneva exercise is being thought of chiefly in propaganda terms.

3. Incidentally I asked Kosygin whether Khrushchev planned to go to Geneva in mid-March even if Western heads of governments did not repeat not do so at first stage but preferred to take part later if developments justified this. Kosygin said that no repeat no decision had yet been taken on this point, but that a decision would be taken later in the light of developments. Later Gromyko told Thompson he had no repeat no information on whether Khrushchev would go if Kennedy did not repeat not. Our impression is that Khrushchev will probably not repeat not in fact go at beginning in view of replies from Western leaders and from India and Brazil.

4. Khrushchev's "I'll raise you one" reply to Kennedy-Macmillan letter looked like propaganda.<sup>13</sup> So has Soviet press treatment since then. *Pravda* coupled publication of exchange of letters with long article same day charging Western bad faith in disarmament questions.

5. Moreover general Soviet approach (18-Nation Summit, etc.) contrasts with serious diplomatic technique used hitherto by Soviet Government on relatively few occasions when they have genuinely sought, and in the end achieved, meaningful substantive agreements with West on major international issues – e.g. weeks or months of patient backstage diplomatic conversations which led to agreement on Trieste, on ending Berlin blockade in 1949, on withdrawal from Austria, etc.

6. Moreover Soviet Government presumably realize that genuine agreement on such sensitive and delicate question as disarmament would be facilitated by measures to reduce tension and increase mutual confidence, in other areas of international dispute. There has been no repeat no real sign of such efforts to reduce tension and reach settlements on e.g. Berlin question (except that sense of urgency has been significantly reduced in past months). Recent Soviet press attacks on USA about Cuba, Vietnam, and other questions have been very tough in tone. So have comments on Germany, for example Polyanov's article in yesterday's *Izvestia*, contained following sentence in conclusion: "If, on the other hand, Washington and its partners are thinking of trying their luck with a test of strength, and if they dare to violate sovereignty of DDR, they should know in advance that there can be only [one] response – and that this will be fast and annihilating."

7. Recent Soviet attempts to limit Western use of air corridors to West Berlin, and particularly last Saturday's tough note to three Western Powers asserting right of DDR to control use of this air space, has been somewhat ominous and not repeat not calculated to reduce tension.<sup>14</sup>

8. Lack of evidence thus far that Soviet side is approaching Geneva Disarmament Meeting with intention to lay aside propaganda and seek serious agreements in calm atmosphere naturally would not preclude possibility of dramatic or glamorous Soviet proposals and initiatives in this field. Presumably Soviet leaders must have had some proposals in mind which Khrushchev would put forward were he at start of conference, and which would at least look dramatic and appealing. Even if Khrushchev does not repeat not go himself at start such proposals may be made. One possibility may be revived and perhaps revised zonal proposal along lines of earlier Rapacki Plan.<sup>15</sup> There may be proposals for atom[ic]-free zones, etc. Soviet Government has already on various occasions indicated interest in various proposals along these lines, as well as in non-aggression pacts between blocs, etc. Western side will presumably be ready for proposals along these lines.

<sup>13</sup> Voir/See *Foreign Relations of the United States, 1961–1963*, Vol. VI (Washington: United States Government Printing Office, 1996), documents 31, 32.

<sup>14</sup> Parce que l'Union soviétique a continué d'utiliser les corridors aériens à l'exclusion de tous les autres, le 15 février, les trois grandes puissances occidentales ont envoyé une note de protestation au ministère soviétique des Affaires étrangères. Pour prendre connaissance du texte de cette note et de la réponse soviétique, voir *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 687–689.

Because the Soviet Union continued using the air corridors to the exclusion of all others, on February 15 the three Western powers sent a protest to the Soviet Ministry of Foreign Affairs. For text of this note and the Soviet reply, see *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 687–689.

<sup>15</sup> Voir/See James R. Ozinga, *The Rapacki Plan: The 1957 Proposal to Denuclearize Central Europe, and an Analysis of Its Rejection* (Jefferson, NC: McFarland & Co., 1989).

9. On procedure it is too soon to say how Khrushchev may react to de Gaulle's counter suggestion for a nuclear Disarmament Conference limited to powers already possessing nuclear weapons or likely soon to possess them. On substance overall nuclear disarmament looks as difficult as ever.

10. On other hand there have been some indications of Soviet desire to keep open their conversation and channels with USA, FGR, and West in general, and in some cases even to improve them. For example I understand in strict confidence that arrangements for Kennedy-Khrushchev TV debate seem likely to be completed soon. Soviet disinclination to break off conversations on Berlin problem despite lack of progress hitherto is also not repeat not discouraging.

11. As mentioned above there are, in my judgment and that of other Western observers here, reasons to believe that some genuine progress in disarmament field at this time could be of value to Khrushchev. Thus he would probably see genuine economic (and hence domestic political) advantage if he could find some way if not repeat not to reduce his defence budget then at least to prevent further increases in defence spending, in order to permit increased allocation of resources to capital investment particularly for agriculture. Similarly some genuine beginning on real disarmament agreements with West might present a way out for Khrushchev in his dilemmas on Berlin problem. An agreement which included limitation on West German armaments and undertakings not repeat not to transfer nuclear weapons to West Germany (in exchange for corresponding advantages to Western side) could perhaps be presented by Khrushchev to his party and bloc as meeting some basic Soviet objectives in their drive for German peace treaty, and might thus be used, if he so wished, to help justify climb down on Berlin issue itself. In other words as Adenauer and Kroll have long urged, some solution might be found within disarmament framework to meet some Soviet objectives (or proclaimed objectives) on German question which can hardly be met within German framework itself.

12. As stated in my reference telegram I think Soviet attitude on many of these questions is probably still undecided, and probably related to decisions about their relations with China. Soviet-Chinese issue may be coming closer to head, and next few weeks may show whether rift can again be papered over or will become more open as well as deeper. While therefore hard evidence thus far available does not repeat not suggest very promising prospects for success in disarmament negotiations, it is just conceivable that Soviet thinking may take more promising turn on this question.

13. At last Monday Nepalese reception I had talk with Organov (Chairman Praesidium RSFSR Supreme Soviet), Pushkin, and a couple of marshals, partly on disarmament prospects. They did not repeat not seem optimistic. I suggested that unless genuine progress were made soon to limit spread of arms whole problem would become much more difficult and dangerous in few years when China and others got nuclear weapons. I thought their immediate agreement to this point was sincere and significant.

ARNOLD SMITH

21.

DEA/50271-M-40

*Le chef de la délégation au Comité sur le désarmement  
au secrétaire d'État aux Affaires extérieures*

*Head, Delegation to Disarmament Committee,  
to Secretary of State for External Affairs*

TELEGRAM 192

Geneva, March 13, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: London, Washington, Permiso New York, NATO Paris, Paris, Bonn (OpImmediate).

## TALK WITH LORD HOME

I had an hour talk with Lord Home at his request shortly after I arrived. I found him hopeful about the prospects of the conference on disarmament mainly because of the degree to which USA Government was willing to take a constructive initiative which he feels the Russians will find difficult to reject. USA and UK, he said, were in close agreement both on disarmament and on nuclear tests.

2. USA were contemplating an offer (which they stress should be kept a close secret until they put it forward), of a 30 percent across the board reduction in weapons including nuclear carriers accompanied by sample inspection. Home described this USA initiative as nothing short of "spectacular." The important point in his judgment about this offer would be that it proposed in the first stage of the amended USA plan that there should be a substantial destruction of arms.

3. On nuclear tests, Home said, contrary to press reports there was complete agreement between UK and USA. They were agreed that it was not repeat not sufficient to rely on national detection systems to check the observance of a nuclear test ban treaty. They were also agreed that unless scientists can say that a national system of detection can detect the location as well as the fact of test explosions it would not repeat not be possible to accept national detection systems tests in the upper atmosphere and under the ground. UK was perhaps more inclined to think that scientists could come up with a positive answer than USA was. Home, however, was trying to explore with Gromyko how much leeway his instructions would permit in admitting international inspection teams into Russia.

4. Home stressed, however, that disagreement with the Russians over nuclear tests would not repeat not inhibit or be allowed to prejudice discussions on general and complete disarmament, especially in view of USA's expected initiative referred to above.

5. Home described his talks with Gromyko over Berlin as "rather tough." Home had told Gromyko that Soviet scattering of chaff to interfere with radar and air traffic control in the air corridors was "very nearly an act of war" and extremely dangerous. Gromyko professed ignorance about these incidents but was clearly embarrassed according to Home. Home suggested to Gromyko that he might check with the military authorities in Moscow as the allies had clear evidence as to the source of this interference and could give facts about Soviet bombers used for this activity. Home stressed that USA and UK governments took the most serious view of this kind of pressure on civilian airline traffic and it was only the reduction and virtual abandonment on this activity in the corridors today that had prevented their recommending to their governments reconsideration of the opening of the Disarmament Conference. I made the comment that postponement or interference with conference arrangements might put the West in the wrong since so many public expectations are based

upon it. Home replied that in any case the discontinuance of Soviet activity had removed the need for drastic reaction for the time being.

6. As to conditions in Berlin, Home told me that he had formed the judgment from his recent personal visit that morale was good, the Western Germans were determined to support West Berlin with investment funds and other economic measures, but he did not repeat not deny the possibility of a long term decline in viability over the next ten years.

7. As to the possibility of a summit meeting of Heads of Government, Home told me that Rusk had told Gromyko that it might be possible to have such a meeting provided there were agreement at least in principle on some of the broader issues involved on the question of Berlin and Germany as well as on access. Later we were told by Kohler (USA) that so far there had been no repeat no response.

[H.C.] GREEN

22.

DEA/50271-M-40

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

*Memorandum by Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], April 3, 1962

DISARMAMENT NEGOTIATIONS

Ambassador Merchant discussed this subject with the Minister when he called on him this morning.

2. Mr. Merchant was appreciative of Canada's role in the meetings. Mr. Green in turn spoke very favourably of the performance of the United States Delegation, particularly the patience displayed by Mr. Rusk and Mr. Dean.

3. Mr. Merchant indicated that the United States side were anxious to be flexible about virtually all details but were not prepared to make concessions on points of substance that really affect the security of the United States and of Western countries generally, for example they felt that they had to insist on inspection and verification for security reasons but they were quite willing to be flexible on the nature of the arrangements, even going so far as to indicate a readiness to accept random sampling techniques.

4. Mr. Merchant intimated that any dissatisfaction which the United States side had felt over the Canadian proposal regarding outer space related to the fact that the text had not been shown to them in advance (and also that the proposal included no provision for verification). The Minister insisted that the substance of the Canadian proposition was in line with agreed views of the four Western countries and in general terms had been made known to the United States side ahead of time. Mr. Green thought it was most important to attempt to reach agreement on some matter upon which there seemed to be little disagreement. It was only by recording agreements that some progress might be made towards solution of the really difficult problems. In this connection, Mr. Green spoke highly of the role of the 8 "neutrals." He thought that they were anxious to help the negotiations along. It was amazing to him that the Russians had accepted such a good list of countries. Mr. Green hoped that the United States would consider carefully any proposal put up by any member of this group. Mr. Merchant noted that the Swedish proposal presented serious danger and could not be accepted by the United States. Mr. Green re-emphasized the importance of giving a fair hearing to any suggestions from such a country as Sweden.

5. At several points in the conversation the Minister reiterated that he thought it most important for the United States to avoid initiating a new series of nuclear tests. Mr. Green

thought that world opinion would be very critical of the country which first resumes tests. Mr. Merchant remarked that the Russians had already been first in starting tests after the original suspension. Mr. Green suggested that past tests were now a considerable distance behind us and that attention was now focussed on what happens from this point onward. Perhaps the United States could have got away with starting tests again if they had acted immediately after the Russian series. Now they would be held to blame if they were to start tests after the memory of the Soviet tests had pretty well faded. Mr. Green hoped that the United States would at least hold off any resumption of tests until the Russians had made another start. Mr. Merchant remarked that delay in resuming tests might impair the development of United States weapons. Mr. Green said that he did not think the delay would necessarily be very long since no doubt the Americans could commence testing in two or three weeks' time after the Russians had started.

6. Mr. Merchant returned again to the point that the Russians had been the first to resume tests. He thought it would be most unfair if the 8 neutral nations were to withdraw from the Geneva talks in the event that the United States found it necessary to start up tests again before the Russians got around to initiating their next series of tests. Mr. Green expressed the hope that the United States would not feel that it had to begin tests while there was still some chance of progress in the Geneva talks. He was certain that rightly or wrongly, a resumption of tests by the United States would have a very bad effect on the Geneva negotiations.<sup>16</sup>

A.E. R[ITCHIE]

23.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière de désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 626

Geneva, April 7, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Bonn, Rome (OpImmediate), CCOS (JS/DSS) Ottawa (OpImmediate) from Ottawa. By Bag Moscow from London.

NON-ALIGNED NATIONS AND NUCLEAR TESTING CESSATION

At a lunch given by Swedes on April 6 Lall, Padilla Nervo and Abdel Fattah Hassan were present besides myself and conversation was mostly about what could be done to stop resumption of nuclear testing.

2. Some doubt was expressed that nuclear powers really wanted to stop. Russians may be preparing for another test series and would like to place blame for renewed tests on Americans. Both sides may have adopted and be holding to positions on a nuclear test cessation treaty that they are sure other side could not repeat not adopt.

3. General view was that neutrals would have to intensify their efforts to bring about a compromise agreement. As representatives of world's non-aligned nations, they had this duty and could not repeat not let testing recommence by their default. They should try to get

<sup>16</sup> Estampillé :/Stamped:  
Seen by John G. Diefenbaker.



together on a definite proposal. For this purpose it was intended to have meetings of eight that night and Saturday.

4. Lall has been most active in consulting Russians. While he is not repeat not getting much encouragement, their attitude is not repeat not completely negative and he is continuing consultations.

5. Hassan suggested there was a danger that if a proposal supported by eight neutrals should be accepted by one side and not repeat not by others, neutrals would thereby incur a commitment to side accepting; therefore in some sense lose their impartial status. Others present, however, did not repeat not think that this possible outcome should prevent their acting.

6. Composition and duties of a Central International Control Organization were discussed. Consensus was that adjudicating body should be made up of non-aligned scientists of reputation; probably six whose decisions should be two-thirds majority. It should be their duty to call for explanations of events when seismic records indicated suspicion of a nuclear explosion. If no repeat no satisfactory explanation was furnished, they should request country on whose territory event had occurred to admit an inspecting team of neutrals. There should be some control stations, preferably in neutral countries, in addition to national detection systems which would supply data to Central International Control Organization. Inspections would only be needed when underground tests were suspected; those in atmosphere and under water can readily be detected by national systems.

7. We shall be keeping in touch and advising you of any further developments.

[E.L.M.] BURNS

24.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-90

Ottawa, April 11, 1962

CANADIAN EYES ONLY. CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 636 of April 10.†

Repeat for Information: NATO Paris, Paris, Washington, London, Permis New York, Bonn, Rome, CCOS (JS/DSS) (Priority).

By Bag Moscow.

NUCLEAR TEST SUSPENSION AGREEMENT – NEUTRAL INITIATIVE

In my opinion, it is increasingly important that the neutrals submit a written text embodying their proposals for a test ban compromise. I wish you to continue to give them as much encouragement as you can, and to impress them with the urgency of immediate action in putting forward a draft.

[H.C.] GREEN

25.

DEA/50271-T-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, 1962

DISARMAMENT: TALKS WITH REPRESENTATIVES OF UNCOMMITTED  
COUNTRIES ABOUT THE FUTURE OF THE CONFERENCE

Carrying out your instructions, Mr. Ignatieff has had talks with the Ambassadors of Brazil, Mexico, Sweden and the U.A.R. and the High Commissioner for India. Each of them was told of the importance we attach to the eight neutrals coming forward this week with a concrete and carefully reasoned proposal which might serve as a compromise on the question of verifying compliance with a nuclear test ban. Emphasis was also laid on the importance of registering some initial measure of agreement at the Geneva Conference on other matters such as the drafting of the preamble on disarmament and a declaration on the prevention of war propaganda.

2. The most forthcoming with their support for our point of view were the Mexican Ambassador and the Chargé d'Affaires of Brazil. Both expressed complete agreement about the importance of the eight putting forward a compromise proposal this week which would be sufficiently fair and objective that it might have a chance of acceptance by both sides. They were both also in agreement on the importance of pressing forward with renewed efforts to reach some measure of agreement on other matters before the Conference.

3. The U.A.R. Ambassador, although entirely sympathetic to our point of view, was concerned whether his Government would be willing to take an initiative in trying to break the stalemate on nuclear tests which might be interpreted as being partial by one side or the other. When Ignatieff assured him that what was contemplated was a united initiative to put forward a compromise proposal by the eight, he was much happier about the idea and said that he would report our views to his Government and keep us informed of any views which he may receive from Cairo. We urged upon him the importance that the compromise should be clearly objective and impartial and that the eight should insist that it should not be rejected out of hand by the Three.

4. The Indian High Commissioner and the Swedish Ambassador seemed a little more pessimistic about the prospect of the eight achieving any success for a compromise proposal which might bring about agreement on a nuclear test ban. Mr. Chakravarty recalled that his Government had already sponsored an appeal to the nuclear powers to desist from nuclear testing pending negotiations on a nuclear test ban treaty in a resolution adopted by the General Assembly. It now seemed to him that the United States Government was determined to go ahead in disregard of the opinion of the uncommitted countries.

5. Mr. Chakravarty, however, called today to say that on reporting his conversation with us to New Delhi he had received word today that the Indian Government was equally concerned to prevent a deadlock at Geneva over the nuclear test talks and that the Indian Representative was engaged in both bilateral talks as well as consultations with the other representatives of uncommitted countries with a view to working out a compromise proposal on verification. He added the information that Mr. Krishna Menon was expected to go to Geneva either next week or the week after.

6. None of these representatives expressed any definite opinion as to whether or not the Geneva Conference would break down if nuclear testing were resumed, but agreed that the resumption of tests by the United States would be a serious set-back and that special efforts would be required to keep it going. Mr. Chakravarty thought that there was a real danger that the Soviet Union might walk out of the conference if the U.S.A. resumed testing.

N.A. R[OBERTSON]

26.

J.G.D./MG01/XII/D/151

*Le président des États-Unis  
au premier ministre*

*President of United States  
to Prime Minister*

CONFIDENTIAL

Washington, April 13, 1962

Dear Prime Minister:

I was glad that Secretary Rusk and Ambassador Heaney had a good talk on disarmament and nuclear testing last Tuesday. For some time I have had an uneasy feeling that perhaps the positions of our two countries were becoming increasingly disparate on the nuclear test question. We were therefore happy to hear your views and to have an opportunity to present ours. In this letter I would like to follow up on what Secretary Rusk said.

Nuclear testing confronts the West with a choice between two tragic alternatives. One alternative is to refrain from atmospheric testing, but this gives the Soviet Union the freedom to continue the pursuit of military superiority. The other alternative is to resume atmospheric testing, but this ensures that for a time, at least, this race for military superiority with all its inherent instability will continue and will perhaps be accentuated.

I know that this second alternative is a source of grave concern for yourself and for Mr. Green. I know that it is this concern which has motivated you in your conduct of Canada's participation in the Geneva disarmament negotiations and in your statements as reported from Canada.

No government in the world wants a nuclear test ban agreement more than the United States. I believe that during the year since March 1961 the United States, through its performance in the Geneva test ban negotiations, has demonstrated the truth of this. But the United States also has the responsibility before its own people and the people of its forty allies and, indeed, before the non-aligned countries as well, to maintain the balance of power between the Soviet bloc and the free world.

Last winter we in the United States conducted a most careful review of the situation created by the violent series of Soviet tests of 1961. On the basis of this technical and military assessment, and in full agreement with Prime Minister Macmillan, I reached a clear and firm decision that we must ourselves return to atmospheric testing unless an effective agreement could be reached with the Soviet Union. The judgment was based on the facts as I reviewed them myself; it was supported both here and in the United Kingdom, by the overwhelming weight of qualified technical and military counsel. This is not a judgment based on unreasoned response to provocation. It is a sober and measured assessment of what is needed for our common security.

So far, the Soviet Government has not given the slightest sign that it is willing to accept any form of international verification for a test ban agreement. In refusing such international verification the Soviet Government explains that its concern is with espionage and that unilateral detection systems are adequate to monitor a nuclear test ban agreement. There is no need to explain to you that the United States and United Kingdom draft test ban treaty of last April eighteenth does not support the Soviet espionage allegation in any way. What we are asking is essentially that minimum of inspection which is required on the basis of the best and most up-to-date technical advice. Our position has recently been restudied at Harold Macmillan's urging, and the advice of the US-UK first team of seismologists is unanimous: without verification we cannot know what is happening underground. The Soviet Union itself admits that there are "difficulties" in identifying underground nuclear explosions and thereby also admits that unilateral monitoring systems are not adequate to monitor a test ban agreement.

Recently there has been talk in the Geneva conference about a control system for a nuclear test ban agreement which would free the Soviet Union of any commitment to international verification. May I urge you most earnestly to join with us in opposing any such proposal. There is no safety in it for any of us, and it leads away from the only honest and workable road to arms limitation. I fully understand the sincerity and good will of those who are attracted by such proposals. But in fact they do not serve peace among nations or understanding among men.

What we must do, I deeply believe, is stand together in convincing the Soviet Union that the world cannot have disarmament without inspection and that the Soviet Union cannot conduct nuclear tests with impunity and then expect the United States to hold its hand in matters essential to the security of the West. I hope you will agree with me that Canada and the United States should stand together on this issue of vital importance to our common safety.

Sincerely,

JOHN F. KENNEDY

27.

J.G.D./MG01/XII/A/268

*L'ambassadeur des États-Unis  
au premier ministre*

*Ambassador of United States  
to Prime Minister*

CONFIDENTIAL

Ottawa, April 15, 1962

Dear Mr. Prime Minister:

The President has asked me to give you the following message:

"I have just seen the press account of your strong statement against an unpoliced test ban treaty and in support of the principles of inspection and verification.<sup>17</sup> I want to let you know right away of my great appreciation of this authoritative and timely recording of the voice of Canada."

Sincerely yours,

WILLIS C. ARMSTRONG  
Minister  
for the Ambassador

28.

DEA/50271-M-40

*La délégation au Comité sur le désarmement  
au secrétaire d'État aux Affaires extérieures*

*Delegation to Disarmament Committee  
to Secretary of State for External Affairs*

TELEGRAM 702

Geneva, April 16, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Bonn, Rome (OpImmediate), CCOS (JS/DSS) Ottawa (OpImmediate) from Ottawa.  
By Bag Moscow from London

## NUCLEAR TEST SUSPENSION AGREEMENT – NEUTRAL INITIATIVE

The non-aligned members of the Conference finally presented at this morning's meeting of the plenary their point [sic] memorandum on nuclear testing. The text is virtually unchanged from that which we saw a week ago and there have been no repeat no significant modifications. The text is given in our telegram 703.†

2. Lall, the Indian Representative, finally received authority yesterday, April 15, to associate himself with the other non-aligned members of the Committee in support of the memorandum. The group held a final meeting this morning immediately before the meeting of plenary which resulted in plenary being delayed for half an hour. We have been told in confidence that two subjects were discussed at that meeting: (A) Mexico urged that the last sentence in paragraph 4

<sup>17</sup> Les propos de Diefenbaker, formulés le 14 avril, sont rapportés dans "Policed A-Test Ban Must—PM," *Ottawa Journal*, April 16, 1962, p. 7. Il n'a pas été possible de déterminer quels étaient les articles de presse ni les reportages dont avait pris connaissance Kennedy avant le 15 avril. Diefenbaker's comments, made on April 14, are reported in "Policed A-Test Ban Must—PM," *Ottawa Journal*, April 16, 1962, p. 7. It has not been determined what news report Kennedy had seen by April 15.

should be changed from “could invite” to “should invite.” This proposal was not repeat not accepted. (B) There was consideration of how to present the memorandum. It was finally decided that Brazil, which had been chosen because it was first alphabetically, should read the memorandum and that there should be no repeat no supporting statements. This procedure was adopted in order to ensure that no repeat no interpretive comments were made, which might not repeat not be acceptable to all the supporters of the proposal.

3. Brief and entirely non-committal statements were made during the course of this morning’s meeting of plenary by the nuclear powers. The co-chairmen agreed that at tomorrow’s meeting the nuclear nations would be given an opportunity to put questions to the non-aligned nations in order to clarify the proposal.

4. This procedure has caused the neutral nationals some anxiety. Their proposal is extremely vague, owing to the compromises required in order to reach agreement. They are holding another meeting before plenary tomorrow in order to try to decide how questions should be answered. The preliminary view of several representatives is that they ought to decide on perhaps two spokesmen. We have heard it suggested that India and Sweden, as the two principal advocates of the proposal, might play this role.

5. It is difficult to know what USA and Soviet responses will be. It seems possible, that the amplification of the proposal will reveal that it basically accepts USA concept of verification by an international inspectorate. To the extent that this is made explicit, it may make it difficult for USSR to accept the proposal as a basis for negotiation.

6. A number of the neutral representatives are aware that their proposal has come forward at such a late date that it may not repeat not provide a basis for settlement before the present test series begins. However, it is their hope that it will remain before the Conference and provide the basis for negotiations between the two sides after they have both completed tests. We have discussed this point of view with a member of USA mission and he assures us that this possibility is recognized, and that efforts will be made not repeat not to reject the proposal outright.

29.

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], April 19, 1962

NUCLEAR TEST SUSPENSION AGREEMENT – TALK WITH GENERAL BURNS

In view of the report from Geneva that the Soviet Government had accepted the formula of the neutrals as a basis for further negotiation, we spoke to General Burns to ascertain

- (a) the precise nature of the Soviet acceptance,
- (b) the nature of the U.S.A. reaction,
- (c) the intentions of the neutrals as regards further action, and
- (d) any views that General Burns might have about further action by Canada either in Geneva or Washington.

## 2. *Nature of Soviet Acceptance*

General Burns said that Zorin had read out a formal statement of the Soviet position on the 8-power formula. He later emphasized that he was ready to “adopt the 8-power formula as a basis of further negotiations.”

## 3. *U.S.-U.K. Reaction*

Godber for the U.K. said that he would like to be certain that the Soviet Union accepted his understanding namely, that the Soviet Union adopted the principles contained in the neutral formula, i.e. the establishment of an international control organization and some provision for the inspection of doubtful seismic events. Godber indicated that he found it hard to believe that the Soviet Union did accept these principles in the light of Khrushchev’s latest message to Macmillan.<sup>18</sup> If, however, they did accept them the U.K. agreed that this should be the basis of negotiation.

Dean for the U.S.A. said much the same but added that he wanted an assurance in writing of the Soviet Government’s willingness to accept the principles as a basis of negotiation.

Zorin rejected indignantly Dean’s proposal as insulting. He said that the establishment of such “preconditions” for further negotiation would be tantamount to asking the Soviet Union to accept in principle the position advanced by the other side for further negotiations. The statement he had made was the formal position of the Soviet Government, made on instructions.

After an acrimonious exchange the Bulgarian suggested that there should be a plenary meeting after lunch. Burns intervened with a counter proposal that the two co-chairmen meet privately to consider the basis of negotiation on the basis of the neutral formula, in order to avoid a propaganda debate in plenary. A third suggestion made by the Italian with the support of India proposed that the problem be turned over to the sub-committee of three (U.S., U.K., U.S.S.R.) on nuclear testing, and this was adopted. To this Mrs. Myrdal (Sweden) added that a plenary should be called later today to consider the results of the meeting of the sub-committee of three. As of the time of the telephone call, General Burns was awaiting word of the outcome of the sub-committee meeting and that Padilla Nervo the chairman of the day would name a time for the plenary.

## 4. *The Position of the Neutrals*

General Burns reported that the neutrals had decided with his encouragement that they were not going to prepare detailed replies to the technical questions posed by the U.S.A. and U.K. representatives at the plenary meeting of April 17, as they were not competent to do so. This kind of question would have to be discussed between the nuclear powers. Burns had been told by the Indian representative (Lall) that they approved the position which Canada had taken. He raised informally and tentatively the possibility that a last minute appeal might be made by Nehru, Diefenbaker and possibly Fanfani to Kennedy and Khrushchev.

## 5. *Possible Further Canadian Action*

General Burns said that the crux of the difficulty from the U.S. side was their confirmed opposition to any uncontrolled, unsupervised moratorium. Only if the Soviet Union unequivocally accepted the twin principles of international control and inspection of suspected events would the neutral basis of negotiation be accepted by the Americans. General Burns interpolated that Dean was bound by his instructions to seek no less and that in effect he was asking the Soviet Union to accept more than was in the 8-power proposal formula on these two

<sup>18</sup> Voir/See D.C. Watt, ed., *Documents on International Affairs 1962* (London: Oxford University Press, 1971), pp. 62-70.

points. It was pointed out to General Burns, however, that the vagueness of the neutral formula, presumably deliberate, enabled the U.S.A. in the process of negotiation to advance interpretations in their favour.

As Burns saw it, both sides were attempting to assert preconditions to the acceptance of the 8-power formula as a basis for further talks: the Russians were insisting on a U.S.A. undertaking not to test while negotiations were going on; the U.S.A. were insisting on the written acceptance of principles going beyond the 8-power formula as it stands. In the discussion with Burns it was agreed that if this matter came up in plenary today he might profitably suggest, if the opportunity offered, that negotiations should proceed without preconditions on either side, merely on the understanding that the formula had to be explored if it was to be made more precise.

General Burns saw no advantage at this moment in making further approaches or representations in Washington. We put this point to him in view of a suggestion made by the Minister by telephone last night that such a move might be timely.<sup>19</sup>

R. C.[AMPBELL]

30.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière du désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 724

Geneva, April 20, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, Permis New York, NATO Paris, Paris, London, Bonn, Rome (OpImmediate), CCOS (JS/DSS) Ottawa (OpImmediate) from Ottawa.

By Bag Moscow from London

EIGHT-NATION MEMO – NUCLEAR TEST BAN NEGOTIATIONS

Plenary Committee held a long meeting today to hear the nuclear powers state their position in regard to negotiating on the basis of the 8-Nation memorandum. A full report will follow. Present message is an attempt to indicate briefly the position reached and the prospects for further negotiations.

2. Representatives of the three nuclear powers, after considerable argument and questioning, have all agreed to accept the 8-Nation memorandum as the basis for negotiations, though not repeat not the exclusive basis. An agreed compromise cannot result if the Soviets adhere to their position of November 28, 1961 and USA/UK adhere to their draft treaty of April 18, 1961.<sup>20</sup> It would seem that to reach a compromise the USA and UK will have to be content with considerably less control apparatus and a modification of their position on on-site inspections. This will require governmental decision and a fresh reappraisal.

<sup>19</sup> Note marginale :/Marginal note:  
Noted. N.A. R[obertson]

<sup>20</sup> Voir/See Volume 28, documents 110, 137; *Documents on Disarmament, 1961* (Washington: United States Arms Control and Disarmament Agency, 1962), pp. 82-126, 659-664, 674-677.



3. In spite of the requests for the neutral nations for immediate negotiations on basis accepted by nuclear powers, such a negotiation, if it is to bring agreement, will undoubtedly require time.

4. Soviet Union's statement tabled yesterday states that "It is obvious that fruitful negotiations on the discontinuance of tests cannot repeat not be conducted to the thunder of nuclear explosions." Therefore, if the USA and UK commence nuclear tests there would seem to be no repeat no hope of further negotiations on this subject at this time.

5. At the conclusion of his second statement today, Zorin said that if tests were resumed, those resuming them would have to bear the responsibility for all the unfavourable consequences which could result. This, although obscure, could mean that Soviet Union not repeat not only could stop negotiating on the cessation of nuclear tests, but might possibly withdraw from the general and complete disarmament negotiations. Dean and Godber have respectively stated that USA and UK could not repeat not accept another uncontrolled moratorium.

6. Lal told me that he will be suggesting to Delhi, in view of the effect which resumption of tests would have on negotiations here, that Prime Minister Nehru might wish to consider making representations to the USA. Whether such representations would be effective, or whether representations should also be made by Canada, is probably better judged in the light of knowledge of the American government's attitude in this matter, which is available in Ottawa. As far as we can gather here, nothing has changed the intention to go ahead with tests.

[E.L.M.] BURNS

31.

DEA/50271-M-40

*Note du premier ministre du Royaume-Uni  
pour le premier ministre*

*Memorandum from Prime Minister of United Kingdom  
to Prime Minister*

TOP SECRET

[London], April 23, 1962

As you will have seen the joint statement about nuclear tests which President Kennedy and I communicated to the Soviet Government on April 9th, and my own letter to Mr. Khrushchev on the following day produced nothing but a long and argumentative reply.<sup>21</sup> I fear it is plain that the Russians are not willing at present to accept the principle of international verification. In these circumstances I have not thought it right to urge President Kennedy to postpone the series of tests on Christmas Island. The failure of our attempt to make the Russians budge on this vital issue is a great disappointment to us all. But neither the President nor I have given up hope that some agreement will be possible in the long term. For the present, however, the tests on Christmas Island must go forward. No doubt Russian tests will follow soon after.

For technical reasons it is not possible to make a final decision about the precise timing of the tests much in advance. But I would like you to know that I expect that an announcement will be made from Washington on Tuesday night about the timing of the first tests.

[HAROLD MACMILLAN]

<sup>21</sup> Voir/See *Foreign Relations of the United States 1961-1963*, Vol. VI (Washington: United States Government Printing Office, 1996), document 44; D.C. Watt, ed., *Documents on International Affairs 1962* (London: Oxford University Press, 1971), pp. 61, 62-70.

32.

DEA/50271-M-40

*Note du premier ministre  
pour le premier ministre du Royaume-Uni*

*Memorandum from Prime Minister  
to Prime Minister of United Kingdom*

TOP SECRET

[Ottawa], April 24, 1962

Thank you for your message of April 23 giving me advance warning of the decision which will be announced tomorrow to go ahead with the Christmas Island Tests.

In view of the position the Canadian Government has consistently taken on this question, I cannot conceal from you my regret that it has not proved possible to find a solution at Geneva which would have enabled you and President Kennedy to dispense with further testing with a reasonable sense of security. I realize that this must have been a very difficult decision to take in the light of the incalculable consequences it may have in terms of continuation of the nuclear weapons race and the prospects for disarmament.

I believe that the new situation we now face makes it even more imperative to persist in efforts at Geneva to create a system of international verification either on the basis of the Eight-Power proposal or some other foundation which may emerge in the course of further discussion.

[J.G. DIEFENBAKER]

33.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures  
aux missions en Inde, en Égypte, au Nigéria,  
au Brésil, au Mexique, en Suède  
et de la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Missions in India, Egypt, Nigeria, Brazil, Mexico, Sweden  
and Delegation to Disarmament Committee*

TELEGRAM N-203

Ottawa, April 25, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: NATO Paris, Paris, Washington, London, Permis New York, Bonn, Rome, CCOS (JS/DSS) (Priority).

By Bag Moscow, Kuala Lumpur (Priority).

## NUCLEAR TESTING

On instructions from the Minister action addressees (except Disarmament Delegation) are requested to call on foreign ministers or their deputies as soon as possible and to express to them the Canadian Government's earnest wish that the delegates of the non-aligned members of the Disarmament Committee will continue to participate fully in the Conference notwithstanding the resumption of nuclear weapons tests by USA and Britain in the Pacific. Heads of Mission should stress the importance of a continuing and uninterrupted effort by all members of the Committee to find an acceptable basis for a permanent test ban agreement. The three nuclear powers have indicated their willingness to discuss the question further using the compromise proposal submitted by the eight neutral members as one, if not

necessarily the only basis of negotiation. It is important to hold the nuclear powers to their undertaking in this respect. Resumption of testing is not a valid reason for abandoning or relaxing the search for an effective solution to this problem; on the contrary it should serve to underline the necessity for a renewed effort on the part of nuclear and non-nuclear powers alike.

2. When making their representations Heads of Mission should hand Foreign Ministers a copy of the statement issued by the Prime Minister to the press today.<sup>22</sup> Text of this statement is contained in our immediately following telegram.

3. Please report reaction to your representations.

*For Disarmament Delegation Geneva:*

4. Please give copies of Prime Minister's statement to heads of eight-non-aligned and at the same time convey to them views expressed in this telegram.

34.

DEA/50271-M-40

*Note du conseiller scientifique de la délégation  
au Comité sur le désarmement  
pour le conseiller du Gouvernement canadien en matière du désarmement*

*Memorandum from Scientific Adviser to Delegation  
to Disarmament Committee  
to Advisor to Government of Canada on Disarmament*

RESTRICTED

May 3, 1962

BAN ON NUCLEAR TESTING

*Proposal by Neutrals*

You asked me to examine this proposal and see whether any of the scientific facts indicated a line which Canada could take. I don't honestly believe that, within present Government policy, there is any proposal I can make.

2. We, and the neutrals, are in fact enmeshed in our own net: using Canada as an example, our Government has consistently stressed that it is against *all* tests. Recently the Prime Minister has stated publicly that any test ban without provision for adequate inspection would be one-sided and dangerous. Since the Canadian Government oppose underground testing, which cannot affect public health, their policy must therefore be based, not on the health hazard, but on discontinuing nuclear weapons development.

3. Logically, therefore, we should be pressing for a detection system which will expose all violations it is possible to detect (and this implies on-site inspection) and for a programme of research and development to make this system more and more sensitive. Instruments will only record what they will record, and no amount of talking round a table in Geneva will alter this. Nor does the fact that the Swedes have detected some underground explosions in USA mean that they can guarantee to detect every one.

<sup>22</sup> Voir William MacEachern, "P.M. Regrets Failure to Get Test Ban Pact," *Toronto Daily Star*, April 26, 1962, p. 1; pour lire le texte complet de cette déclaration, prière de consulter le télégramme N-204, du 25 avril 1962, † MAE/50271-M-40.

See William MacEachern, "P.M. Regrets Failure to Get Test Ban Pact," *Toronto Daily Star*, April 26, 1962, p. 1; for the full text of the statement, see telegram N-204, April 25, 1962, † DEA/50271-M-40.

4. This brings us right back to the position at the Geneva talks of 1958,<sup>23</sup> neglecting the USA “big hole” theory,<sup>24</sup> which was always mathematically unproven. The modifications which have taken place since then have been essentially political – the substitution of a “sampling” technique for on-site verification, for example.

5. It seems to me that any compromises must be in the political field. If Canada and the neutrals, for example, could accept the fact that explosions under an agreed detectable limit don’t matter anyway, then there would be a basis for compromise. But I cannot believe that they could now say this; and I am not sure that USA and UK would accept it – certainly USSR would not unless the neutrals did.

6. USA and UK have now compromised so far on the original proposals that the scientific basis of the proposals has now almost lost its integrity. To push them any further would be to destroy it entirely and, I’m afraid, to subscribe to the philosophy of the baseball coach who said “nice guys finish last.”

7. Any possible solution lies in the political, not the scientific field.<sup>25</sup>

A.K. LONGAIR

35.

DEA/50271-M-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, 1962

CONVERSATION WITH SOVIET AMBASSADOR ON MAY 9

The Soviet Ambassador came to see me at his request on the 9th of May. He had asked to discuss the situation at the Disarmament Conference at Geneva with me before I left for the NATO Ministerial Meeting in Athens. The conversation was mainly concerned with the Geneva Conference. However, not unexpectedly, the Soviet Ambassador started the conversation by fishing for information on the NATO Meeting. I merely drew his attention to the communiqué which he had read and pointed to the emphasis which the communiqué contained on continuing the negotiations on disarmament, nuclear tests and collateral measures at Geneva and the exploratory talks on the Berlin question at Washington. He observed that the Soviet Union would be troubled by the references in the Athens communiqué to the sharing of nuclear information. This seemed to indicate a further dissemination of information about nuclear weapons and what he described as a threatening attitude, which would be regarded as provocative by his government. I said that there was no evidence from the communiqué or any other source that further dissemination of weapons was involved in the decisions taken at Athens; as for the question of “threatening attitudes” there was no evidence of that either in the Athens communiqué. I also recalled that the Soviets had broken the moratorium on nuclear tests and made threatening statements over Berlin.

<sup>23</sup> Voir/See Volume 24, document 140 n. 103-104.

<sup>24</sup> Voir/See Herman S. Wolk, “Scientists, Politics, and the Bomb,” *Air Force Magazine* Vol. 45, No. 10 (October 1962), pp. 44-48.

<sup>25</sup> Note marginale :/Marginal note:

Left by Gen. Burns with SSEA Athens 6/5. R. C[ampbell]

2. This led Aroutunian to state that the main reason why the Soviets had undertaken the resumption of nuclear testing was to counter President Kennedy's measures of military mobilization and strengthening of NATO defences after his interview with Khrushchev in Vienna last year. As Aroutunian put it, nuclear explosions were much more effective as a deterrent than the moving of USA tanks into Berlin.

3. I recalled to the Ambassador that the Canadian Government was against the continuation of any testing and hoped that the Soviet Union would continue efforts at Geneva to achieve agreement on the basis of the compromise proposals put forward by the eight uncommitted Powers. The Soviet Ambassador said that it was his impression that while the Soviet Government had accepted the Eight Powers proposal as a basis of further discussion, the Western powers had not. I told Aroutunian that Zorin had entered such reservations and interpretations as to make it questionable whether the Soviet Government had accepted the Eight Powers formula as a basis of negotiation or not, but we still hoped that further discussions in the Committee of Three might serve to clarify the respective positions and to bring about agreement. I recalled that the Soviet Government had previously associated themselves with the Committee of Experts report at Geneva and then reversed their position; their views on verification were, to say the least, confusing if not incomprehensible.

4. I went on to say that it was our hope that the Conference could register some agreement, not only in the analysis of the two plans on General and Complete Disarmament, but also on one or other of the collateral measures. I also explained to Aroutunian why we were particularly anxious that there should be no break whatever in the discussions at Geneva. The Ambassador seemed to agree with my argument that if the Geneva talks were suspended, it might be more difficult to resume discussions.

5. In this conversation, as in previous conversations, I got the impression that Aroutunian obtains very little information and direction from his own government and relies pretty heavily on newspapers. In concluding the interview he observed that he personally appreciated the efforts that the Minister was making in trying to promote agreement in Geneva.

G. IGNATIEFF

36.

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 1773

Washington, June 13, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: DisarmDel Geneva (OpImmediate), Permis New York, NATO Paris, Paris, London, Bonn, Rome (Priority), CCOS (JS/DSS) Ottawa (Priority) from Ottawa.

By Bag Moscow from London

DISARMAMENT

Yesterday afternoon (June 12) I paid my first call on William Foster, Director of Disarmament Agency, Adrian Fisher, his Deputy, was also present and I was accompanied by Rae and Nutt. I found Foster to be, on the whole, not repeat not pessimistic as to the future prospect for the disarmament negotiations. He believed that progress was being made, if so

slowly as to be almost imperceptible. It was encouraging for instance that there was in fact a proximity of views evident in the two plans. The Canadian initiative in drawing attention to these had been most helpful. Immediate substantial results could not repeat not be expected considering that since World War II over a trillion and a half dollars had been spent in the arms race. We had to be prepared, he was convinced, for a very long haul. Nevertheless, in the long run, taking account of the Western economic pressures and the potential pressures from the East, the Russians were bound to become interested in eventually reaching agreement. This when combined with the Western resolve that the arms race must be stopped and reversed and a similar desire on the part of the neutrals augured well for the future.

2. Foster said that USA had been “pleasantly surprised” at the general behaviour of the “eight.” By and large they had done their homework well and were already well on the way to mastering the subject. In particular, the performance of the Nigerian, UAR and Swedish delegations indicated a high degree of sophistication with respect to this knotty subject. The Burmese had perhaps not repeat not lived up to expectations but this arose more from distractions in Burma than from lack of interest in the subject matter. The Ethiopians had been, on the whole, rather disappointing and Lall of India did not repeat not seem to be following a strictly neutral course between the two sides. Nevertheless, all told, the addition of the eight to the disarmament negotiations was proving to be helpful and worthwhile.

3. Meanwhile, as we knew, the Geneva Conference would recess for a month on Friday (June 15). Our own hope that a recess might not repeat not have been necessary was appreciated by Foster. For its part USA would have at least preferred that the recess be postponed so that they might, in the meantime, have gone more fully into USA plan before the recess. Nevertheless, the recess would provide an opportunity for the Western members of the Committee to review the course of the Conference thus far and to consider future courses of action. To this end Foster said that it had been suggested at a meeting of the Four on June 12 in Geneva that the Western Four might foregather in Washington during the week before the resumption of the Conference in Geneva for the purpose of exchanging views. (I interjected that I believed you would welcome this proposal.) It had not repeat not been specified at what level these meetings might take place but it could be at Heads of Delegation meeting or at such other level as the other three might wish. In any event, Foster said that he himself and also Arthur Dean would be available to attend.

4. On the substance of general disarmament, Foster doubted that USA would be in a position to make any far reaching modifications of its existing proposals. Further studies were being made of verification which was at the crux of the East-West difficulties. USA was confident that, given Soviet willingness to negotiate seriously, it would be possible to reach agreement on a scheme of verification which would not repeat not involve serious intrusion, with which the USSR appeared to be obsessed. USA might also have some suggestions to make concerning the transition and foreign bases. In general, he thought USA would not repeat not be in a position to do much more than “shine up” existing proposals. He added, incidentally, that USA would take advantage of the recess to call a meeting of the President’s Civilian Advisory Committee on Disarmament including among others John J. McCloy, Kistiakowsky (formerly President Eisenhower’s Scientific Adviser) Roger Blough (President, USA Steel Corporation) and Herman Phleger (former State Department Legal Adviser).

5. On the possibility of a nuclear test ban, Foster thought there was some prospect of reaching agreement. The proposal of the eight neutrals had resulted, he said, in some narrowing of the gap which had previously existed between the two sides. At least the Russians now had accepted the general idea of an “international umpire” in the event of suspicious events being detected. There was still, of course, a major reconciliation involved between the Soviet view that verification process in a nuclear test ban should be permissive and USA position that the

process should be automatic and obligatory. Foster confessed to some doubt as to Soviet intentions regarding resumption of nuclear testing. It had been thought that USSR definitely intended to resume testing when the USA resumed and resumption had been anticipated before now. It was possible that Soviet resumption of tests was being delayed by the need to assimilate data gained from last fall's series of tests, but Foster said that on the basis of the latest estimates, there was now uncertainty as to whether in fact the Russians intended resuming testing in the near future. I thought Foster displayed some sensitivity on the score of Soviet criticism of the proposed USA high altitude tests. By way of justification, he pointed out that the Russians themselves had conducted high altitude tests last fall. He also drew a measure of reassurance from the fact that the neutrals were not repeating or voicing any great concern over the proposed tests. Foster implied that after the recess, USA would return to the conference to make renewed efforts at reaching a test ban. The President was convinced that a test ban was in the best interests of the West, not to mention the world community, and this view was fully shared by both the Pentagon and the AEC. USA was still prepared to negotiate a test ban even if this should happen to involve suspension of the present USA test series.

6. With regard to the resumption of the Conference in July, I asked Foster if any thought had been given to the possibility of ministers returning to Geneva for the reopening of the Conference. He replied that some thought had been given to it though on the whole there did not seem to be much advantage to be gained at this juncture by raising the level of discussions. I got the impression, however, that USA authorities were not entirely dismissing the possibility that the ministers might attend, and thought this question might be considered by the Four (see paragraph 3). I said that I believed that you yourself would be prepared to attend if it were thought that the presence of ministers would be helpful, and that we saw a number of real advantages in such a course. (This discussion was held before receipt of your telegram N-234 June 12<sup>+</sup> on basis of which I shall make a further approach to the State Department.)

7. Foster said that they had received some reports that Kuznetsov might be replacing Zorin. They have been unable to confirm this but were hopeful that it might be true since Kuznetsov was less argumentative than Zorin and more inclined to "build on facts." Foster added that USA had heard rumors that USSR might come up with a new plan after the recess. They had, however, been unable to confirm these reports.

8. In conclusion, Foster said that he would be pleased to see me at any time and that his staff would always be available, as in the past, to discuss disarmament questions with the Embassy.

[C.S.A.] RITCHIE

37.

DEA/50189-D-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-274

Ottawa, August 24, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1430 August 23.†

Repeat for Information: London, Rome, NATO Paris, Paris, Washington (OpImmediate),  
Permis New York, Bonn, CCOS (JS/DSS) (Priority).

By Bag Moscow.

## DISARMAMENT: 17TH UNGA

Thank you for your reference telegram. We look forward to receiving your comments on preparations for the 17th UNGA. Following paragraphs give our views on procedure and tactics for the Assembly and related problems.

*Report to the UN Disarmament Commission and Inscription of UNGA Item on  
Disarmament*

2. It is clear from discussions in the ENDC that it is generally assumed there will be a second progress report to the Disarmament Commission and that this and the earlier report will be made available to the UNGA. As to the form of the report, it will be important to avoid (as we were able to do with the first report) a dispute which could disrupt the last two weeks' work in the Committee and impair the chances of constructive debate at the UNGA. Accordingly I wish you to try to head off any debate over the inclusion in the report of controversial issues in dispute between the two sides, and to press for a report which would give a straightforward account of progress since July and emphasize that the Committee will resume its efforts in November to reach agreement on a disarmament programme.

3. With regard to the best way of transmitting ENDC reports to the UNGA there appear to be two main possibilities:

(a) The UN Disarmament Commission could meet and agree to transmit the reports to the Assembly;

(b) Padilla-Nervo himself could, after consultation by letter with the members of the Commission, request the Secretary-General to circulate the reports as Assembly documents. The second alternative would be simpler and would avoid the possibility of a debate in the Commission which would anticipate prematurely the discussion of disarmament which is expected in any case at the 17th UNGA. Moreover, it might be difficult to arrange for a meeting of the Commission in the brief period between the adjournment of the ENDC and the start of the Assembly. As a result of these considerations, I consider it would be best to follow the second alternative, unless you and your colleagues can see an advantage in a meeting of the Commission. If it were later decided that there would be some merit in convening the Commission, we might suggest that a brief meeting be held as soon as possible after the UNGA begins and before the commencement of the disarmament debate in the first committee.

4. There is also a procedural question which arises in connection with the discussion of disarmament at the 17th UNGA. As your reference telegram points out, although there are items on the agenda dealing with nuclear weapons tests and prohibition of use of nuclear weapons, there is no item on disarmament proper. Accordingly, in discussing procedural



problems with your colleagues, I also wish you to raise with them the best means of placing this subject before the UNGA. The least controversial approach might be to suggest in the Committee that the 17 states represented at Geneva jointly request the Secretary-General to include a supplementary item on the Agenda on the basis of the two ENDC progress reports. By following this procedure we might also hope to head off submission of separate items by other countries, particularly the Soviet bloc which would probably attempt to slant UNGA discussions in its favour by the description of the item and wording of the accompanying explanatory memorandum.

#### *Tactics at the 17th UNGA*

5. You should continue to pursue the line that the only hope of achieving real progress on disarmament lies in ensuring that detailed negotiations are resumed in Geneva at an early date, if possible before November 12. This consideration suggests that Canadian representatives should take an active part in trying to limit propaganda exchanges in the UNGA, and in directing the debate towards providing a clear mandate for the resumed negotiations in the ENDC. Although numerous proposals will probably be discussed at the UNGA (e.g. those mentioned in your reference telegram), our best policy will be to continue trying to concentrate on securing the passage of one major resolution which would take account of suggestions made during the debate and refer any resolutions which may be adopted to the ENDC for detailed consideration. Our telegram No. N-275† gives the text of a draft resolution designed to achieve this purpose which I wish you to discuss with your colleagues when putting forward the above views.

6. While our main effort should still be along the above lines we recognize that in view of the agreement on a recess there is likely to be a full debate on disarmament at the UNGA as in recent years. As a result, it would not be feasible to pursue the policy which we suggested before the recess was agreed, namely, that Western delegates abstain *pro forma* on resolutions affecting Western security, without any commitment on their substance, on the grounds that they involve questions which would be best considered in the ENDC. Instead, it seems probable, as your reference telegram suggests, that we will be obliged to take a stand on a series of resolutions which may be put forward by neutral delegations as well as representatives of the Communist bloc.

7. As you are aware from discussions in NAC, the USA has argued that NATO delegations should agree in advance on the attitude to be adopted toward resolutions involving "nuclear issues," and, where possible, on counter-resolutions which would be supported by the Western Powers. In opposition to this proposal, our NATO representative has taken the stand that NATO-sponsored resolutions or a firm "NATO line" on resolutions submitted by other delegations would be unlikely to command wide support and could be self-defeating in that they would divert attention from the overriding need to resume negotiations in Geneva. I wish you to continue to urge this point in discussions with your Western colleagues. In addition, now that the circumstances in which we had envisaged the possibility of *pro forma* abstentions no longer obtain, you should explain that Canada will have to consider resolutions submitted during the disarmament debate on their merits. You should also remind your colleagues of our long-standing view that the West must be careful to avoid appearing to adopt a consistently negative attitude toward proposals sponsored by the neutrals, especially those which reflect the views of a wide selection of UN members.

8. *For NATO Paris.* In elaborating our position on tactics for the 17th UNGA at the next Council discussion of disarmament, you should base your remarks on the points set out in paragraphs 5-7 above.

9. *For London, Washington, Rome, Paris.* Please seek comments of the Foreign Ministry on tactics at the 17th UNGA discussed in paragraphs 5 to 7 above, and on the draft resolution given in our telegram N-275.

[H.C.] GREEN

38.

DEA/50189-D-40

*Le conseiller du Gouvernement canadien en matière du désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 1445

Geneva, August 30, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel N-276 Aug 29† and our Tel 1444 Aug 30.†

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Bonn, Rome (Priority), CCOS (JS/DSS) Ottawa (Priority) from Ottawa.

By Bag Moscow from London

DISARMAMENT: 17TH UNGA – MEETING OF WESTERN FOUR

Western Four met today under chairmanship of Godber (UK) in order to consider a number of questions re 17th UNGA. Following topics were discussed: report of ENDC to UNDC; method of transmitting report to UNGA; placing general disarmament item on UNGA agenda; tactics re disarmament at 17th UNGA. Discussion of nuclear tests ban is reported in separate telegram.

2. Report of ENDC to UNDC was generally agreed that report should give a straightforward and factual account of developments since June. USA circulated text of a draft USA report along such lines which Dean plans to discuss with Kuznetsov today (text set out in our telegram 1446 August 30†). As report adopts a non-controversial approach, USA was hopeful USSR would find it generally acceptable. The meeting agreed with my suggestion that it was important to emphasize in the report that Conference will resume its efforts to reach agreement on November 12. In order to provide this emphasis, Dean suggested that section i(a)(4) be made into a new section i(b)(1) and entitled "Date of Resumption of Work on Conference."

3. Method of transmitting report to UNGA and of placing general disarmament item on its agenda. It was recognized that these two questions were closely linked. USA draft report specifies in paragraph 1 that ENDC report is being transmitted to UNDC and 17th UNGA. I pointed out that in order to ensure that a general disarmament item would be placed on agenda, either of the following two procedures might be followed:

(a) ENDC could in a letter covering its report to UNDC ask Acting Secretary-General to transmit the Committee's two reports to UN members and its second report to Chairman of UNDC and to place item on UNGA agenda. This would have advantage of making all members of ENDC in a sense co-sponsors of agenda item.

(b) Chairman of UNDC could be asked in the report or covering letter to place item on agenda and submit ENDC reports to UNGA. As there appeared to be no repeat no hard and fast procedures governing his function, it could be left up to him to consider whether it would be necessary to consult members by letter. In our view, meetings of UNDC would probably not repeat not be necessary. Dean said that he had discussed this matter with Padilla Nervo

who seemed anxious to avoid a situation where it might be necessary for him to consider having to convene UNDC. Both Dean and Godber therefore thought best approach would be along lines of our suggestion (a). In order to make clear that ENDC was not repeat not a UN body reporting to its parent, USA delegation thought covering letter could be from the 17 members of ENDC rather than ENDC itself. It was also thought that actual request for inscription of item would probably have to be done by Permanent Representatives in New York but that this would present no repeat no difficulty if members of ENDC were agreed on this general procedure. It was agreed that USA delegation would suggest a general procedure along these lines to USSR at the next Co-chairmen's meeting.

4. Regarding the name of the agenda item to be inscribed, I suggested and it was agreed that a general title along following lines would be appropriate: General and Complete Disarmament; Reports of ENDC.

5. *Tactics re Disarmament at 17th UNGA.* In order to try to ensure that the ENDC would resume its work on November 12, it was agreed that consideration should be given to ways in which the disarmament discussions might be expedited (without in any way curtailing the debates). The chairman summed up the discussions on this point as follows: it did not repeat not appear to matter whether the general disarmament item were taken up in the Assembly before the nuclear tests item or vice-versa so long as these two items were the first to be considered by the First Committee. Perhaps discussions could be expedited if the debates on each were "interweaved," i.e. meetings devoted to either one or other of the topics could be taking place during the same general period. In this way consideration of both items need not repeat not be unduly delayed while instructions were being waited for by various delegations or for related reasons.

6. It was also generally agreed that it would be useful for Western delegations to have in readiness a draft resolution along lines of that set out in your telegram N-275<sup>†</sup> and UK draft set out in our telegram 1432 August 24.<sup>†</sup> With regard to timing for submission of such a resolution, I made the points contained in paragraph 3 of your telegram N-276 August 29 about the danger of submitting a draft resolution before we were assured of wide support. There was no repeat no consensus of views on this point as USA, UK and Italian delegations all believed that it might be desirable to submit the resolution early in the debates in order to steer discussions in the direction of the resolution and possibly discourage some other resolution from being submitted.

7. The meeting studies both Canadian and USA drafts and I made the points regarding UK draft contained in your telegram N-276 August 29 as well as several other observations on its wording. As a result a composite draft resolution was drawn up (set out in our telegram 1444 August 30) which used UK draft as a basis but which incorporated the main points contained in Canadian draft. It was the general view that this composite draft might be of some assistance to Permanent Missions in New York in their consideration of tactics for the disarmament debates in the UNGA. It was also concluded that further consideration of the general question of tactics would probably have to be pursued in New York since ENDC session was now drawing to a close.

8. At the conclusion of the meeting I raised the question of tactics with regard to various resolutions which might be put forward on nuclear tests and disarmament I put forward the points contained in paragraph 7 of your telegram N-274 August 25, stressing the importance of each resolution being considered on its merits by Western delegations. Due to the lateness of the hour this matter did not repeat not receive detailed consideration but it was agreed that it would be desirable for Western delegations to keep in close touch with each other in New York, and to consult as much as possible on resolution in the disarmament field.

[E.L.M.] BURNS

39.

DEA/50189-D-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-277

Ottawa, August 31, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1445 August 30.

Repeat for Information: London (OpImmediate), NATO Paris, Paris, Washington, Permis New York, Bonn, Rome, CCOS (JS/DSS) (Routine).

By Bag Moscow.

## DISARMAMENT: 17TH UNGA

Following paragraphs comment on points raised in the Western Four Meeting of August 30 on above subject (your reference telegram).

*Report on the UN Disarmament Commission and Submission of UNGA Item on Disarmament*

2. The text of the USA draft of the second ENDC progress report is in line with our desire to see a non-controversial account of the Committee's activities and is generally acceptable to us. As to the procedure for submitting it to the UN Disarmament Commission I think it would be preferable to follow the precedent set by the first report, i.e., to have the Co-chairman of the ENDC transmit it to the Chairman of the Disarmament Commission on behalf of the ENDC. The covering letter to the Chairman of the Commission could then ask that both reports be circulated as General Assembly documents. (These suggestions would require alterations to the opening paragraph of the present USA draft.)

3. With respect to the UNGA item on disarmament, I would agree that if it could be arranged the best procedure would be for the 17 members of the Committee to request the Acting Secretary-General, through their permanent representatives in New York, to include a supplementary item on the agenda with a title such as that suggested in your reference telegram.

*Tactics for Disarmament Discussions at the 17th UNGA*

4. I agree that items on disarmament and nuclear tests should be considered as a matter of priority by the First Committee in order to permit early completion of the debate on these and related questions and the resumption of work in the ENDC. I am inclined to doubt, however, that it will prove possible for debates on these two subjects to be "interweaved" as the UK representative has suggested (paragraph 5 your reference telegram). In my opinion there will likely be pressure for a separate debate on the Indian item on nuclear tests, and probably also some desire on the part of UN members to discuss this question first as the matter of greatest urgency.

5. On the question of the timing of submission of a general resolution on disarmament, it is not clear to us whether your colleagues are thinking in terms of an essentially Western resolution for early submission. If so, it is my opinion that these tactics are unlikely to succeed. As I emphasized in my telegram N-276 August 29, I believe that the success of any general resolution on disarmament depends in large measure on obtaining active support from a broad

selection of UN members, particularly the neutrals represented in Geneva. In the absence of such support, a purely Western resolution could be resented by other UN members and might result in the submission of competing resolutions by other delegations (i.e., the opposite of what we wish to achieve). Accordingly, I wish you to re-emphasize to your colleagues the importance we attach to obtaining wide backing for a resolution before going ahead with its submission. In making this point you should explain that these tactics need not involve a decision now as to exactly when the resolution would be submitted, since if broad support is forthcoming at an early stage we would of course agree to submission of a resolution at that time.

6. The composite draft resolution, text of which is given in your telegram 1444 August 30, incorporates the main points referred to in my telegram N-276 and is satisfactory to us for the most part. I believe, however, that it should give a more forceful presentation of the need to resume negotiations in the ENDC and to continue there until concrete results have been achieved. As a result I would like to see amendments along the following lines included in a revised draft:

(a) An additional paragraph, to be inserted at the beginning of the operative section, in which the UNGA would “endorse” or “welcome” the decision of the ENDC to resume work on November 12. This addition would give direct UNGA approval to resumed negotiations and in addition might help to head off possible Soviet manoeuvres to delay the resumption of work in the ENDC.

(b) The addition of an operative paragraph along these lines would remove the need for the present preambular paragraph merely “noting” that ENDC negotiations will be resumed. In place of this paragraph I think it would be useful, following the draft text given in my telegram N-275, for the UNGA to recognize the importance of “continuing and uninterrupted” negotiations in the ENDC. This would follow logically from the preceding paragraph which speaks of the work done so far. It also serves to underline our main preoccupation which is to achieve the clearest possible endorsement of continued work in the ENDC, a point which I believe is not brought out strongly enough despite the reference to it which is now included in operative paragraph 2.

(c) It would be desirable in the third preambular paragraph for the UNGA to take note of the progress reports of the ENDC rather than merely recognizing the “useful work” done in Geneva in general terms as this paragraph now does.

7. With respect to continuing discussion of UNGA tactics I agree that the main centre for consultation will shortly have to shift to New York when ENDC representatives leave Geneva after the recess. In the meantime, however, I wish you to put the above points to your Western colleagues and to keep in close touch with them regarding further developments which may effect choice of tactics in the UNGA.

8. *For London.* Reference your telegram 4144 August 31, † please convey to Foreign Office the additional views on the draft general disarmament resolution which are given above together with relevant points made in my telegram 276 August 29.

[H.C.] GREEN

40.

DEA/50189-D-40

*Le conseiller du Gouvernement canadien en matière de désarmement  
au sous-secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Under-Secretary of State for External Affairs*

LETTER NO. 37

Geneva, September 10, 1962

CONFIDENTIAL

Reference: Our Telegram No. 1430 of August 23, 1962.

## DISARMAMENT: POSSIBLE DEVELOPMENTS AT UNGA

The following are our views on the course which the discussion of general and complete disarmament might take at the General Assembly, and the position which the Canadian delegation might adopt. Unless an agreement has already been reached on the cessation of nuclear tests, this subject, on which we have commented separately (our telegram No. 1539 of September 7<sup>+</sup>), will be given absolute priority by most of the non-nuclear and uncommitted members of the Assembly and is likely to consume most of its time in the early stages of the session.

2. For some time both the USSR and the USA, in the light of the tightening deadlock in the ENDC, have appeared to want to bring their case before the General Assembly. The USSR seems confident that its plan, by placing the accent on nuclear disarmament and on the elimination of the threat of a nuclear war, will have a greater appeal to world public opinion than the USA plan. The USA, on the other hand, seems to believe that it will be able to expose the essentially unrealistic and propagandistic character of the Soviet plan, and to hope that the General Assembly will come to recognize that its own plan is more honest, more realistic and more workable.

3. It may be assumed that the USSR and USA statements in the UNGA will not dwell primarily on the points of similarity between their plans but on the very fundamental differences of principle and approach separating them which have emerged. This would not necessarily be bad. The Assembly could exercise a constructive influence by squarely facing up to the basic differences between the plans and by suggesting compromises which might help gradually in removing the road blocks which now stand in the path of an eventual agreement.

4. The Soviet delegation is likely to emphasize the following main themes which, in one form or another, have been repeatedly developed since the opening of the Disarmament Conference in all of the major statements made by Gromyko, Zorin and Kouznetsov in Geneva in contrasting the Soviet and USA positions (see in particular ENDC/PV56 pp. 32 and 33):

(a) General and complete disarmament cannot be achieved without a treaty containing firm obligations, a definite time limit, and a guarantee of uninterrupted transition from stage to stage. The United States is unwilling to conclude a single treaty on general and complete disarmament containing firm and binding obligations. Its plan does not provide for a definite time limit for the whole process of disarmament. The United States wishes to reserve to itself the right to arrest the process of disarmament at the end of each stage.

(b) There can be no general and complete disarmament without the complete elimination and prohibition of nuclear weapons. The Soviet plan has the paramount virtue of making a nuclear war impossible in two years by eliminating all the means of delivery of nuclear weapons in the first stage of disarmament. The USSR is even willing to eliminate nuclear weapons in the very first stage also. By contrast, the USA plan will not eliminate the threat of a nuclear war until

the very end of the disarmament process, if ever. The USA is not prepared to accept a definite commitment to prohibit the use of nuclear weapons and is contemplating placing such weapons at the disposal of the UN Peace Force.

(c) Agreement will not be possible if one of the parties seeks military advantages for itself, and attempts to preserve until the final completion of disarmament not only the means of nuclear attack but also foreign bases for the purpose of aggression.

(d) Agreement on verification will not be possible if it infringes the security of states and provides intelligence on existing armaments, rather than simply ensuring that agreed disarmament measures are being carried out.

(e) Agreement on measures for the maintenance of international peace and security will not be possible if they violate the provisions of the UN Charter and invade the sovereign rights of states.

5. The United States delegation is likely to emphasize the following main themes in conformity with the position which the USA and its Western allies have taken in the ENDC:

(a) The USA plan, by providing for gradual and percentage reductions of armaments from the beginning to the end of the disarmament process, has been so designed as to preserve the present military balance and relative degree of mutual security until the ultimate objective of general and complete disarmament has been achieved. By contrast the Soviet plan, by eliminating the means of delivery of nuclear weapons and foreign bases in the first stage would leave the USSR and its Warsaw Treaty partners with a marked preponderance of conventional strength and strategic advantage in Europe. This would decrease international security and might make war not less but more likely. The United States plan aims not only at eventually eliminating the threat of a nuclear war, but at preventing any war whether nuclear or conventional, during the process of disarmament.

(b) The Soviet claim that its proposal for the 100% elimination of nuclear weapons delivery vehicles will eliminate the threat of a nuclear war is a delusion; since it will always be possible to use improvised means of delivery, such as rockets and planes retained for civilian purposes, in the event of a war emergency. This would be true even if the destruction of the nuclear weapons themselves were to be included in the first stage, as there would be no sure way of ensuring that some of these weapons had not in fact been retained.

(c) The USA plan provides for verification commensurate with the disarmament being carried out. The progressive zonal inspection scheme is the most promising and the only practical method which has been suggested so far, to achieve this objective. The Soviets have never shown how their proposals to eliminate all nuclear weapon delivery vehicles in the first stage, and all nuclear weapons either in the first or the second stage, could be adequately and satisfactorily verified.

(d) Disarmament will not necessarily eliminate the use of force as an instrument of national policy unless it is accompanied by adequate measures for the maintenance of international peace and security and the settlement of international disputes.

6. One tactical line which the Soviet delegation might follow is to submit a substantive resolution which would embody in general terms some or all of the five fundamental concepts outlined in paragraph 4 above. Alternatively, it might encourage the neutral countries to submit resolutions which would deal with one or the other of these five points. For instance, the Indian delegation in the ENDC has generally agreed with the Soviet point of view that there should be a single treaty containing firm obligations and a definite time limit which should be as short as possible. Ethiopia could be encouraged to re-submit in a modified form its resolution of last year on the prohibition of nuclear weapons. A group of uncommitted countries might be found to sponsor a resolution stipulating that measures for the maintenance

of international peace and security in a disarmed world should not violate the provisions of the UN Charter and infringe the sovereign rights of states.

7. How could the West counter such Soviet tactics? If the Assembly begins to discuss and compare the fundamental concepts of the Soviet and USA plans, a purely procedural resolution enjoining the ENDC to resume its work and renew its efforts might prove an insufficient answer. The West might have to be ready to submit a counter-resolution on substance which would reflect its own interpretation of the principles which underlie the USA outline of a treaty on a general and complete disarmament in a peaceful world.

8. It is most doubtful that either a purely Soviet or a purely USA resolution on substance would stand a chance of being accepted, since the vast majority of the uncommitted countries would probably not wish in the end to pronounce themselves unequivocally in favour of either the Soviet or the USA positions, in the knowledge that such a judgment would not advance but retard progress in the ENDC. At this point the procedural resolution which the Western countries, and in particular the UK and Canada, have in mind, would have its best chance of success. Nevertheless, it might be that the submission of resolutions reflecting essentially the Soviet and the USA approaches might constitute a first step in the process of working out mutually acceptable compromises which might lead to future progress in the ENDC.

9. As regards neutrally-sponsored resolutions on specific aspects of general and complete disarmament, their merits should be assessed in the light of whether or not their adoption would be likely to promote or hamper the work of the ENDC in negotiating a treaty on general and complete disarmament. It might be that, on these grounds, they should be discouraged and opposed altogether, unless they should prove to be acceptable to both the USSR and the USA.

10. The members of the ENDC, and particularly the uncommitted, will have a special responsibility to discharge in the Assembly. It is known that the eight non-aligned members of the ENDC are planning for continuing consultation during the Assembly. This is a fact which the Canadian delegation will obviously wish to keep in mind in its attempts to influence the eight and, through them, the other non-aligned members of the Assembly. It might also be desirable during the Assembly to hold *ad hoc* meetings of the members of the ENDC to exchange views on the implications of developments in New York on the future course of negotiations in Geneva.

11. The line to be taken by the Canadian delegation should presumably emphasize the importance of the preliminary but necessary work of clarification and elucidation of the Soviet and USA plans on which the ENDC has been engaged until now. The points of similarity between the two draft treaties before the Conference have already been covered in the two statements of the Minister of March 19 and July 24 at Geneva and this line could be again repeated.<sup>26</sup> It would be naïve, however, not to recognize the fundamental differences in the approaches of the USSR and the USA. To the extent feasible, we might offer suggestions and comments which might help in bringing the two sides closer together.

12. We will presumably continue to press for a nuclear test cessation treaty, if one is not already concluded; and action by the Committee of the Whole on the subject of

(a) non-dissemination of nuclear weapons;

<sup>26</sup> Voir « Une occasion exceptionnelle de désarmer, » *Affaires Extérieures*, vol. 14, n° 4 (avril 1962), pp. 114 à 122; « C'est le temps de désarmer, » *Affaires Extérieures*, vol. 14, n° 8 (août 1962), pp. 226 à 231. See "An Unprecedented Opportunity to Disarm," *External Affairs*, Vol. 14, No. 4 (April 1962), pp. 110-118; "The Time and the Place for Disarmament," *External Affairs*, Vol. 14, No. 8 (August 1962), pp. 222-228.



(b) measures for the prevention of war by accident, miscalculation or failure of communications;

(c) exclusion of weapons of mass destruction from outer space.

13. It is possible that the non-aligned members of the ENDC will take the position that neither the USSR nor the USA drafts, nor the plans on which they are founded, should be considered as the basis of the treaty on general and complete disarmament to be produced by the ENDC. (Instead, the ENDC should work out a plan embodying the articles upon which both USA and USSR plans agree, with compromises in the areas of disagreement.) We could support this generally.

14. We should continue to press the USA (with, we hope, the support of the other Western members of the ENDC) to improve their negotiating position on time limits, nuclear weapons, nuclear weapons vehicles; the eventual prohibition of the use of nuclear weapons, including use by the UN Peace Force, and "foreign bases."

15. Most of the points briefly outlined above have already been included in the Canadian Memorandum of June 27, 1962, submitted to the United States Disarmament Agency.†

16. In conclusion, it seems to the Canadian Delegation to the Eighteen-Nation Disarmament Committee, that the consideration of disarmament in the General Assembly could have a useful impact on the work of our committee if we can manage to channel it along the right lines. On the other hand, a purely propaganda and irresponsible debate in the Assembly could do a great deal of harm to the negotiations in the ENDC and retard progress by several months. We should therefore work, mainly through the non-aligned members of the ENDC, and other neutrals with whom we have friendly relations, for the adoption by the Assembly of a resolution which would give some measure of satisfaction to both the USSR and the USA and might provide a new impetus to the negotiations in the ENDC.

E.L.M. BURNS

41.

DEA/50189-D-40

*Le conseiller du Gouvernement canadien en matière du désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 1545

Geneva, September 11, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Bonn, Rome (Priority), CCOS (JS/DSS) Ottawa (Priority) from Ottawa.

By Bag Moscow from London.

DISARMAMENT: 17TH UNGA – POSSIBLE NEUTRAL INITIATIVES

I had a conversation today with Lall, Leader of Indian Delegation to ENDC. He is going to New York. It is not repeat not yet certain whether Krishna Menon will go also.

2. Lall was supposed to have been drawing up a plan which would be a compromise between USA and USSR draft treaties. Today he told me he had made an attempt to do so, but he apparently had little favourable response from non-aligned here. Barrington, he told me, had said it was too Western.

3. Lall thinks that subjects on which negotiations here have got stuck are (a) elimination of nuclear weapons vehicles, (b) elimination of nuclear weapons, (c) foreign bases,

(d) verification. He is still thinking of devising some middle-of-road formula which would enable two sides to move from their present incompatible positions. I suggested that maybe non-aligned could best exercise influence, not repeat not by putting forward a definite plan, but instead, suggestions as to principles and methods of work in order to break deadlock in these areas, and later intervene to keep things moving in negotiations between two sides. Whether he takes this suggestion or not repeat not, it seems likely that India will be active in trying to promote a compromise of some sort in forthcoming UNGA.

4. Lall remarked that reports of latest Pugwash Meeting (held in Cambridge last month) were interesting in that members of Conference which included many top level scientists from both East and West gave indications of ways in which compromises could be reached both in general disarmament, especially verification, and on a nuclear test cessation treaty. It would be desirable for Canadian delegation at 17th UNGA to have as full information about these reports as possible.<sup>27</sup>

[E.L.M.] BURNS

42.

D.H./Vol. 57

*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], October 17, 1962

My dear Colleague:

Canada may find it necessary in the near future to take a stand on inspection in the nuclear test ban issue, now that the first Committee is in session.

There is a strong indication that a resolution will be tabled in the UN first Committee along the lines of the proposals made by Burma and India, calling on the nuclear powers to accept an uninspected moratorium on underground tests. The United States have made it quite clear that they will oppose any such resolution. However, it is equally clear that they will be subjected to increasing pressure to concede.

There would be grave risks to Western security in its acceptance. Responsible Western scientists are agreed that they cannot distinguish in all cases between earthquakes and underground explosions, by any known scientific means, and the Soviets have refused repeatedly to provide any evidence that they have this capability. There are possibilities that scientific identification might be possible at some future date, but the United States could not be expected to prejudice its security based on a mere possibility.

Whether a significant strategic advantage can be gained by clandestine testing cannot be stated precisely, but those who are competent to make an assessment agree that there is a

<sup>27</sup> Voir/ See *Problems of Disarmament and World Security: Proceedings of the Ninth Pugwash Conference on Science and World Affairs, Cambridge, England, August 25-30, 1962* (London, UK: Pugwash Continuing Committee, 1962); *Papers and Reports of the Ninth Pugwash Conference on Science and World Affairs "Problems of Disarmament and World Security," Cambridge, England – August 25-30, 1962* (London: Pugwash Continuing Committee, 1962); *Scientists and World Affairs: Proceedings of the Tenth Pugwash Conference on Science and World Affairs, London, England, September 3-7, 1962* (London: Pugwash Continuing Committee, 1962).

considerable risk involved. For these reasons, it seems clear that a viable treaty must include provisions for on-site inspection.

Apart from the security implications of this issue, acceptance of a declaratory solution would be certain to prejudice disarmament negotiations, particularly with relation to inspection. I would therefore urge that Canada oppose any resolution which does not provide for adequate verification.

Yours sincerely,

DOUGLAS S. HARKNESS

43.

DEA/50189-D-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 1849

New York, October 19, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 1833 Oct 18.†

Repeat for Information: Washington, London, Paris, NATO Paris, DisarmDel Geneva, Bonn, Rome from Ottawa, CCOS (JS/DSS) from Ottawa.

By Bag Moscow from London.

#### UNGA – 1ST COMMITTEE – NUCLEAR TESTING

Non-aligned draft resolution was tabled late this afternoon. Resolution is co-sponsored by 8 non-aligned members ENDC plus Algeria, Afghanistan, Bolivia, Cambodia, Ceylon, Chile, Cyprus, Ghana, Guinea, Indonesia, Iraq, Jordan, Laos, Liberia, Mali, Nepal, Somalia, Sudan, Syria, Tanganyika, Venezuela and Yugoslavia. Lall told us further co-sponsors expected Monday. We understand Austria, Finland and Ireland have declined to co-sponsor. Final text is that contained in reference telegram with minor changes. Contrary to report in paragraph 1 reference telegram (which was erroneous), preambular paragraph referring to agreement in 3 environments remains in preamble. We will send later final text of resolution received by Secretariat together with definitive list of co-sponsors as of late today.

2. USA have been making emphatically clear to non-aligned that resolution is unacceptable to them. Lall told us that this afternoon Godber and Dean told him that they would abstain on resolution. USA tried unsuccessfully today to persuade non-aligned members to postpone tabling resolution until Monday. USSR delegation is stating privately that resolution is unsatisfactory because it does not repeat not go far enough. However, it is widely believed that USSR will support resolution.

3. Approximately 40 countries are on 1st Committee speakers list for next week. Chairman envisages 2 meetings daily on most days and expects draft proposals will be discussed towards end of week.

4. We have just learned from UN Secretariat that USA and UK have tabled their draft resolution. Resolution was submitted shortly after non-aligned resolution. We believe text of USA-UK resolution is same as that set out in our telegram 1646 October 2.† We will confirm this on receipt of official text.

44.

DEA/50189-D-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 1852

New York, October 19, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, London, Paris, NATO Paris, DisarmDel Geneva,  
Rome, Bonn from Ottawa, CCOS (JS/DSS) from Ottawa.

By Bag Moscow from London.

17TH UNGA – 1ST COMMITTEE – ITEM 77 – NUCLEAR TESTING

Tabling of neutral resolution on nuclear testing has ended possibilities for influencing sponsors to change text and corridor talk is focussing on possible amendments. It is recognized even by some of sponsors that although resolution may be unexceptionable on moral grounds, it is open to criticism from tactical standpoint, in that it inclines toward Soviet position, is unlikely to help negotiations forward, and thus unlikely to result in cessation of nuclear testing.

2. Discussion is centering around suggestions which have been made in a number of statements including those of several of sponsors of resolution. Themes most frequently considered are either (a) to propose banning separately tests in outer space, underwater and in atmosphere (b) to introduce idea of convening scientific conference or establishing on interim basis of International Scientific Commission to which information on detection and identification of underground nuclear tests would be furnished by those states having expertise on subject. Main aim of both these additions is to distinguish between tests in 3 environments on which there is no repeat no dispute over identification, and underground testing over which there are differences and to concentrate Assembly's attention on area in which dispute lies.

3. Since neutral resolution calls for report to UNGA by December 10, there is likely to be another debate in Assembly at that time. Object of amendments would be to focus attention during later debate on area where further negotiations necessary if agreement to be reached.

45.

DEA/50271-M-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], October 19, 1962

NUCLEAR TESTING

Lord Amory said that his Government, and he understood the USA Government also, were concerned that Canada might support an "unpoliced moratorium on underground tests," such as the 8-Power resolution in the UK view, called for. He said that the United States and the United Kingdom had taken the position that they cannot accept a cessation of tests without adequate inspection provisions until such time as their scientists are able to say that all testing can be monitored by remote means. Lord Amory said that it was his Government's belief that Canadian support of the 8-Power draft as they now understood its text would put Canada more

in line with the Soviet position than with the Western position adopted in Geneva last August, which they thought Canada supported. He also said that it would put Canada close to the present position of the neutrals who, despite a long history in Geneva of growing appreciation of the Western position, seemed to have leaned toward the Soviet Union in formulating their present draft.

2. Lord Amory thought that to agree to cease testing without binding the Soviet Union to an inspection formula in advance would remove the only incentive that the Soviet Union had to continue to negotiate towards a treaty. The whole Soviet record had been one of adamantness and progressive retreat whenever near-agreement was reached.

3. The Minister, in reply, informed Lord Amory that he understood the Eight had now agreed on a final text and that judging from the statements by the various speakers in the General Debate in the United Nations, they could probably count on the overwhelming support of the United Nations' membership for their resolution. The Minister then read out to Lord Amory the operative paragraphs of the agreed 8-Power draft. He noted that all three of the major nuclear powers were agreed on all essentials which would permit support of the 8-Power resolution with the exception of the conditions under which they could agree to cease small underground tests. The area and the nature of the disagreement was not worth putting themselves in a position of opposition to the overwhelming membership of the United Nations. The Eight had not "suddenly gone Communist" – their draft contained something for both East and West but upheld their principal objective – that tests should cease not later than the 1st of January.

4. The Minister noted that insofar as Canada was concerned we were already faced with a high level of radiation in this country, as the figures announced recently in the House by the Minister of Health and Welfare had shown. We were not prepared simply to sit back and do nothing about continued testing, which was a menace to all mankind.

5. Lord Amory complained that the 8-Power resolution was not impartial in that it ignored the two alternatives which the Western Powers had put forward in August, one for a limited treaty covering tests in the atmosphere, underwater and in outer space and the other for a comprehensive treaty including underground testing with on-site inspection.<sup>28</sup> The Minister noted that this kind of argument would have no public appeal; that world public opinion demanded an end to all testing and in particular to those in the atmosphere which cause the greatest harm to mankind. He doubted the military significance of the small underground tests that were now standing in the way of Western acceptance of a final cessation of all testing. He made it clear to Lord Amory that Canada could not line up against the 8-Power resolution.

6. The Minister suggested that the United Kingdom should try to do something to bridge the small gap that now exists between the United States and the Soviet Union. He reminded Lord Amory that the British record in Geneva had been one of continuously prompting the United States to be more realistic and forthcoming and that this rôle had produced some useful results in the past. Lord Amory conceded that on occasions the Americans had been too aggressive and too dogmatic in the way they had approached the testing question but that on this occasion they had British support on the position they were taking. British scientists were making good progress on the perfection of seismological equipment for identifying the origins of earth tremors but until they could report conclusive findings, the United Kingdom were not prepared to push the United States towards a cessation of testing without on site inspection. In reply to a question, Lord Amory confirmed that the United States and United Kingdom were keeping in close contact in respect of these representations to Canada that he had been in touch with the

<sup>28</sup> Voir/See *Documents on Disarmament, 1962 Vol. 2, July-December* (Washington: United States Arms Control and Disarmament Agency, 1963), pp. 791-807.

USA Chargé d'Affaires before making this call. He expected we would be hearing from the USA as well.

7. There followed a general discussion of the tactical disadvantage to the Western Powers if the Soviet Union voted for or abstained on the 8-Power resolution and the United States and the United Kingdom voted against. One suggestion that was tentatively discussed was that since the 8-Power resolution, in addition to asking countries to cease testing by January 1, also asked them to resume their search for agreement and report back to the Assembly by December 10, there was no real reason why the United States and Western countries should not take the position that the resolution was acceptable on the understanding that its main purpose was to call for an intensified negotiation over the next four weeks. The United States would be at liberty to reserve its position as to the stand it would take if no agreement were forthcoming by December 10 and to make this plain in advance. For Western countries to take such a position would preserve something of their relations with the neutral members of the Eighteen Nation Committee, whose goodwill and support would be needed in future disarmament discussions. The Eight had obviously tried to incorporate in their resolution elements of both the Soviet and Western positions and doubtless hoped to avoid an outright rejection of it by either side. Like their earlier 8-Power Memorandum, their efforts were bound to result in an ambiguous text, and the Western Powers should recognize the limitations within which the Eight had to operate.

8. Lord Amory undertook to report the views of the Canadian Government as expressed by Mr. Green.<sup>29</sup>

R. C[AMPBELL]

46.

J.G.D./MG01/XII/A/268

*Le chargé d'affaires de l'ambassade des États-Unis  
au premier ministre*

*Chargé d'Affaires, Embassy of United States,  
to Prime Minister*

CONFIDENTIAL

Ottawa, October 20, 1962

My dear Prime Minister:

I have been instructed to transmit to you the following text, which I have received by telegraph, of a message from President Kennedy:

“Dear Mr. Prime Minister:

To my distress, I have learned that your Government intends to support in the General Assembly this year a resolution co-sponsored by the eight new members of the 18 Nation Disarmament Conference and others and calling for an unverified moratorium on nuclear weapons tests. As I wrote you on last April 13, I am convinced that there is no safety in such a proposal and it leads away from the only honest and workable road to arms limitation.

I realize that last year your Delegation to the United Nations voted for a resolution calling for such a moratorium. And I can understand your concern about nuclear weapons testing. As you know, I share that concern and decided that the United States must go forward with its tests only after the most careful and considered weighing of all the factors involved.

<sup>29</sup> Notes marginales :/Marginal notes:  
Revised at SSEA's request. [Ross Campbell]  
Seen. [N. A.] R[obertson]

This year there is a difference in the situation. The United States will have no alternative but to oppose such a moratorium and oppose vigorously, as we did last year. The Soviet Union, on the other hand, with its complete lack of moral scruples will, I am told, not vote against a moratorium this year. Thus a vote for a moratorium, which might have been considered as "a plague on both your Houses" last year, would this year be clearly directed at the United States and those allies who stand firm against the moratorium proposition. Furthermore, we are prepared this year to accept without controls an end to above-ground testing. Your Delegation has strongly supported at Geneva the two test ban treaties we tabled there. These represent substantial forward movement in a sincere effort to find a safe way of ending tests. The Soviet Union, on the contrary, has continued adamantly to oppose any on-site inspection requirement, although we have reduced these requirements to what we sincerely believe to be the minimum tolerable limit. We had hoped that these proposals would receive your support as a member of the Western Alliance.

The Canadian Delegation at Geneva has wholeheartedly supported the Western position on this subject, as the best way to put pressure on the Soviets to change its position. We do not by any means rule out the possibility that the Soviets will once more reaffirm the position they took from 1958 until late 1961 that on-site inspection was a necessary element of a control system.

Should Canada cast its vote in favour of a moratorium this year, it will be tantamount to Canada's abandoning the Western position at Geneva on this issue. This will be seen by the Soviet Union as a successful breach of the Western position. In this event, what hope can we hold for pressures on the Soviet Union to take the extremely reasonable step we have proposed? Or to agree even to the limited treaty covering the testing environments of greatest concern, i.e., the atmosphere, outer Space and the Oceans.

I can assure you most strongly, Mr. Prime Minister, that the United States will not agree to end tests unless we have reasonably adequate assurance that the Soviet Union will not carry out such tests. A mere Soviet promise is not satisfactory either to me or to the American public. There will, in short, be no end put to testing by another moratorium resolution in the United Nations.

As I wrote in my letter of April 13, what we must do is stand together in convincing the Soviet Union that the world cannot have disarmament without inspection and that the Soviet Union cannot conduct nuclear tests with impunity and then expect the United States to hold its hand in matters essential to the security of the West.

Mr. Prime Minister, I cannot overemphasize my concern in this matter, and for the reasons I have advanced above, and in the interest of a vital Western solidarity on this testing issue, I hope you will reconsider this decision to cast an affirmative vote for a resolution which can only damage, and damage seriously, the Western position on an essential issue of Western security.

Sincerely,

JOHN F. KENNEDY"

I am informed that the White House does not plan to publish the foregoing letter. Furthermore, I am informed that the signed original of the letter is being pouched, and upon its arrival it will be immediately transmitted to you.

Sincerely,

IVAN B. WHITE

47.

D.H./Vol. 57

*Le ministre de la Défense nationale  
au premier ministre*

*Minister of National Defence  
to Prime Minister*

CONFIDENTIAL

[Ottawa], October 26, 1962

My dear Prime Minister:

As you know there are two resolutions before the General Assembly dealing with the suspension of nuclear tests. The first is a USA/UK resolution calling for a comprehensive treaty with on-site inspection of a proportion of suspicious underground events, or, failing this, suspension without inspection of tests in the atmosphere, underwater and in outer space. The second resolution is the so-called neutral resolution which calls for, in effect, an uninspected moratorium upon all tests including underground ones. The latter is, of course, the Soviet position.

On 17 October, I wrote to the Minister of External Affairs recommending that Canada should not support the neutral resolution which had not then been formally tabled. My argument was based upon what I conceive to be the merits of the case and the nature of major Canadian national interests. Present methods of seismic detection do not permit one to distinguish between earthquakes and underground nuclear explosions. With regard to the possible strategic advantage which could be achieved by clandestine underground testing by the USSR, one cannot be quite so definite. However, the consensus of qualified experts is that an uninspected moratorium which would be respected by the USA and might not be respected by the USSR would involve definite risks to US security and therefore to Western security. This includes Canada since, like all other Western countries, we depend upon the US nuclear umbrella.

I cannot see that it would be in Canada's interests to place pressure upon the Americans to accept an agreement which would be contrary to the essential requirements of US security and therefore of Canadian security. This being so, I suggest that it is inadvisable to place a major strain upon our diplomatic credit in Washington at a time when important Canadian interests are at stake in relation to the European Economic Community and other matters. Recent events in Cuba have, of course, provided further evidence of what a Soviet promise is worth.

I have now received a reply from the Minister of External Affairs.† He points out that Canada has taken a strong and consistent stand that nuclear tests must be brought to a halt and that we have also supported a cut-off date of 1 January, 1963. Although he does not say this in so many words it seems evident that he considers that he is bound to vote in favour of the neutral resolution.

I am fully aware of the statements which have been made by the Minister of External Affairs and by General Burns upon his instructions. And in common with all members of the Government I have viewed with pride and admiration the work of the Minister of External Affairs on behalf of disarmament. Nevertheless, I am still very strongly of the opinion that it would be inadvisable and contrary to essential Canadian interests for Canada to support the neutral resolution at this time.

I think it is fair to say that by so doing we will not effectively serve the cause of disarmament since the USA and UK will not accept the neutral resolution regardless of how many votes it may get in the General Assembly. I do not believe that we are committed by previous statements to support the neutral resolution since we have also consistently



maintained that a viable agreement must contain appropriate arrangements for verification. I believe that we must also recognize that by supporting the neutral resolution we should be abandoning this vital principle of disarmament.

Consequently, I continue to believe very strongly that Canada should not vote in favour of the so-called neutral resolution. In my judgment this has become even more inopportune in view of events in Cuba. I would welcome an opportunity to discuss this matter more fully with you, or, should you consider it appropriate, to discuss the question in Cabinet. Since the matter may come to a vote in the First Committee in the very near future, this consideration is urgent.

I am sending a copy of this letter to the Minister of External Affairs for his information.

Yours sincerely,

DOUGLAS S. HARKNESS

48.

DEA/5475-DW-82-C-40

*Rapport final de la dix-septième session de la première commission  
de l'Assemblée générale des Nations Unies*

*Final Report of the Seventeenth Session of the First Committee  
of the United Nations General Assembly*

CONFIDENTIAL

[New York], March 14, 1963

ITEM 77: THE URGENT NEED FOR THE SUSPENSION  
OF NUCLEAR AND THERMONUCLEAR TESTS

*Summary*

This item was proposed by the Delegation of India. During the period since the sixteenth session of the United Nations General Assembly, little progress had been achieved at the Eighteen-Nation Disarmament Conference in Geneva. Both the United States and the Union of Soviet Socialist Republics were, at the time of the debate in the first Committee, still in the course of conducting large-scale atmospheric tests. There was wide-spread feeling in the General Assembly that this item was of the greatest urgency and importance. The debate was a long one and for most of the time, there were intensive behind-the-scenes negotiations on what proposals should be submitted. In these discussions Canada played a leading role. There were two resolutions submitted: one resolution was sponsored by 37 non-aligned countries including the eight members of the Eighteen-Nation Disarmament Committee in Geneva. The second resolution was tabled by the United States and the United Kingdom. The non-aligned resolution, in its original form, condemned all nuclear tests and asked the nuclear powers to stop all nuclear testing by January 1, 1963. The United States-United Kingdom resolution urged the Eighteen-Nation Committee to conclude a treaty with effective and prompt international verification prohibiting tests in all environments. Canada submitted amendments to the non-aligned resolution, the most important of which provided for a ban on testing in the atmosphere, outer space and under water if a comprehensive treaty was not reached by January 1, 1963. The Ghanaian Delegation submitted a sub-amendment to the Canadian amendment which Canada modified (with Ghanaian concurrence) and accepted. The sub-amendment, as incorporated in the Canadian amendment, provided that the ban in three environments should be accompanied by an interim arrangement suspending testing underground, taking as a basis the memorandum of the eight non-aligned countries submitted to the Eighteen-Nation Committee and taking into consideration other proposals. The United States and the United Kingdom submitted a sub-amendment to Canada's amendment, as revised, providing that the interim agreement covering underground testing should include adequate assurances for

detection and identification of seismic occurrences and events by an international seismic commission.

In the voting in Committee, all proposals were adopted. The USA-UK sub-amendment was adopted by a vote of 65 in favour (Canada) to 11 against (Communists) with 28 abstentions. The Canadian amendment referred to in the previous paragraph (and incorporating the Ghanaian sub-amendment) was adopted by a vote of 62 in favour (Canada) to 11 against (Communist countries) with 31 abstentions. The resolution as a whole was then adopted by a vote of 81 in favour (Canada) none against with 25 abstentions. The United States and the United Kingdom dropped from their resolution shortly before voting a proposal for a partial ban in the three environments where fallout occurs. As revised, the USA-UK resolution was adopted by 50 in favour (including Canada and India), 12 against (Soviet bloc) with 42 abstentions. The 37-power resolution was adopted in plenary session by a vote of 75 in favour, none against with 21 abstentions. The USA-UK resolution was then adopted by 51 in favour, 10 against and 40 abstentions. The countries abstaining on the non-aligned resolution were on the one hand the Communists and on the other hand the United Kingdom and the United States and some other NATO countries. A large proportion of the countries abstaining on the USA-UK resolution were the Africans and their attitude was influenced by their view that this resolution was less positive than the 37-nation resolution calling for cessation of all nuclear tests.

#### *Debate*

At the outset of the discussions there was no firm indication about what type of resolution the eight non-aligned members of the Eighteen-Nation Committee wished to see adopted. The Brazilian Delegation was particularly active and submitted to the other non-aligned members of the Geneva Committee a draft resolution of a moderate nature which endorsed the eight-nation memorandum as a basis for negotiations and urged the nuclear powers to conduct negotiations in a spirit of compromise and mutual consent with a view to reaching agreement by January 1, 1963. However, as discussions among the non-aligned members proceeded, it became more and more clear that this resolution would not go far enough to satisfy a large number of non-aligned countries which wished to recommend in a more emphatic way the termination of tests by January 1, 1963. The representative of Mexico, Padilla Nervo, was instrumental in making the resolution more emphatic in this respect. At the Eighteen-Nation Committee, in May 1962, Mr. Nervo had suggested that January 1, 1963 be set as a target date for conclusion of a treaty prohibiting all tests. In plenary session of the General Assembly, he read into the record, but did not formally propose, a draft resolution providing for ending all tests by January 1, 1963. This proposal differed from his suggestion in Geneva because it involved a cut-off date for all testing rather than setting a target date for ending all tests by treaty. The United Arab Republic and Burma were also in favour of strengthening the Brazilian draft proposal. So far as we were able to determine, the Indian Delegation were not particularly active at this stage of the negotiations.

Towards the second week of the debate, a joint draft resolution (A/C.1/L.310) was submitted by thirty non-aligned members including the eight non-aligned participants in the Geneva Conference. Subsequently seven other co-sponsors were added. This resolution provided for condemnation of all nuclear weapons tests; asked that such tests cease immediately and not later than 1 January 1963; endorsed the eight nation memorandum as a basis for negotiations; called on the parties concerned, taking this memorandum as a basis, to negotiate and reach agreement urgently; and requested the Eighteen-Nation Disarmament Committee to report to the General Assembly not later than 10 December. Immediately after this resolution was tabled, on October 19, the United Kingdom and the United States tabled their draft resolution (A/C.1/L.311) which urged the Disarmament Committee to conclude a treaty with effective and prompt international verification prohibiting all nuclear weapons tests

in all environments and which also provided that if such an agreement was not reached expeditiously, the Disarmament Committee should conclude a treaty prohibiting testing in the environments where radioactive fallout occurs.

At this juncture it became more and more apparent that the position of the non-aligned countries as expressed in their resolution was very close to that of the Soviet Union which favoured an unpoliced moratorium on testing underground pending negotiations on a comprehensive treaty banning all tests.

Both the Indian and Swedish Delegations made statements in Committee explaining that the request for an end to all testing by January 1 was not a proposal for an unpoliced moratorium but the expression of a wish that the nuclear powers would be able to achieve this end by that time. Nevertheless it was clear that the resolution as a whole favoured the Soviet position and would, if adopted, have caused very serious embarrassment and difficulty for the United States in the Sub-Committee on the Discontinuance of Nuclear Tests and in the Eighteen-Nation Disarmament Committee. Both the United States and the United Kingdom Delegations were obviously troubled by the draft resolution and the United States officials privately expressed considerable apprehension about the difficulty of trying to negotiate with the Soviet Union for a treaty with effective verification against the background of a General Assembly resolution which appeared to endorse the idea of an unpoliced moratorium.

#### *Canadian Position*

In the Canadian intervention in the First Committee on October 10, the Canadian Representative, General E.L.M. Burns, emphasized that Canada opposed all nuclear weapons tests and wished to see an end to all testing by January 1, 1963. He explained that as a first step in achieving this there should be a ban on nuclear testing in those environments where fallout occurs. Secondly, there should be negotiations for a treaty banning tests in all environments. The Canadian position was thus clearly for the achievement of an end to all testing by agreement among the nuclear powers. However, some delegations interpreted the Canadian position as being in favour of an unpoliced moratorium. This interpretation of the Canadian position was dispelled when Canada submitted the amendments described in the following paragraph.

An opportunity for avoiding the adoption of the non-aligned resolution in a form favourable to the Soviet position was presented by the exchange of letters of October 27/28 between Chairman Khrushchev, President Kennedy and Prime Minister Macmillan arising out of the Cuban crisis. The Canadian delegation proposed to the Western countries and to the non-aligned countries that neither the non-aligned nor the United States' resolution should be put to the vote, but instead that a resolution should be adopted welcoming the recent statements of the heads of governments concerned and urging the governments represented on the Sub-Committee on the Discontinuance of Nuclear Tests to settle the remaining differences between their countries on this subject and to issue instructions to their representatives on the Nuclear Tests Sub-Committee to achieve this end.<sup>30</sup> While reaction to this resolution was favourable among the eight non-aligned and Western countries, the Soviet Union refused to agree to support it as a substitute for the non-aligned resolution. In view of the Soviet Union's attitude, the non-aligned countries were themselves not willing to withdraw their resolution and to support the suggested Canadian resolution. Accordingly, on October 31, the Canadian delegation as a way out of the impasse, submitted a series of amendments (A/C.1/L.313) to the 37-Power draft resolution. These amendments were patterned after the draft resolution which Canada had suggested shortly prior to the tabling of the Canadian amendments but contained

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<sup>30</sup> Voir/See document 708.

in addition a new and important operative paragraph (paragraph 6) which recommended that if against all hope the parties concerned did not reach agreement on the cessation of all testing by January 1, 1963, they would enter into an immediate agreement prohibiting nuclear weapons testing in the atmosphere, under water and in outer space. The amendments also proposed the resumption of the 18-Nation Conference not later than November 12.

The submission by Canada of these amendments had the immediate effect of re-opening the 37-Nations resolution. Mauritania and Madagascar then submitted a sub-amendment (A/C.1/L.315) (subsequently withdrawn) to our new proposed operative paragraph 6 which would have added it to a proposal for an unpoliced moratorium on underground tests. The Ghanaian delegation also submitted a sub-amendment (A/C.1/L.314) to the same Canadian amendment which provided that the ban in three environments should be "accompanied by a limited interim arrangement suspending all underground tests on the basis of the 8-Nation joint memorandum and taking into consideration the proposals presented to this effect at the seventeenth session of the General Assembly." This amendment was based on ideas suggested in debate by Cyprus and the United Arab Republic. The representative of Cyprus had proposed an agreement suspending underground tests for a limited period, setting up the International Scientific Commission on an interim basis, and the adoption of an arrangement whereby if a country refused to issue invitations to inspect its territory to determine if nuclear explosions had taken place, the parties concerned could abrogate the treaty.

The Canadian delegation obtained the agreement of the Ghanaian delegation to revise the wording of its amendment in a manner which made it more satisfactory. In its revised form, Canada accepted the amendment and it became part of the proposed new operative paragraph 6 (A/C.1/L.315 Rev. 1) which then provided that the ban in three environments should be "accompanied by an interim arrangement limited in time suspending all underground tests taking as a basis the Eight-Nation joint memorandum and taking into consideration other proposals presented at this seventeenth session of the General Assembly." In addition, the Canadian delegation, in its revised draft, inserted in paragraph 2 of the non-aligned resolution the words: "by January 1, 1963." This helped to make clear that the January 1 date was a target date for an agreement to end all testing and not the date for the beginning of an unpoliced moratorium. Shortly before voting took place, the United States and the United Kingdom submitted a sub-amendment (A/C.1/L.316) to the Canadian amendment which provided that: "Such limited interim agreement shall include adequate assurance for effective and on-site inspection of unidentified seismic events by an international commission." Mr. Lal of India (who, although not playing a particularly active role, was having a constructive behind-the-scenes influence) immediately approached the United Kingdom and the United States delegations in order to suggest a more widely acceptable wording for this amendment. Taking into account some of Mr. Lal's suggestions, the United States and United Kingdom immediately revised their sub-amendment so as to read as follows: "Such limited interim agreement shall include adequate assurances for effective detection and identification of seismic events by an international scientific commission," (A/C.1/L.316 Rev. 1). At the further suggestion of India, additional changes were subsequently made in paragraph 6 of the Canadian amendment and the United States and United Kingdom sub-amendment which involved deletion of the references to "limited in time." (These words had originally been included by Canada at the suggestion of the United Arab Republic which had thought that this wording would help make the paragraph more acceptable to the nuclear powers. However, it is believed that India insisted on the deletion in order to make the amendment more acceptable to the Union of Soviet Socialist Republics. In the event, the USSR voted against Canadian operative paragraph 6 as sub-amended.) The Canadian operative paragraph 6 as amended and sub-amended read as follows: "Recommends that if against all hope the parties concerned do not reach agreement on the cessation of all tests by 1 January 1963, they enter into an

immediate agreement prohibiting nuclear weapons tests in the atmosphere, under water and in outer space, accompanied by an interim arrangement suspending all underground tests, taking as a basis the eight-nation joint memorandum and taking into consideration other proposals presented at the seventeenth session of the General Assembly.”

The voting on the main proposal is summarized in the second paragraph of this report.

As requested by resolution 1762 (XVII), the 18-Nation Disarmament Committee reported on December 7 on its efforts to negotiate a treaty to ban nuclear tests. This report was circulated as Document A/5338. Since the verbatim records of all the meetings of the nuclear tests sub-committee were attached, the document amounted to over 1,000 pages in length. The difficulty of translating and printing a document of this length delayed circulation of the report until the last week of the General Assembly.

The Burmese Ambassador who had attended the 18-Nation Disarmament Committee meetings explored the possibility of sponsoring a draft resolution calling upon the 18-Nation Disarmament Committee to continue to give priority to negotiations on the nuclear test problem. He eventually decided that even a non-controversial resolution would provoke a lengthy debate in Plenary. As an alternative, Ambassador Barrington suggested to the President of the General Assembly that he make a statement concerning the report. The President did so, noting the receipt of the report, expressing gratification that the 18-Nation Disarmament Committee had considered the problem of nuclear testing as a matter of urgency, and urging the 18-Nation Disarmament Committee to continue to give its principal attention to the problem and to report to the Disarmament Committee and to the General Assembly periodically as had been the practice in the past. No other statements were made and Plenary passed to the next item.

#### *Recommendations for Future Action*

One of the most important aspects of the resolutions on the cessation of nuclear tests adopted by the General Assembly at the seventeenth session was that, unlike resolutions adopted at the sixteenth session, they were consistent with each other in that both recognized the need for negotiations to reach an agreement to end all testing. The non-aligned resolution, in the form adopted by the Committee in plenary session, was significant because, unlike non-aligned resolutions adopted at the sixteenth session, it not only underlined the wish of the members of the United Nations to end tests but also suggested how this might be achieved. Thus, the resolution endorsed the Eight-Nation Memorandum; called on the parties concerned to negotiate on this basis in order to reach agreement urgently; recommended that if there is not comprehensive agreement by January 1, 1963, there should be an agreement on testing in three environments, to be accompanied by an interim arrangement suspending underground tests based on the Eight-Nation Memorandum and taking into consideration other proposals; and that this interim agreement should provide adequate assurances for effective detection and identification. There is thus a number of ideas contained in the non-aligned resolution to provide some guidance to the 18-Nation Committee and the Sub-Committee on the Discontinuance of Nuclear Weapons Tests. Furthermore, due to the initiative of the Canadian delegation, the resolution is probably as impartial as any resolution on the subject can be expected to be. The fact that it endorses neither the USSR nor the USA position is reflected by the fact that the Communists voted against one paragraph of the resolution (operative paragraph 6) while the United States, the United Kingdom and some Western countries voted against operative paragraph 2. Its impartiality was also shown by the fact that while the resolution as a whole was supported by the great majority of members, including most non-aligned countries, both the Communist countries and a number of Western countries (including the USA and the UK) abstained on it.

There are no particular recommendations for future action in respect of the resolutions adopted by the General Assembly on this subject. Canada's active role in the First Committee in connection with the adoption of these resolutions should place Canada in a favourable position to contribute towards further developments in this subject.

## ANNEXES†

- (1) Statement by General E.L.M. Burns on Oct. 10
- (2) Report of the First Committee A/5279
- (3) Non-aligned draft resolution A/C.1/L.310
- (4) U.S.-U.K. draft resolution A/C.1/L.311
- (5) Canadian Amendment to non-aligned resolution A/C.1/L.313 Rev. 2
- (6) Madagascar and Mauritanian Sub-Amendment to Canadian Amendment A/C.1/L.315
- (7) Text of two resolutions A/RES/1762 (XVII)
- (8) Letter from Chairman of ENDC to President of General Assembly A/5338

49.

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 22, 1962

EIGHTEEN-NATION DISARMAMENT CONFERENCE – CESSATION  
OF NUCLEAR WEAPONS TESTS

Attached for your consideration is a paper giving a suggested basis for negotiations on the cessation of nuclear weapons tests. It has been discussed with General Burns who is in agreement with the suggestions and comments set forth in it. The paper has also been reviewed with officials of the Defence Research Board and Department of Mines and Technical Surveys, and they are in general agreement that the proposals are feasible from the technical point of view.

2. It will not be clear until the Conference resumes whether the United States or the Soviet Union will have new ideas to put forward on this subject. If, however, it appears that the negotiations are not moving forward, I would recommend that General Burns approach other interested delegations to determine whether a system such as that suggested in the attached paper would facilitate further progress.

3. If you agree, you may wish to approve the attached telegram to our Disarmament Delegation instructing them in the above sense and forwarding the text of the paper.<sup>31</sup>

N.A. R[OBERTSON]

<sup>31</sup> Note marginale :/Marginal note:

Tel N-311† signed by SSEA Nov. 22/62 and sent as amended. M.N. B[ow]

[PIÈCE JOINTE/ENCLOSURE]

*Note de la Direction du désarmement*  
*Memorandum by Disarmament Division*

CONFIDENTIAL

SUGGESTED BASIS FOR NEGOTIATIONS ON THE DISCONTINUANCE  
OF NUCLEAR WEAPONS TESTS

1. The nuclear powers would agree to discontinue all nuclear weapons tests in the atmosphere, outer space and underwater.

2. In addition, while negotiations were undertaken with the aim of developing a mutually acceptable system for verifying compliance with an international treaty which would include the prohibition of underground nuclear weapons tests, the nuclear powers would agree to an interim arrangement with respect to underground nuclear tests. The duration of the interim arrangement would be, initially, six months, to be extended by further periods of three months by agreement among the nuclear powers. The terms of the interim arrangement would be as set forth in paragraph 3 below.

(*Note:* Paragraphs 1 and 2 follow from paragraph 6 of General Assembly Resolution 1762 (XVI[I]), Part A. They may, however, be unacceptable to the Soviet Union which might contend that they provided in effect for a permanent ban on nuclear tests in the three environments but only for a temporary suspension of underground tests which could lapse and thereby leave the USSR at a disadvantage. As a result, it may be necessary, as a fall-back position, to allow for the possibility that the interim arrangement would be applied both to tests in the three environments and to underground tests.)

3. The nuclear powers would agree to suspend underground nuclear weapons tests with the following arrangements for verification of compliance with this measure:

(i) An Interim International Scientific Commission would be established, to be composed of qualified experts from each of the members of the Eighteen Nation Committee on disarmament;

(*Note:* This composition would be desirable in that it makes use of a body which is already functioning and that it would probably make it easier to establish the Commission without delay. It would also have the advantage of ensuring that the nuclear powers would have a say in matters affecting their security.)

On the other hand, the neutral memorandum of April 16, 1962 suggests that the members of the Scientific Commission should compromise a "limited number of highly qualified scientists, possibly from the non-aligned countries." They might argue that the Interim Commission should also be so composed rather than involving the nuclear powers and their allies as well. There are additional difficulties if the nuclear powers and their allies are included: first, it might be thought that the scientific representatives of the nuclear powers would not be objective but would be obliged to bring in findings consistent with the policy of their governments; second, the Commission might be thought, in general terms, to be more "political" than scientific if the nuclear powers and their allies were included; third, it might look as if the Eighteen Nation Committee were trying to usurp the rights of other states if it decided that its own membership should form the Interim Commission. If it is considered necessary to alter the composition of the Interim Commission to meet these objections, the following slate of neutrals (listing them in order of their technical competence in this field, as suggested by our own experts) might be put forward: Japan, Sweden, India, Chile, Mexico, Switzerland, UAR, Indonesia, Austria and Nigeria.)

(ii) States would report to the Interim Scientific Commission all seismic events which they judged to be “doubtful” in nature, i.e., all events not identifiable by them as earthquakes or other natural phenomena, non-nuclear explosions, etc.;

(iii) The Interim Scientific Commission would undertake an investigation to determine the nature of the “doubtful” event, making use of all agreed means at their disposal including a request, upon a decision by a majority of the members of the Commission, for an on-site inspection at the reported locale of the event in question;

(iv) Should the request for an on-site inspection be refused, the state in whose territory the “doubtful” event had occurred would be required to demonstrate to the satisfaction of two-thirds of the members of the Commission that it was not a nuclear test;

(v) In the event that the state in question failed to demonstrate to the satisfaction of the Commission that the event was not a nuclear explosion, other parties to the interim arrangement would be free, upon notice of \_\_ (days/weeks) to withdraw from the arrangement.

*(Note: It may be argued that this system has the disadvantage of giving the eight neutral members of the Commission a decisive role in judging whether a violation has been committed, which the nuclear powers might be reluctant to accept. If this difficulty were considered likely to block agreement, it could be provided simply that any state would have the right to withdraw if it was not satisfied that another party had established that a “doubtful” event was not a nuclear explosion, or, as a further alternative, that the arrangement would terminate automatically if two such events had occurred and no satisfactory explanation had been provided. However, there are also disadvantages in these approaches: first, if only one unexplained event were required, it might be thought that it was being made “too easy” for states to withdraw from the arrangement; second, if two or more unexplained events were required, it would be very difficult politically, after one “suspicious” event had already occurred, for a nuclear power to remain a party to the arrangement in the absence of any assurance that another party had not violated it.)*

4.(a) The Interim Scientific Commission would examine and make recommendations with respect to the extent and composition of the permanent network of detection and identification stations needed for the collection of data on and reporting of all events which could be suspected of being nuclear weapons tests, and for making positive identification of the nature and origin of such events, wherever possible.

(b) The Commission would also make recommendations as to the eventual composition of the Permanent International Scientific Commission, its procedures, and the standards of instrumentation necessary for the operation and coordination of all elements of the system provided for in sub-paragraph 4(a) above.

*(Note: There would appear to be no reason why the Interim Scientific Commission should not make the technical recommendations referred to above; some of the functions set out in paragraph 4(b) may be considered, however, to be essentially political and outside the proper competence of the Interim Commission.)*

5. If, after the expiry of the initial period of six months, no agreement enabling the signature of a comprehensive treaty had been reached, and in addition there had been no agreement to extend the interim arrangement for a further period of three months, a special session of the United Nations General Assembly would be convened to review the progress of the negotiations and to make recommendations concerning future negotiations.

6. If agreement was reached on a mutually acceptable system for verifying compliance with an international treaty including the prohibition of underground nuclear tests, a comprehensive treaty banning nuclear tests in all environments would be opened for signature by all states.



50.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière de désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 1823

Geneva, November 26, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 1822 Nov 26.†

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

At the moment I plan to intervene at an early stage in the resumed negotiations and am thinking tentatively of timing my opening remarks for the meeting on Wednesday morning November 28. It would seem appropriate that the main theme of our initial intervention should be the necessity for the ENDC over the coming weeks to make a renewed all-out effort to obtain agreement on a test-ban and to regard this as the first task for the resumed session. The details of my statement will of course depend on the substance of the positions adopted by the nuclear powers in their opening speeches and in private discussions, as well as on the attitude taken by the neutral members; I plan to wait until at least some of the latter have spoken before intervening.

[E.L.M.] BURNS

51.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière de désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 1826

Geneva, November 28, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel N-311 Nov 22.†

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Bonn, Rome, UNESCO Delegation Paris (Priority), CCOS (JS/DSS) Ottawa (Priority) from Ottawa.

By Bag Moscow from London.

NUCLEAR TEST BAN – SUGGESTED BASIS FOR NEGOTIATIONS

After careful consideration of paper in reference telegram in light of situation as it appears to be emerging at resumed negotiations in the ENDC, I agree that your proposals develop a basis for a settlement consistent with the ideas in resolution 1762 XVII Part (A) particularly those contained in operative paragraph 6 of that resolution. However, having heard the opening positions of the major powers as expounded in the Conference and in private discussion as well as the preliminary views of some of the other members, I have the following observations on the paper. These would involve some modification in the details of the initial proposal which we might be authorized to discuss with other delegations. I believe that this modified position would be a better starting point and would give more promise of facilitating eventual agreement.

2. The main difficulty I see is that some of the proposals in the paper are slanted to overcome probable Soviet objections and tend to ignore objections which the Western nuclear powers have to anything which could be construed as an “uncontrolled moratorium.”<sup>32</sup> It has become evident that USA unwillingness to sacrifice requirement for a limited number of on-site inspections<sup>33</sup> has been stiffened by the Cuban experience. In these circumstances, the suggestions in reference telegram for the steps the International Commission would be empowered to take to verify a suspicious event, would be open to vigorous objections from the Western nuclear powers.<sup>34</sup> Specifically the provisions that on-site inspection could take place only with the concurrence of the state on whose territory the event occurs would probably be regarded at the moment by USA as an unacceptable surrender to Soviet position.<sup>35</sup>

3. Regardless of whether the procedure suggested in paragraphs 3(iii), 3(iv), and 3(v) would in fact yield sufficient assurance of compliance with the agreement,<sup>36</sup> it is questionable whether a proposal aimed at breaking the present deadlock by means of an interim arrangement should specify a procedure which the Western nuclear powers could, with some justice, claim would set a precedent for the final accord.<sup>37</sup> For the interim arrangements to be truly interim, the major function of the interim International Commission during the transitional period should surely be an objective investigation of what is actually needed to verify compliance with a permanent agreement. Hence I believe it would be preferable as an initial proposal to suggest a very limited number of obligatory inspections perhaps accompanied by additional inspection by invitation during the interim period.<sup>38</sup> Throughout this period the Commission would continually review its procedures, examine ways of improving the detection network, etc., with the aim of formulating a recommendation whether under the final agreement obligatory inspections were or were not repeat not indispensable.<sup>39</sup>

4. Admittedly at the moment there is little evidence USSR would accept on-site inspection on these terms. However, in present circumstances I believe this idea should be pursued and might possibly be acceptable to the Russians if it could be agreed that the composition of the International Commission would give its neutral scientists the deciding voice concerning

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<sup>32</sup> Note marginale :/Marginal note:

This misses the point of our proposal – it seeks to protect Western position to greatest possible extent while offering something that Soviet[s] might find it possible to accept. [K.D. McIlwraith?]

<sup>33</sup> Note marginale :/Marginal note:

The US has whittled this down to practically nothing already – all we are asking is that it be shaved down a bit more, not to nothing. [K.D. McIlwraith?]

<sup>34</sup> Note marginale :/Marginal note:

Has Gen. Burns already sounded US & UK reps., I wonder. [K.D. McIlwraith?]

<sup>35</sup> Note marginale :/Marginal note:

This ignores our key provision that a refusing state must satisfy the Int[ernational] Com[mission] that a doubtful event was *not a test*. [K.D. McIlwraith?]

<sup>36</sup> Note marginale :/Marginal note:

How can we *disregard* an important feature of our proposed procedure? [K.D. McIlwraith?]

<sup>37</sup> Note marginale :/Marginal note:

But our proposal virtually accepts the view that on site inspection may in certain instances be the only sure method of verification. [K.D. McIlwraith?]

<sup>38</sup> Note marginale :/Marginal note:

This is tantamount to accepting US position and ruling out any possibility of Soviet acceptance. [K.D. McIlwraith?]

<sup>39</sup> Note marginale :/Marginal note:

Soviet technicians will probably never be allowed to agree that they are “indispensable.” [K.D. McIlwraith?]

whether or not repeat not in the light of actual experience during the interim period the provision for obligatory on-site inspection should be retained.<sup>40</sup>

5. I should be grateful for your early reaction concerning the advisability of modifying on the above lines the suggested settlement which Canadian delegation would work for behind the scenes.<sup>41</sup> Tsarapkin's statement in the sub-committee this afternoon as well as neutral interventions in plenary may provide further indications as to the most promising approach. In the meantime the outline of the remarks I now plan to make at Friday's plenary follows in a separate message† and your early comments on it are requested.

[E.L.M.] BURNS

52.

DEA/2462-40

*Le secrétaire d'État aux Affaires extérieures  
à l'ambassadeur en Union soviétique*

*Secretary of State for External Affairs  
to Ambassador in Soviet Union*

TELEGRAM S-455

Ottawa, November 28, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 809 of Nov 9.

POSSIBLE MEETING WITH KHRUSHCHEV

On basis of past experience we suspect that in any interview with Khrushchev the Premier will control course of dialogue. Should the opportunity present itself there are, however, a few matters which I hope you will have opportunity to raise.

2. The major question which we wish you to discuss with Khrushchev is disarmament and cessation of nuclear tests. Subject to your judgement as to trend of the conversation, you should base your remarks on the points set out below:

(a) As Khrushchev is aware, the Canadian Government, like his own, considers disarmament and a permanent cessation of nuclear tests to be among the most important questions facing the world at the present time. The urgency of achieving this goal has been made more apparent by the recent experience in Cuba because it brought to the surface the fact that one of the principal causes of continuing international tension is the reliance placed on military strength rather than stable international agreements. We believe that both Khrushchev and Kennedy have drawn the correct conclusion from the crisis situation in emphasizing the need for disarmament and settlements in other areas of East/West dispute.

(b) It is clear that there is now a greater need than ever for firm evidence that disarmament negotiations are not an empty series of verbal exchanges and that real progress is possible. This is fundamentally a psychological problem – if governments and ordinary citizens are to sustain their efforts toward the goal of disarmament, they must have some concrete indication that it can in fact be realized in the foreseeable future, and is not merely an aim piously proclaimed by governments for their own reasons.

<sup>40</sup> Note marginale :/Marginal note:

This is a very strange line of thinking. [K.D. McIlwraith?]

<sup>41</sup> Note marginale :/Marginal note:

Try to gain British support first. [K.D. McIlwraith?]

(c) The crux of the problem at this time is nuclear weapons tests. It has become increasingly clear that, if the nuclear powers cannot resolve their differences over this issue, no real progress can be expected in the immensely more complex task of working out a system of general disarmament.

(d) The United States and Britain have, over the past year, agreed that on-site inspection is not necessary for atmospheric, underwater and outer space tests. Moreover, they have indicated a willingness to reduce to a minimum any requirement for on-site inspection in the field of underground tests. Some reference has been made in the Soviet press to the possibility of using the system of unmanned seismic stations ("black boxes") which was discussed at the recent Pugwash Conferences as a substitute for on-site inspection, but the scientists who presented this idea (including three Soviet scientists) themselves recognized that it would "substantially reduce the number of necessary on-site inspections" not eliminate the need for them.

(e) We do not deny that there may be risks involved in signing a test ban treaty – for both the Soviet Union and the Western nuclear powers. We have made plain in our statements to the U.N. that no such agreement is likely to meet all the preoccupations of the parties to it. What we do insist upon, however, is that the risks to national security which may be involved in signing a nuclear tests treaty should be weighed against the immensely greater risks which the international community as a whole continues to run so long as no agreement is reached.

(f) In the light of all these factors, we would again urge the Soviet Government, and Premier Khrushchev personally, to take the few remaining steps which seem necessary to achieve an acceptable compromise on the cessation of nuclear weapons tests. Agreement on a test ban would be of immense significance for it is the first move in the direction of disarmament which is psychologically the most important. There is every reason for believing that agreement could be achieved now, and we cannot believe that the Soviet Union will allow this opportunity to slip by.

3. Without mentioning Roberts' recent interview you might seek clarification of Khrushchev's comments on acceptability of retaining Western forces in Berlin under aegis of U.N. You might also attempt to obtain further comments on German problem generally.<sup>42</sup>

4. At suitable opportunity you should express Canadian satisfaction at the lessening of tension in Cuba. Any comments you could elicit on Mikoyan-Castro talks would be useful as we have little hard information of the course of the conversations which have been subject of highly speculative but perhaps unreliable reports in Western press.

5. While expressing our desire to improve Canadian-Soviet relations you should impress on Khrushchev that in our opinion bilateral relations cannot be completely divorced from East-West relations generally. Therefore a substantial improvement in our relations can only be brought about by a general lessening in East-West tensions. Your comments along these lines might help to clarify the Soviet misinterpretation of our understanding of "relations" as revealed in your conversation with Lavrov (your telegram 815 November 12).<sup>43</sup>

6. If Khrushchev raises subject of trade negotiations recently held in Moscow you should note that consultations were useful and that subject of renewing agreement in new year now under consideration by Canadian Government.

7. There would be no objection to your discussing proposed trip to Soviet sub-Arctic. A promise of Khrushchev's cooperation would probably enhance your chances of visiting areas which have been inaccessible to Westerners for a number of years.

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<sup>42</sup> Voir/See documents 197, 200, 202, 728, 733.

<sup>43</sup> Voir/See document 438.

8. We assume you have now received from Brussels by mail copy of Canadian statement on Soviet imperialism delivered at U.N. on November 23.

9. We think it would be inappropriate for you to initiate any discussion on telex.

10. We would prefer discussion at your initiative be limited to foregoing topics.<sup>44</sup>

[H.C.] GREEN

53.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures  
au conseiller du Gouvernement canadien en matière du désarmement*

*Secretary of State for External Affairs  
to Advisor to Government of Canada on Disarmament*

TELEGRAM N-314

Ottawa, November 29, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1826 Nov 28.

Repeat for Information: NATO Paris, Paris, Washington, London, Permis New York, Bonn, Rome, CCOS (JS/DSS) (Routine).

By Bag Moscow.

ENDC – NUCLEAR TESTS

I have considered the amendment to our paper giving a proposed basis for further negotiations on cessation of nuclear weapons tests (our telegram N-311 November 22) which is referred to in your reference telegram. However, for the following reasons I do not consider it desirable to make substantive amendments to the paper at this time:

(a) Your reference telegram suggests that the procedure we have recommended would be unacceptable to the USA. Given the firm stand on principles taken by each side (one insisting on obligatory on-site inspections, the other refusing to accept them) it is exceedingly difficult to devise a position which would not be open to some criticism. However, in drafting our proposal we have tried to take account of both sides' main preoccupations. Our basic objectives have been (i) to protect essential Western interests *and* at the same time (ii) to draft a scheme which would have some chance of acceptance by the Soviet Union.

(b) To meet the first of these requirements we incorporated a number of protective features: (i) the arrangement is *temporary*, and would not last beyond six months if the USA felt its security was threatened; (ii) other possibilities for settling the nature of a "doubtful" event, short of on-site inspection, are allowed for; (iii) while a state could refuse an on-site inspection, strong pressure is put on it not to do so, since if it did, it would in effect be branded as "guilty" and required to prove the contrary to the satisfaction of 2/3 of the Commission, failing which other parties could opt out of the agreement.

<sup>44</sup> Note marginale : /Marginal note:

Not sent. The Ambassador saw Khrushchev before this could receive final approval. Approved in draft.  
[Auteur inconnu/ Author unknown]

Pour la conversation de Smith avec Khrouchtchev, voir les documents 54, 197 à 200, 439 et 742.  
For Smith's conversation with Khrushchev, see documents 54, 197-200, 439, 742.

(c) On the other hand, "A very limited number of obligatory inspections" is precisely what the USA insists on, and what the USSR refuses to accept, and inclusion of this requirement in our proposal would mean that it was no longer a realistic compromise basis for negotiation.

(d) It is also suggested that our procedure would be construed by the Western nuclear powers as setting "a precedent for the final accord." The same objection could be made by the USSR if the proposed basis called for obligatory on-site inspection, but the point to be emphasized is that the arrangements we are suggesting are temporary and without prejudice to the nature of the permanent system. Our approach is also designed to find a system which would provide reasonable assurance of compliance with the arrangement.

2. I do not consider that it would be desirable merely to substitute the Western position for the arrangement we have suggested. If we cannot achieve agreement on the present basis, there are two suggestions which may be of some assistance:

(a) To alter slightly the procedure for initiating an on-site inspection by removing the words "a request ... for ..." in paragraph 3(iii) and "the request for" in paragraph 3(iv). This is essentially only a drafting change, but might make the text more acceptable.

(b) As a less satisfactory but possible fall-back position we might consider removing altogether the references to on-site inspection which occur in paragraphs 3(iii) and 3(iv). This would weaken our proposal and make it more open to conflicting interpretations, and should not be introduced unless the negotiations are deadlocked.

3. Before making any substantive amendments it seems to us desirable to make a forceful presentation of our views as they stand to the Western Four. I therefore wish you to give the text of our paper (omitting the explanatory notes, but incorporating the amendment referred to in paragraph 2(a) above) to your Western colleagues and request an early meeting to discuss it. Further instructions will be sent you when we have an indication of their reactions. In the meantime you should not discuss these ideas with any other delegation.

[H.C.] GREEN

54.

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 869

Moscow, November 29, 1962

SECRET. DEFERRED.

Repeat for Information: London, Washington, NATO Paris, Paris, Rome, Bonn, DisarmDel Geneva, CCOS DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

By Bag Berlin from Bonn.

#### NUCLEAR TESTS

During our talk yesterday Khrushchev referred to nuclear test ban talks, and said that if West was ready to sign an agreement, he was ready. He had indicated willingness to accept "some element of international control" on Soviet territory. This concession had been made not repeat not because Khrushchev considered on-site controls necessary, but in order to make it easier for American Government to agree, and particularly to make it easier for President Kennedy to get a treaty through Congress. He said that this concession was to allow a few automatic stations "two or three of them" to be installed on Soviet territory with foreign

scientists being permitted to install and inspect them, using Soviet planes and with “certain other measures of precaution.” Khrushchev hoped this concession would allow agreement to be reached at last.

2. On disarmament itself Khrushchev said he had nothing new to say beyond Soviet position put forward by Gromyko. Earlier in conversation, when talking on Germany, he had said that disarmament would not repeat not be possible prior to agreement on Germany and explained why (my telegrams 863 November 28 and 868 November 29).

ARNOLD SMITH

55.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière du désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 1898

Geneva, December 4, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tels 1896† and 1897† Dec 4.

Repeat for Information: Washington, London, NATO Paris, Paris, UNESCO Delegation Paris, Permis New York, Bonn, Rome (Priority), CCOS (JS/DSS) Ottawa (Priority) from Ottawa.

By Bag Moscow from London.

#### NUCLEAR TESTS: CANADIAN POSITION

It has become clear that USSR is strongly opposed and that USA and UK have serious objections to an interim arrangement as suggested in the ENDC by Sweden, India, Mexico and Canada.

2. The motives of the nuclear powers are difficult to assess, but it seems possible that their delegations in Geneva might be under some general instruction to maintain existing positions while a full assessment of the consequences of the Cuban crisis and of the Sino-Indian dispute on East-West relations is taking place in Moscow, Washington and London. While the two sides have made some references to the more favourable circumstances under which the ENDC was resuming its work, neither of them has so far made any concrete move on the nuclear test issue. Some delegations seem to be placing hopes in the forthcoming Macmillan-Kennedy talks in the Bahamas and in the reports now emerging from Washington that USA might be willing to resume its bilateral contacts with USSR on Berlin and disarmament even before definitive solution of the Cuban situation, leading perhaps to a Summit meeting early in the New Year. There is growing doubt that the two sides really intend to isolate the nuclear test problem for a separate and early agreement.

3. USSR seems to be very concerned lest the concept of an interim arrangement should gain further ground in the ENDC because its main proponents, Sweden, India and Mexico, have all advocated some measure of on-site inspection as a necessary element of it. Thus Soviet delegation denounced the genesis and intention of paragraph 6 of General Assembly Resolution 1762 and has instead stressed the importance of paragraph 2 which asks for the cessation of all tests by January 1, 1963, in Tsarapkin's words, whether or not repeat not an agreement has been reached by that time. USA and UK speculate that USSR might, by the end of the year, make a unilateral declaration expressing their intention to cease all tests on January

1 in accordance with paragraph 2 of the General Assembly Resolution,<sup>45</sup> hoping thus to force the West, under pressure of world opinion, into another uncontrolled moratorium applying to all tests. However, the current emphasis being placed by Soviet delegation on paragraph 2 of the General Assembly Resolution may be no repeat no more than a tactical device designed to gain time until a general unfreezing of the present situation takes place.<sup>46</sup>

4. USA and UK, while less opposed in principle to the idea of an interim arrangement, see serious faults in the specific suggestions which have been advanced so far by Sweden, Mexico and India. These, as we have reported separately, relate essentially to the nature, composition and functions of the International Scientific Commission, to its function in regard to establishing additional observation posts, and most importantly to the imprecision of the neutral proposals concerning the obligatory character of on-site inspection. USA and UK now seem most unlikely to accept an arrangement, to be applied on an interim and experimental basis, which would offer less guarantee than contained in their comprehensive draft treaty.<sup>47</sup>

5. What the non-aligned members of the ENDC will do in the circumstances is difficult to predict. We suggest that the most effective role that Canada could play at the present time would be to assist the non-aligned members of the Conference behind the scenes to develop their ideas further and press them vigorously in the Conference, taking into account as far as possible the objections expressed by the nuclear powers.<sup>48</sup> To this end, it would be useful to us to receive your early guidance on the modifications that might be made to Canadian proposals in the light of the comments offered by our Western partners at yesterday's Four-Power Meeting.<sup>49</sup>

6. We propose in the meantime to approach some of the neutrals in confidence, and in particular Sweden, India, Mexico, the UAR and Burma and to urge them to give further thought to their varied suggestions in an attempt to formulate a jointly agreed interim arrangement as provided for in paragraph 6 of General Assembly Resolution 1762. In order to reach such an accommodation of their views, the neutrals would presumably need to consider the following elements:

(a) In determining the character and composition of the International Scientific Commission greater account should be taken of the administration functions that it would be called upon to perform, and of its function of selecting within a quota<sup>50</sup> which events need explanation or inspection – essentially a political decision. Probably both USSR and USA will insist on a Commission made up of governmental representatives,<sup>51</sup> whether within the framework of an

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<sup>45</sup> Note marginale :/Marginal note:  
This is quite likely. [K.D. McIlwraith?]

<sup>46</sup> Note marginale :/Marginal note:  
Soviet probably wants *both* to gain time *and* to generate moral pressure on West[ern] nuclear powers. [K.D. McIlwraith?]

<sup>47</sup> Note marginale :/Marginal note:  
If they continue to stand on their draft treaty no compromise proposals have any hope of acceptance. [K.D. McIlwraith?]

<sup>48</sup> Note marginale :/Marginal note:  
They should try to reach a consensus among themselves. [K.D. McIlwraith?]

<sup>49</sup> Note marginale :/Marginal note:  
Elaboration, yes. Modification, no. [K.D. McIlwraith?]

<sup>50</sup> Note marginale :/Marginal note:  
? [K.D. McIlwraith?]

<sup>51</sup> Note marginale :/Marginal note:  
OK. [K.D. McIlwraith?]



interim or a permanent agreement. Some thought might also be given to the idea of a two tier commission<sup>52</sup> to deal separately with the scientific and political aspects of its work.

(b) The functions of control to be exercised by the Commission during the duration of the interim arrangement and powers of recommendation that might be assigned to it in relation to the conclusion of a permanent agreement should be more clearly distinguished and defined than has been done until now by the main advocates of an interim solution.

(c) In regard to control, the nature of the network to be established for reporting events should be more precisely specified.<sup>53</sup> The obligations regarding on-site inspection and methods of putting it in operation in relation to the other procedures for identifying doubtful events, should be given greater precision. The consequences of the failure of a party to accept on-site inspection should also be more clearly stated than has been done until now by Sweden and India.<sup>54</sup> Mexico, on the other hand, has treated such a refusal as a definite breach which would render the treaty null and void. It would be desirable to emphasize that the interim arrangement would not repeat not prejudice the essential interests of the nuclear powers in a permanent treaty.<sup>55</sup>

(d) The interim Commission should have the right to make recommendations on the establishment of additional observation posts, on improvements in detection and identification facilities, and on the need or otherwise for on-site inspections on a permanent basis, in the light of its own experience in administering the interim arrangement.<sup>56</sup>

7. We propose to try to direct the thoughts of the neutrals along the above lines without, however, making specific suggestions until we have received your further views on Canadian proposals. It is our judgment that direct Canadian intervention at this stage would be unhelpful;<sup>57</sup> that the neutrals are in the best position to establish the delicate balance of interests that may lead to an interim agreement; and that it would therefore be our best course to assist them behind the scenes in achieving that objective. In the light of the neutral reactions it can be decided what further action can be taken by Canada at a later stage.<sup>58</sup>

8. I look forward to receiving your guidance and instructions.

[E.L.M.] BURNS

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<sup>52</sup> Note marginale :/Marginal note:

Seems unnecessarily complicated. [K.D. McIlwraith?]

<sup>53</sup> Note marginale :/Marginal note:

This [is] for US & UK to work out in the first instance. Our experts could then be asked for comments. [K.D. McIlwraith?]

<sup>54</sup> Note marginale :/Marginal note:

Our proposal is quite clear on this. If we were to accept mandatory on site inspection our whole procedure would have to be revised. [K.D. McIlwraith?]

<sup>55</sup> Note marginale :/Marginal note:

Our proposal has a clearly specified time limit for the interim arrangement. [K.D. McIlwraith?]

<sup>56</sup> Note marginale :/Marginal note:

Our proposal could readily incorporate all these functions. [K.D. McIlwraith?]

<sup>57</sup> Note marginale :/Marginal note:

Agreed. [K.D. McIlwraith?]

<sup>58</sup> Note marginale :/Marginal note:

But not without West[ern] Four knowledge that we are doing this. [K.D. McIlwraith?]

56.

DEA/50271-M-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*

CONFIDENTIAL. CANADIAN EYES ONLY.

[Ottawa], December 5, 1962

ENDC – CESSATION OF NUCLEAR WEAPONS TESTS

The following paragraphs review some questions relating to the above subject which we would like to have an opportunity to discuss with you preparatory to the drafting of further instructions for the Disarmament Delegation.

2. The United States view (apparently shared by the British), as it emerges from reports of Western Four discussions and conversations in capitals, seems to be that the time is not right now for a move on a test ban; that the Cuban problem remains to be settled and assessments of its implications need to be completed; and that the USSR is unsure of its position on nuclear tests and is still thinking things over. As the Disarmament Delegation has reported, the delegations of the nuclear powers at Geneva “might be under some general instructions to maintain existing positions while a full assessment of the consequences of the Cuban crisis and of the Sino-Indian dispute on East-West relations is taking place in Moscow, Washington and London.” All this apparently indicates to our major allies, as our Embassy in Washington has put it in reporting an American official, that “in the circumstances it would be in the Western interest to exercise a degree of patience.”

3. What are the implications of this position for the test ban negotiations? There is to be a report to the General Assembly by December 10, i.e., in five days' time, and it will be virtually impossible to achieve any real progress by that date. Probably all we can expect is a report on the number of meetings held; perhaps a reference to some of the suggestions made by the neutrals (though this is doubtful because the Russians apparently disagree with them); and a statement that negotiations are continuing. As for the January 1 deadline for stopping tests there is also little ground for optimism – unless there is a significant change from the present position – that very much can be accomplished. There is already talk in the corridors (so the British here have told us) about a Christmas recess which may last throughout the holiday period, i.e., from about Friday, December 21 to Monday, January 7. This will leave only about two working weeks after the end of the present week in which to achieve some progress.

4. Where do we stand as a result? It is unlikely that we will be able to budge the USA from its stand on obligatory on-site inspections in the little time remaining, and, if we cannot, there is perhaps little point in putting forward any Canadian proposal publicly. On the other hand, it is difficult simply to sit tight, in view of the General Assembly resolution which called for action by January 1 either on a complete test ban or, “if against all hope” that were not possible, on a partial ban and an accompanying suspension of underground tests. Moreover, it is not yet clear what will be the neutrals' attitude. Will they be content to let the great powers carry the ball – or rather not carry it? Or will they become more concerned as time goes by and demand decisive action?

5. General Burns suggests in his telegram No. 1898 of December 4 (copy attached) that we should not intervene publicly, but that our role should be to encourage the neutrals behind the scenes to develop their ideas and to press them vigorously at the Conference. This is probably sound so far as it goes, and it is certainly desirable that they should carry forward their April 16 memorandum and try to devise an interim arrangement consistent with paragraph 6 of resolution 1762, part A. But the question remains to what extent the Canadian Delegation should encourage them to work along certain lines, and how we could accomplish this if we cannot put forward any of our own ideas outside the Western Four. In any event, the series of general points which telegram 1898 suggests might be raised with them appears to be satisfactory as a start, except for the suggestion in sub-paragraph 6(a) that we should be encouraging them to think in terms of “a quota” of events to be inspected or explained. As you know our own proposal would not be compatible as it stands with the quota idea. The suggestion in this paragraph that there might be a “two tier Commission” also seems to raise difficulties and complications, and should probably be played down.

6. Supposing we do follow the approach recommended by General Burns so far as the neutrals are concerned, it remains to be decided what we would do with our own paper. That is to say, we would have to decide whether to stick with it more or less as it now stands, or to introduce amendments to meet what would appear to be American views. The latter course of action is not easy, because we have had no clear suggestions as to precisely how we would need to amend it; and some of the questions raised by the American Delegation appear more likely to prolong the discussion than to assist in drafting a useful paper. (This last difficulty is reinforced by a comment made to our Embassy in Washington to the effect that “a special working group” might be set up in Geneva to examine our paper.) If in fact, as our Disarmament Delegation reports, the “USA and UK now seem most unlikely to accept an arrangement, to be applied on an interim and experimental basis, which would offer less guaranty than contained in their comprehensive draft treaty,” then further discussion of our paper at this time is not likely to produce a viable compromise.

7. Our own conclusion would be that, so far as the Western Four [are] concerned, we should attempt to clarify our paper as much as possible, but we should not agree to any fundamental modification such as the inclusion of obligatory on-site inspections on a quota basis. If, however, our allies show a real interest in developing a proposal in terms similar to those we have suggested, we might agree to modifications along the lines of some of the suggestions contained in the notes to the original version sent to DISARMDEL. As for the neutrals, we might agree that General Burns pursue the general line he has suggested (with the exceptions mentioned above) subject to further instructions in the light of consideration of our paper in the Western Four and other developments in the Conference.

K.D. MCILWRAITH

57.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-318

Ottawa, December 5, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1897 Dec 4.†

Repeat for Information: NATO Paris, Paris, Washington, London, Permis New York,  
Bonn, Rome, CCOS (JS/DSS) (Priority).

By Bag Moscow.

NUCLEAR TESTS CESSATION – CANADIAN PAPER  
ON A SUGGESTED BASIS FOR NEGOTIATIONS

Following is a further elaboration of certain points in our paper on above subject in response to questions raised at the Western Four meeting. (Paragraph references are to our paper.)

2. *Paragraph 3(ii)*. In clarifying intent of this paragraph you might reiterate point made in your reference telegram to the effect that it was intended to allow the nuclear powers (particularly the Western nuclear powers) to bring before the Commission any event which they had not identified to their satisfaction as a natural phenomenon, non-nuclear explosion, etc. In effect, this paragraph is designed to protect Western interests by giving them an opportunity to challenge the Soviet Union, in the case of any event they consider doubtful, to demonstrate that it was not a nuclear explosion. Dean's rejoinder to you that data would have to be coordinated from "several different stations which might be situated on different national territories in order to arrive at a conclusion regarding the nature of a given event" is not entirely relevant for two reasons:

(a) in the case of the USA, for example, national experts would already have evidence from more than one station to aid them in making their decision before requesting the Commission to undertake a further investigation; and

(b) in order to place it before the Commission, it would not be necessary to reach a firm conclusion concerning the nature of the event – it would be sufficient that the state concerned should be doubtful about its nature.

3. With respect to general point raised in connection with this paragraph, we have tried to avoid prejudging the question whether or not it would be possible "to decide on scientific grounds alone" which unidentified events would require inspection. Events to be referred to the Commission would be decided by national states themselves; and events which would require an on-site inspection would be, under the terms of the arrangement, those which the Commission decided by majority vote demanded such further investigation. In practice, this system might well provide greater protection against "cheating" than a small quota of on-site inspections agreed in advance, since it would permit the Western nuclear powers to put the onus of the Soviet Union to prove that no violation had occurred in the case of *any* event about which they were doubtful.

4. *Paragraph 3(iii)*. The word "agreed" was inserted in this paragraph only because it was assumed that all procedures and methods under the arrangement would have to be "agreed" among the parties if they were to be put into operation. However, if it appears to weaken the proposal insofar as the requirement for adequate inspection is concerned, it could be deleted.

5. *Paragraphs 3(iii), (iv) and (v)*. Procedure suggested in our paper was not intended to correspond in all details to the wording of the neutral memorandum for two reasons:

(a) the neutral memorandum was presumably discussing the nature of a permanent scientific Commission as part of a comprehensive treaty, whereas our proposal relates to an interim Commission (e.g., a permanent Commission might involve a much more elaborate organization which would monitor all seismic events, whereas we have proposed reports to the Commission only in the case of doubtful events);

(b) the neutral memorandum was intentionally vague in a number of respects and we have tried to draft a more precise proposal.

There is, however, no essential inconsistency between our paper and the neutral memorandum and the procedure set out in paragraph 5 of the latter document could, for example, be employed by the Commission under our proposal before a decision was made that an on-site inspection would be necessary. In any event, it was assumed in drafting our paper that the Commission would not decide that an on-site inspection was necessary unless it was unable to satisfy itself by other means as to the nature of a doubtful event which had been placed before it. If an on-site inspection were refused after the Commission had so decided, we would expect that in practice it would not be possible to satisfy the Commission by producing evidence from other sources but we have nevertheless felt it desirable to allow for this possibility (e.g., to take account of the unlikely circumstance that a state could show by other means that a doubtful event had in fact been a large chemical explosion). This point is also relevant to the comment at the bottom of page 2 of your reference telegram with respect to paragraph 3(v) of our paper.

6. *Paragraph 3(iv)*. The notion that a state in which an unidentified event had occurred would have to satisfy two-thirds of the Commission that it was not a nuclear explosion is of course the heart of our proposal insofar as it places the onus on the "accused" party to prove that it is "not guilty" and thereby makes it very difficult to refuse an on-site inspection. We recognize that this formula underlines the importance of the membership of the Commission, but we would hope that a composition such as that suggested in the paper would protect essential Western interests.

7. With regard to paragraphs 4(a) and 4(b) of the paper (paragraphs 2 of your reference telegram) we are open to suggestions as to additional functions which might be appropriate for the interim Commission. It would be worth bearing in mind, however, the point raised in our note on these paragraphs, that care should be exercised not to suggest functions which might appear to be outside the competence of such a body.

8. The intent of paragraph 5 of the paper was to provide for a review by the UNGA before allowing the negotiations to lapse. (It would of course not repeat not apply if these had been any violation of the arrangement.) In reply to Dean's question, it was not our intention that the nuclear powers would commit themselves in advance to be bound by any decision reached by the UNGA in these circumstances.

9. Please pass above comments to your Western colleagues, making any drafting changes you may consider necessary to make them suitable for transmission to them.

[H.C.] GREEN

58.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-320

Ottawa, December 7, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1898 Dec 4.

Repeat for Information: NATO Paris, Paris, Washington, London, Permis New York,  
Bonn, Rome, CCOS (JS/DSS) (Routine).

By Bag Moscow.

## NUCLEAR TESTS: CANADIAN POSITION

You will already have received our telegram N-318 December 5 giving a further elaboration of our suggested basis for negotiations on cessation of nuclear tests. Following paragraphs deal with question of tactics in the Western Four and in your discussions with the eight non-aligned delegations.

2. I agree with assessment in your reference telegram that the most useful role Canadian delegation could play at this time would be to encourage non-aligned members to give greater precision to their ideas (especially on the nature of an interim arrangement) and to press them vigorously in the Conference. We would particularly like to see a concerted effort on their part directed toward the establishment of appropriate international arrangements, including an interim scientific Commission, which could begin functioning even if the nuclear powers cannot reach full agreement now on suspension of underground testing.

3. I also agree in general with list of points you have suggested might be put to the neutrals. There are, however, two points in paragraph 6(a) of your reference telegram which I believe you should not raise in your discussions with them;

(i) A "quota" of events which would require inspection. This concept is not in line with our own proposal which suggests that *all* "doubtful" events would be investigated by the interim Commission and that a decision would be taken by vote as to which ones required on-site inspection, and for the time being at least I do not think you should raise it with the non-aligned delegations.

(ii) The idea of a "two tier Commission," part dealing with scientific and part with political questions, may raise unnecessary complications in working out the organization of an interim Commission; accordingly, I believe it should be played down unless the neutrals themselves are already thinking in these terms and there is some indication that it might be considered useful by the nuclear powers.

4. With regard to discussions in the Western Four, I think the best approach is to continue where necessary the elaboration of our proposal, and to clarify any points on which questions are raised by our allies. The latter should be assured that we do not intend to present our ideas publicly at this time unless there is agreement among the Four. At the same time we do not believe it would be wise to agree to fundamental modifications in the paper, such as the inclusion of on-site inspection on a "quota" basis, since this would be likely to remove any chance of making use of the proposal as a basis for negotiations at a later stage. However, provided that your Western colleagues share our view that it is desirable to develop a compromise approach, we would be prepared to consider modifications along the lines of those set out in the notes transmitted with the original version of the paper (our telegram N-311 November 22).

[H.C.] GREEN

59.

DEA/50271-M-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*

CONFIDENTIAL

[Geneva], December 11, 1962

NUCLEAR TEST BAN

*A. Neutral Proposals*

Following Sweden's lead, all the representatives of the 8 non-aligned countries have now submitted suggestions in the ENDC for breaking the deadlock in the test ban negotiations. In summary form, their statements have been annexed to the report the conference was required to submit to the General Assembly on December 10.

2. Although the suggestions of the 8 vary in precision and also occasionally on matters of detail, all aim at translating the terms of Resolution 1762A into a concrete basis for a test ban agreement; most of the proposals are particularly inspired by paragraph 6 of that resolution (i.e., a ban on all tests for the three fallout environments, plus an interim arrangement to halt underground tests including adequate assurances of compliance with such an arrangement).

3. The basic elements in the Swedish proposal are:

(a) an immediate final agreement prohibiting tests in the three environments where no control problem exists;

(b) an interim arrangement to stop underground tests while a final agreement is being negotiated;

(c) the establishment of an interim international scientific commission to administer the arrangement in (b) above. The interim ISC according to the Swedish proposal would have the following functions:

(i) to "provide the conference (i.e., the ENDC which would give the interim ISC its mandate) with pertinent technical and scientific information and undertake certain investigations." This would presumably involve further objective scientific study with a view to formulating recommendations as to whether distant instrumentation is sufficient to detect and identify underground nuclear tests;

(ii) to "assist in the elaboration of the detection and data exchange system" and

(iii) to perform the functions the 8-power memorandum envisages for a permanent commission. (These functions are set forth in paragraphs four and five of the neutral memorandum of April 16 which provide that the scientific commission should process data received from the agreed system of observation posts, report on suspicious events, and receive all the facts necessary to establish the nature of such events which parties would be under an obligation to furnish. In the event the commission could not reach a conclusion on the nature of a significant event, the party concerned, in accordance with its obligation to provide the necessary clarification, "could invite" the commission to conduct an on-site inspection.)

4. The proposals of the UAR, Mexico and Brazil all endorse the Swedish suggestion outlined above. The Indian, Burmese, Ethiopian and Nigerian proposals, although less explicit on matters of detail also follow this general line. Mexico has expressed the view that "refusal to invite the scientific commission shall, *ipso facto* release the other party from obligations under the interim arrangement." The UAR has also stated that failure to invite the commission and to furnish it with a convincing explanation of such a failure would "free the states concerned from the heavy moral obligations undertaken by all parties." India has suggested that the two sides could agree on a small quota up to which invitations would be issued for the first year of the interim arrangement and that any state guilty of breaches of its obligations would "by such breaches free the other parties" from the agreement. If the view of the Mexican representative were accepted, the proposed interim arrangement would to all intents and purposes make on-site inspection, if requested by the commission, obligatory.

#### B. Comparison of Neutral Proposals with Canadian Suggestion

5. The Canadian paper is consistent with the Swedish proposal and those of the other non-aligned countries in its main outlines; it provides for a final cessation of tests in the three fallout environments and for the establishment of an interim ISC responsible for supervising an interim arrangement for the cessation of underground tests while a final comprehensive treaty was being negotiated. The three main differences between the Canadian paper and the non-aligned proposals are

- (1) our paper is not consistent with the 8-nation memorandum since it does not envisage as do all the neutral suggestions the processing by the interim ISC of all data received from a coordinated network of detection stations but only for the examination of doubtful events reported to the commission by parties to the agreement;
- (2) our paper makes specific suggestions regarding the composition of the interim ISC and also for voting procedures. In formulating their suggestions the neutrals have left these matters vague and there is obviously some advantage in not being too specific on such points at an early stage;
- (3) unlike the Indian suggestion, our paper does not include the idea of a quota system which would limit on-site inspections to a number which might possibly be acceptable to the Russians.

#### C. Comments

6. The neutral proposals which we have warmly supported have placed the Soviet Union in a very awkward position since they represent a clear challenge to state whether an interim arrangement is acceptable. So far the Russians have adopted a negative attitude but this has clearly irritated the non-aligned group since their proposals are entirely consistent with their memorandum of April 16 which the Soviet Union has repeatedly said it accepted as a basis for negotiation. It seems clear that the main reason for the negative Soviet position to these suggestions is that they tend to highlight the obligation of parties to give the interim ISC adequate assurances concerning the nature of a doubtful event, including the right to conduct



on-site inspection if necessary. The neutrals have stressed this obligation in stronger terms than in their memorandum of April 16. However, under the neutral proposals the Soviet Union would not be saddled indefinitely with arrangements it regards as unsatisfactory and during the interim period the Soviet Union would have the opportunity to demonstrate to the ISC the validity of its claim that it can distinguish all underground nuclear explosions from earthquakes by national detection systems alone.

7. As for the Western nuclear powers, they have taken a more flexible position with respect to the possibility of an interim arrangement while at the same time they have insisted that such an arrangement should provide the same measure of guarantee against violation as would a permanent ban. The USA seems to be coming to the view that the necessity for obligatory on-site inspection has been incorporated in essence in at least some of the formulations advanced by the neutrals. Its main concern about the proposals thus far put forward centre chiefly on the character of the interim ISC (the USA believes that its members should be responsible directly to governments and not be composed of independent scientists) and also relates to how an on-site inspection would be "triggered off." On the latter point the USA has insisted that if only a very small number of on-site inspections are to be involved, the nuclear powers must have the opportunity to select which events would in fact be inspected. It maintains that if only objective scientific criteria are to be used in determining the need for on-site inspection, a very substantial number of inspections would be needed to which there is no chance the Soviet Union would ever agree.

8. The Western nuclear powers have concluded that the best tactical approach at the present moment is to keep the heat on the Russians to modify their opposition to the principle of on-site inspection. They believe that the neutral proposals have been useful in exerting additional pressure on the Russians in this respect. Until some sign from the Russians is forthcoming that they are willing to compromise on this crucial issue, the USA has decided that it would be unwise to alter significantly the proposals contained in its present draft treaties, although it will continue to express a readiness to enter into an interim arrangement which includes satisfactory safeguards.

E.L.M. BURNS

60.

DEA/50271-T-40

*Le conseiller du Gouvernement canadien en matière de désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 1957

Geneva, December 26, 1962

CONFIDENTIAL. PRIORITY.

DISARMAMENT: THIRD SESSION ENDC

Since the recently concluded session of the ENDC was brief and we have reported at length on the issues dealt with, it does not repeat not seem necessary to send you a detailed review. However, we have a few general comments, especially on the situation which we are likely to face when the Conference resumes on January 15.

2. It is clear that in the wake of the Cuban crisis and of the Sino-Indian conflict, neither USA nor USSR were prepared to negotiate effectively on disarmament when they returned to Geneva November 26. More time was needed before the implications of the changed

international situation could be more fully assessed in Washington and Moscow. Delegations of both of the great powers were obviously under instructions to maintain their previous positions until the end of the year. The statements which Tsarapkin made at the opening and at the closing of the third session were almost identical in placing the emphasis on general and complete disarmament as the primary objective of the conference, and in playing down the urgency and flexibility of an agreement on the cessation of nuclear tests and adopting collateral measures. USA held to its well-known positions and made no new moves except to submit its paper on the reduction of the risks of war by accident, stimulated perhaps by the Cuban crisis. USA delegation eventually said they were willing to consider an interim arrangement on the cessation of underground tests, as advocated by the non-aligned members, but it did so with marked reserve and only after it had become clear that USSR was not repeat not prepared at this time to agree to anything other than a final comprehensive treaty on its own terms. This negative attitude of the two great powers left the non-aligned members feeling frustrated and helpless, and they were saying so more openly on the eve of the recess.

3. Nevertheless, there were encouraging circumstances. USA and USSR delegations throughout the session kept in close and continuous touch with each other. The tone and the atmosphere at the meetings were correct and on the whole exempt from recriminations. The co-chairmen agreed to resume the Conference on January 15 although they may have preferred a later date. Even if the Gromyko proposal for the retention by USA and USSR of a minimum deterrent until the end of the second stage of disarmament was not repeat not clarified, it was expounded energetically by Soviet delegation and when the Conference resumes will still be on the table for further examination. Furthermore, USSR, in recognizing that international scientific observers could play a role in the installation and operation of the so-called "black boxes" seem to have eased their rigidity on verification in this context, and it may be a significant step towards the conclusion of a test ban agreement. By clarifying their joint memorandum of April 16 in relation to the possibility of an interim arrangement, in a sense which recognizes the need for some form of on-site inspection, the eight non-aligned members may also have set the conditions for progress when the international situation becomes more propitious.

4. One may hope that when the Conference resumes in mid-January USA and USSR in their reassessments of the international situation will have decided to follow a policy of *détente* and that their delegations will return to Geneva with a renewed determination to negotiate effectively on disarmament. Perhaps, the situation will remain substantially as it is now. On the other hand, the reassessments might result in decisions by either USSR or USA, or by both, to increase their military preparedness with a consequent negative effect on serious disarmament negotiations. It seems probable however that the implications for the disarmament conference of the eventual decisions of the great powers would become apparent only gradually, possibly not repeat not until March. If no repeat no firm decisions have been taken by USA and USSR at the time of resumption the attitudes of UK, Canada and the eight non-aligned members may exercise an important influence on the formulation of those decisions and on the future of the conference.

5. With these considerations in mind, we intend during the recess to review positions on various aspects of our work.

(a) No repeat no doubt you have had under review the memorandum to Cabinet of February 13/61, which constitutes our basic instructions, to see if it still fully meets the present requirements of the conference.<sup>59</sup> We shall also be thinking of this, and may offer comments later.

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<sup>59</sup> Voir/See Cabinet Document 67-61,† February 13, 1961, PCO/C-20-5; Volume 28, document 331.

(b) In view of the General Assembly Resolution 1762, which calls for a cessation of all nuclear tests by January 1/63, we anticipate that when the Conference resumes the non-aligned members will register protests and continue to insist that this subject should be given first priority. We shall try to think of the best way to encourage and assist the non-aligned members in reaching our common objective.

(c) In their concluding statements before the recess, several of the non-aligned members and in particular Sweden, Brazil, Nigeria, emphasized the importance of collateral measures and of the need to revivify the committee of the whole. Four main areas have been mentioned: the reduction of the risks of war by accident; non-dissemination; outer space; and nuclear free zones. At present each subject presents some difficulties. USSR is apparently not repeat not prepared to separate the question of the reduction of the risks of war by accident from the other measures contained in the first stage of its disarmament plan. It will not repeat not in any case agree to discuss this "Western" subject in the committee of the whole unless an "Eastern" subject, such as nuclear free zones, were to be taken up at the same time. As for non-dissemination, USA and USSR seem to be agreed to reserve it for bilateral negotiations. USSR maintains the position that it will not repeat not consider the question of outer space apart from that of foreign bases, to which they claim it is organically linked. Finally, USA is very reluctant to discuss nuclear free zones, fearing introduction into the conference of the Rapacki plan<sup>60</sup> or other disengagement schemes. Nevertheless it seems to us that collateral measures still offer the best prospects of early progress. We intend to examine our established position on these subjects, and try to think of ways to get negotiation on them moving again.

(d) As regards general and complete disarmament the Conference is likely to continue its consideration of the various items listed on its agenda (ENDC/52 of July 24). We therefore propose during the recess to continue our study of these various items and in particular of items 5(d) nuclear disarmament; 5(e) military bases; and 5(f) armed forces, keeping in mind their relation to items 5(b) nuclear weapons delivery vehicles, and 5(c) conventional armaments. We should appreciate in this regard receiving the views of DRB on UK paper entitled "The Technical Possibilities of International Control of Fissile Material Production" (ENDC/60) which we transmitted to you at the time of its submission last August.

6. We would appreciate your comments and advice on the views outlined above and the immediate objectives and tasks that we have set ourselves. Pending your further instructions, we shall be commencing work as indicated.

[E.L.M.] BURNS

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<sup>60</sup> Voir/See James R. Ozinga, *The Rapacki Plan: The 1957 Proposal to Denuclearize Central Europe, and an Analysis of Its Rejection* (Jefferson, NC: McFarland & Co., 1989).

61.

DEA/50271-T-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-325

Ottawa, December 28, 1962

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 1957 Dec 26, 1962.

## DISARMAMENT: THIRD SESSION OF ENDC

Thank you for your useful commentary on the present state of negotiations in the ENDC and your assessment of the probable situation when the Conference resumes on January 15. I agree with your appraisal and share your view that, despite the evident lack of progress during the third round, there are a number of circumstances which suggest that a further narrowing of differences may be possible in resumed discussions. Much of course depends on the attitude of the major powers, but you should continue to press for early agreement on the cessation of nuclear weapons tests and other collateral measures not only for their intrinsic value but as a means of developing a climate conducive to progress on a general disarmament treaty. I would welcome any suggestions you may have for expediting agreements on nuclear testing and on other collateral measures which the co-chairman have already accepted for consideration in the committee of the whole.

2. The Cabinet memorandum of February 13, 1961, has been reviewed in the department in light of developments in the negotiations since it was approved. However, I consider that it still reflects the government's overall policy on disarmament and the relative importance we attach to specific measures of disarmament including verification and peace-keeping provisions. Although in 1961 we believed that measures for restricting the spread of nuclear weapons, for reducing the risk of war by accident, and for prohibiting mass destruction weapons in outer space "should be included in the first stage of disarmament," this view has been modified only to the extent that we now regard such collateral measures as suitable subjects of separate agreements for implementation before final agreement is reached on the first stage of a disarmament programme. This is more an extension of than a substantive change in the policy approved by Cabinet, and would not therefore call for any formal amendment.

3. The Cabinet memorandum of February 1961 was prepared and approved before the nuclear test talks had been merged with the disarmament talks. The government's position on testing is however sufficiently well established that new Cabinet authority is not considered necessary.

4. I agree that you should continue to give special study to the items listed in your paragraph 5 relating to a general disarmament treaty and you might also bear in mind that the subject of peacekeeping is currently receiving intensive study in the department.

5. We have asked DRB for comments on the UK paper concerning control of fissile material production.

[H.C.] GREEN

62.

DEA/50271-T-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-100

Ottawa, February 8, 1963

CONFIDENTIAL. OPIMMEDIATE.

DISARMAMENT: RESUMPTION OF ENDC

Following for General Burns from SSEA:

It will be of the greatest importance to make a concerted effort from the outset of the resumed session on Tuesday to bring about rapid progress in the ENDC. This is a decisive stage in the life of the Conference when the negotiations could well stand or fall on what can be accomplished in the next few weeks. Moreover, it is of the utmost importance in Canada that the ENDC demonstrate its ability to reach concrete agreements, particularly on a test ban, if continued support for the negotiations is to be maintained.

2. I therefore wish you to take the initiative, both in private and in meetings of the Committee, to bring maximum pressure to bear on the nuclear powers to reach agreement on cessation of tests. You should also use every opportunity to encourage non-aligned delegations to present a forceful and united position which will leave no doubt as to the reaction of world public opinion if the nuclear powers should fail to reach agreement without delay. It is our considered opinion that the technical basis for a treaty already exists, and that what is required now amounts simply to a final, essentially political, decision to reach complete agreement. I believe that our role in these circumstances is to focus and guide the efforts of those who share our views in a way which will accomplish this result as soon as possible.

[H.C.] GREEN

63.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-26

Ottawa, February 25, 1963

CONFIDENTIAL. OPIMMEDIATE.

Repeat to: London

DISARMAMENT: CESSATION OF NUCLEAR WEAPONS TESTS

PERSONAL for General Burns from SSEA:

Your statement on above subject at Friday's meeting (your telegram 50 February 22<sup>+</sup>) was very valuable in further underlining the great importance of early agreement on a test ban. I wish you and other members of the delegation to take every opportunity to maintain and increase the pressure you have brought to bear up to now, both in your private conversations with Western, neutral and Communist delegations, and by continuing to emphasize position set out in paragraph 2 below in your statements to the Committee.

2. You should in particular impress upon your colleagues two key points which we believe must be recognized if negotiations on this subject are to produce rapid agreement:

(i) that differences between the two sides have already been reduced to such an extent that there is no technical barrier which could not be removed by a willingness to compromise on details;

(ii) that unless a final effort is made to achieve complete agreement on this problem, there can be no hope of progress on general disarmament and the Conference as a whole will be likely to degenerate into a profitless debate ending in the realization that the ENDC has not been capable of fulfilling the tasks given it by the United Nations.

If we are to get these points across I believe that you must play a leading part in pressing all delegations to realize frankly that tactical and political considerations which have affected their attitudes to date cannot be allowed at this juncture to stand in the way of an agreement which is within the grasp of the Conference and which is vital to its continued existence as a forum for realistic negotiations on the whole range of disarmament questions. The remaining differences of view between the two sides – particularly the “numbers game” on which so much time has already been spent – will never be resolved unless and until all concerned face up to the extremely grave consequences of failure. At this crucial stage in the Conference, it is our role to bring home to all the participants that without early agreement on a test ban the survival of the Eighteen-Nation Conference would be placed in jeopardy.

3. In your private conversation with Foster and Godber you should also draw on additional considerations set out in the following paragraph addressed to Mr. Drew.

4. FOR LONDON (PERSONAL FOR MR. DREW). I would like you to speak to the Foreign Secretary along the above lines as soon as possible, making use of General Burns’ latest statement to the Committee (DisarmDel telegram 50 February 22) for further background. You should impress upon Lord Home the fundamental point that absence of a test ban will mean renewed testing and all that this would imply for the further proliferation of nuclear weapons (as mentioned by President Kennedy in his press conference February 21 and reported in Washington telegram 598 February 22<sup>†</sup>),<sup>61</sup> as well as sacrificing the possibility of a world wide verification system major elements of which are already agreed. Moreover, it is my conviction that unless a breakthrough can be achieved at this time on a test ban, the possibility of progress on disarmament would be put off indefinitely and the West might suffer a serious set-back as a result of what could be interpreted by public opinion as insistence on a degree of inspection not warranted by technical requirements. You should make plain to him that in my view these are the main considerations which now have to be weighed in the balance in determining the Western attitude to the question of on-site inspection.

[H.C.] GREEN

<sup>61</sup> Voir/See “The President’s News Conference of February 21, 1963,” in *Public Papers of the Presidents of the United States: John F. Kennedy, 1963* (Washington: United States Government Printing Office, 1964), pp. 201-209.

64.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière de désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 55

Geneva, February 26, 1963

CONFIDENTIAL. OPIIMMEDIATE.

Reference: Your Tel N-26 Feb 25.

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York,  
Bonn, Rome (Priority), CCOS (JS/DSS) Ottawa (Priority) from Ottawa.

By Bag Moscow from London.

## DISARMAMENT: CESSATION OF NUCLEAR WEAPONS TESTS

Today I have seen Foster and Godber and have put to them your views on necessity for early conclusion of a nuclear test ban. Godber thought that the situation was not repeat not unfavourable but that we must give Russians a little time to reconsider their position i.e. to move from their present insistence that two to three on-site inspections and three automatic seismic stations is as far as they will go. He said the Soviet decision-making apparatus does not repeat not usually work very rapidly. Foster stressed the difficult political situation in USA. His conversations last week with various senators and congressmen in key positions were not repeat not all encouraging. The climate could hardly be worse for additional "concessions" by USA in view of confused and disturbed feelings about the Cuban situation and difficulties over defence matters with European NATO allies. Nevertheless the President is still determined to press for a nuclear test ban and hopes that a treaty could be got through the Senate provided essential requirements for verification can be made. Foster hoped that given a little time the process of educating opinion in this matter in the Congress and Senate will be effective. If Kuznetsov does not repeat not return soon, Foster may decide he could work more effectively at this in Washington and will leave Stelle to lead the delegation here.

2. I suggested to both Godber and Foster that the West should make a clear statement in plenary of their requirements as to composition of inspecting teams, procedure for deciding on events to be inspected, area to be inspected, and other essential features of an agreement aside from actual number of on-site inspections and automatic seismic stations. This would enable Conference and especially neutrals to judge reasonableness of these requirements. Foster said he intended to do this, probably Friday.

3. I also said that it would be important to give as clear evidence as possible refuting Soviet claim that all repeat all underground nuclear tests had been and could be identified. Foster agreed this would be useful and USA delegation will see whether such a statement can be prepared.

4. I also saw today Lall, Hassan, Imru (Ethiopia), and Obi (Nigeria), and talked over possibilities for moving negotiations forward. Non-aligned had had a meeting this morning but had not repeat not decided on any concerted action. On the whole they were encouraged by the "numbers" now having reached the position of three to seven and hoped that with a little time, and continued pressure, agreement would be reached. They agreed that statements from the West on the lines I suggested to Foster would be helpful.

[E.L.M.] BURNS

65.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM N-28

Ottawa, February 27, 1963

CONFIDENTIAL. OPIIMMEDIATE.

Reference: Your Tel No. 55 Feb 26.

## DISARMAMENT: CESSATION OF NUCLEAR WEAPONS TESTS

Following for General Burns:

Secretary of State for External Affairs was concerned to note from your conversations with Godber and Foster (your reference telegram) that UK and USA delegations are satisfied for the time being simply to await further developments in the Soviet position on the above subject. The Minister was also disturbed at any suggestion that Foster might leave Geneva at this critical time.

2. Secretary of State for External Affairs wishes you to reiterate to Godber and Foster the overriding need at this time for a concrete demonstration of their determination to resolve outstanding differences on key problems of inspection, particularly numbers of on-site inspections. They should be left in no doubt that in our view the time factor is of extreme importance, and that any further delay would greatly endanger the future work of the ENDC and give rise to other consequences outlined in paragraph 4 of our telegram N-26 of February 25.

3. Secretary of State for External Affairs assumes you will also be in touch with other non-aligned delegations in addition to those mentioned in paragraph 4 of your reference telegram.

[N.A.] ROBERTSON

66.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière du désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 60

Geneva, March 1, 1963

CONFIDENTIAL. OPIIMMEDIATE.

Reference: Your Tels N28 Feb 27 and N26 Feb 25.

## DISARMAMENT: CESSATION OF NUCLEAR WEAPONS TESTS

As instructed in your reference telegrams I put to Mr. Foster the views and considerations set forth in them. He said USA authorities appreciated that agreement on a nuclear test ban was important both intrinsically and as a symbol of progress towards disarmament. This was the reason for the continued USA flexibility. The Administration had gone beyond the point where they could be assured of the Senate's support for a treaty based on their position. Foster thought the Senate could hardly accept further concessions on the USA side. It is essential that



there should be sufficient safeguards in any treaty to convince the Senate that it would be serving the interests of the USA. Senators feel the USSR has not repeat not conceded very much. Khrushchev's speech on 27th reaffirmed rigidity of their position.

2. Foster appreciated your concern that he should remain at the ENDC, but he felt that in the absence of any Russian move he could do more useful work in Washington trying to convince those who are opposed to present USA position and even more opposed to any further bargaining moves. He is prepared to return on short notice. He indicated at today's meeting that his departure is temporary and necessitated by urgent duties in Washington.

3. I later saw Mr. Godber and went over the same arguments with him. He appreciated the Canadian viewpoint but felt that the West had shown its flexibility and that it was prepared to compromise if only the USSR would make some move and show willingness to negotiate. He did not repeat not see, however, how the West could move beyond its present position. USA could not repeat not possibly accept USSR offer of two or three on-site inspections. There would be no repeat no justification for this. If USSR would explain how they identify underground tests which they claim to be able to do, this might create a new situation but up to now they have firmly refused to do so.

4. In Wednesday's meeting Godber quoted Dean's denial in General Assembly on October 26/62,<sup>62</sup> of USSR claim that all underground tests have been identified. Godber said he had urged USA to amplify Dean's statement, with more documented evidence, if possible. He agreed that it was unfortunate that Foster was leaving the Conference, but felt there was not repeat not much that could be done to change the decision. He said that he had had a conversation with Kuznetsov before he left urging flexibility in Russian position but had not repeat not received any encouragement.

5. I also saw Roshchin and Usachev, numbers two and three on USSR delegation now, and explained the Canadian position as set forth in the reference telegrams. I regret that they merely repeated certain of the arguments which they have brought forth in plenary meetings, i.e. they said that what was required now was a "political act" i.e. that USA should agree to their offer of two to three on-site inspections and three automatic seismic stations. They reiterated their claim that Dean and others had given them to understand that such an offer as they had made would bring agreement. They felt they had been deceived when USA negotiators asked for eight or ten on-site inspections. Any more inspections than two or three could only be inspired by intention to spy. They referred to Khrushchev's election speech of February 27<sup>63</sup> and pointed out that what he said there was exactly in accord with their positions as stated in the ENDC (which it was).

6. We hope that some results will come out of the three meetings on nuclear test ban scheduled for next week and will keep up pressure on other members of Conference as directed.

[E.L.M.] BURNS

<sup>62</sup> Voir/See Sam Pope Brewer, "U.S. Tells U.N. Soviet Failed to Detect Underground Tests: Dean Ridicules Moscow's Assertion that On-Site Inspection is Not Needed—Sees Politics in Delay on Pact," *New York Times*, October 27, 1962, p. 4.

<sup>63</sup> Voir/See Seymour Topping, "Khrushchev Pledges Aid If His Allies Are Attacked," *New York Times*, February 28, 1963, pp. 1, 3.

67.

DEA/50271-T-40

*Le conseiller du Gouvernement canadien en matière de désarmement  
au secrétaire d'État aux Affaires extérieures*

*Advisor to Government of Canada on Disarmament  
to Secretary of State for External Affairs*

TELEGRAM 118

Geneva, April 17, 1963

CONFIDENTIAL. OPIIMMEDIATE.

Reference: Our Tel 116 Apr 11.†

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York,  
Bonn, Rome (Priority), CCOS (JS/DSS) Ottawa (Priority) from Ottawa.

By Bag Moscow from London.

NUCLEAR TEST BAN – FAILURE OF NEUTRAL COMPROMISE

I saw Melo-Franco on April 16 and he gave me some details of how the neutral effort to find a compromise between Soviet and Western positions on the nuclear test ban broke down. All non-aligned delegations here were agreed on their memorandum and it was decided as a matter of form to get government authorization to place it before the Conference. However, somehow there was a leak of the provisions to the Great Powers. (Our previous telegrams will have told you that the provision about numbers especially had leaked out.) Both USA and USSR began to apply pressure at neutral capitals not repeat not to include any reference to the numbers in the memorandum; USSR pressing for no repeat no number higher than two or three and USA for no repeat no number lower than 7. Melo-Franco said that the Brazil Foreign Minister received such representations but ignored them as he did the representations of “another friendly nation” (Italy?). However, when the eight met to report on their governments’ instructions, Sweden and India declared they could not repeat not support the memorandum if it contained a reference to specific numbers. Sweden went further, and when some of the other neutral representatives proposed to put forward the memorandum without the participation of Sweden or India, Sweden said that in such a case they would be obliged to introduce an amendment deleting the numbers. After lengthy argument, it was apparently concluded that no repeat no memorandum could be tabled.

2. The Brazilian Government had supported the memorandum relying heavily on the Swedish technical expertise in seismology, the Swedes having been the most active in promoting the memorandum in the first place. When Sweden, under pressure, changed its position, Brazilian Government felt unable to continue its support.

3. Melo-Franco is returning to Brazil. He said that his government felt that some gesture of protest was necessary; that it was inconsistent with their dignity to continue as before when the Great Powers appeared to ignore neutral opinion and even to block its expression. He also told me that Padilla Nervo, who had returned to Mexico, was in the same position. Mrs. Myrdal has returned to Sweden and it is understood, does not repeat not propose to return to the negotiations here unless there is some real prospect of agreement. It would seem she does not repeat not agree with the Swedish Government’s decision in this matter and she is talking of making a speech in the Senate about it. I said I hoped that Melo-Franco would return to the Conference and put to him the importance of the role of the neutrals here and that while the present political situations, both between the two major powers and their own internal conflicts, might preclude any effective agreement for the near future, the situation could change and the preparatory work being done here at the Conference could then be fruitful.

[E.L.M.] BURNS

## SECTION C

CONTRÔLE DES RADIATIONS ATMOSPHÉRIQUES  
MONITORING ATMOSPHERIC RADIATION

68.

DEA/5475-GE-40

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

[Ottawa], May 3, 1963

## RADIATION

Since its establishment in 1955, Canada has been an active member of the United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR) which submitted to the seventeenth session of the United Nations General Assembly its second comprehensive scientific report on the effects of atomic radiation on human health.<sup>64</sup> Moreover, Canadian Delegations to the General Assembly's sessions have often played a leading role in focusing world attention on the harmful effects of radiation in securing the adoption of proposals designed to encourage international co-operation and stimulate scientific research into the effects of atomic radiation at the international level; in facilitating the exchange of information and in pressing for the creation of a system for monitoring and reporting data on radioactive levels in the atmosphere on a world-wide basis.

At the fourteenth session Canada was largely responsible for the adoption of a resolution which, among other things, invited technologically advanced countries to offer to countries not as adequately equipped to analyse the radioactive contents of food, soil and bone samples collected in the latter's territories.<sup>65</sup> Some fifteen other countries and Specialized Agencies were later to follow Canada's lead in making such offers of scientific and technical assistance. Four countries, Burma, Ghana, Malaya and Pakistan initially expressed the desire to take advantage of Canadian laboratory facilities in having samples collected in their respective territories analyzed in this country. Ghana has since acquired its own monitoring facilities, but samples from Pakistan and Burma have been collected and despatched to Canada. Samples from Pakistan are being regularly analyzed in the laboratories of the Department of National Health and Welfare.

The sixteenth session of the General Assembly in the fall of 1961, coincided with the resumption of nuclear testing in the atmosphere by the Soviet Union. The Canadian Delegation then sponsored and promoted the adoption of a resolution designed to reflect the world anxiety provoked by this Soviet action. The resolution was unanimously approved. It enunciated the principle that "both concern for the future of mankind and the fundamental principles of international law impose a responsibility on states concerning actions which might have

<sup>64</sup> Voir UNSCEAR, *Rapport du comité scientifique pour l'étude des effets des rayonnements ionisants, Nations Unies*, UN Doc A/5216; *Documents officiels de l'Assemblée générale*, dix-septième session, supplément N° 16 (1962), <http://documents.un.org/>.

See UNSCEAR, *Report of the United Nations Scientific Committee on the Effects of Atomic Radiation*, UN Doc A/5216; *Official Records of the General Assembly*, Seventeenth Session, Supplement No. 16 (1962), <http://documents.un.org/>.

<sup>65</sup> Voir/See Volume 26, document 19.

harmful biological consequences for the existing and future generations of peoples of other states by increasing the levels of radioactive fallout.” It also requested the World Meteorological Organization to consider the feasibility of expanding its present meteorological reporting system to provide for monitoring and reporting, at regular and frequent intervals, data gathered on atmospheric radio-activity.<sup>66</sup>

Since then the World Meteorological Organization has made considerable efforts through a world-wide network of stations, in consultation with UNSCEAR and the International Atomic Energy Agency, in preparing a draft reporting scheme to implement the General Assembly’s proposal. This scheme reached the final stage of completion and was submitted in draft form to the seventeenth session of the General Assembly in a progress report prepared by the Secretary-General of the World Meteorological Organization. UNSCEAR, which was to hold its twelfth session in Geneva in January, 1963 was then expected to give its final comments on the proposed scheme which would have facilitated final approval by the World Meteorological Organization and the early implementation of the scheme in the form which had been given to it in the Report of the Secretary-General of WMO.

At the seventeenth session of the General Assembly the Canadian Delegation as a follow-up to the initiative of the previous year promoted a resolution which attracted 42 other co-sponsors and was unanimously adopted by the General Assembly by a vote of 85 in favour, none against, with 11 abstentions. The resolution had a twofold purpose, first it acknowledged and called attention to the main conclusion of the second comprehensive report prepared by the Scientific Committee on the Effects of Atomic Radiation; secondly the resolution acknowledged the progress report from the WMO on the action taken in pursuance of the General Assembly’s proposal for the world-wide monitoring and reporting of data on atmospheric radioactive levels. The resolution in effect went on to recommend that WMO complete the preparation of its reporting scheme with a view to implementing it at the earliest possible date. It was Canada’s hope that WMO would soon be in a position to initiate the implementation by member states of the reporting scheme as formulated in the report submitted to the seventeenth session of the Assembly.<sup>67</sup>

Since the conclusion of the seventeenth session of the Assembly, UNSCEAR has held its twelfth session in Geneva during the course of which a statement containing comments on the draft scheme was prepared for transmission on to WMO. That statement was formulated by UNSCEAR on the basis of its own terms of reference only which relate exclusively to scientific research on the qualitative effects of radiation. Since the purpose of the General Assembly proposal and the WMO draft scheme are not related directly to UNSCEAR’s terms of reference but pertain to improve the present state of public information on the incidence and

<sup>66</sup> Voir/See Langevin Côté, “Canada Plans Jolt on Fallout,” *Globe and Mail*, October 17, 1961, pp. 1-2. Voir Assemblée générale des Nations Unies, Résolution 1629(XVI), « Rapport du Comité scientifique des Nations Unies pour l’étude des effets des radiations ionisantes », 27 octobre 1961, A/RES/1629(XVI), <http://www.un.org/french/documents/ga/res/16/fres16.shtml>. See United Nations General Assembly, Resolution 1629(XVI), “Report of the United Nations Scientific Committee on the Effects of Atomic Radiation,” October 27, 1961, A/RES/1629(XVI), <http://www.un.org/depts/dhl/resguide/r16.htm>.

<sup>67</sup> Voir Assemblée générale des Nations Unies, Résolution 1764(XVII), « Rapport du Comité scientifique des Nations Unies pour l’étude des effets des radiations ionisantes », 20 novembre 1962, A/RES/1764(XVII), <http://www.un.org/french/documents/ga/res/17/fres17.shtml>. See United Nations General Assembly, Resolution 1764(XVII), “Report of the United Nations Scientific Committee on the Effects of Atomic Radiation,” November 20, 1962, A/RES/1764(XVII), <http://www.un.org/depts/dhl/resguide/r17.htm>.

pattern of distribution of atmospheric radioactivity, UNSCEAR's statement fell short of giving approval to and even affirmed that the implementation of the scheme would not prove useful to UNSCEAR.

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In view of this a number of countries represented at the World Congress of WMO which was held in Geneva from April 1 to 28, were reluctant to support Canada's efforts in having the Congress give its approval to a final revision of the scheme which would faithfully reflect the intent and purpose of the General Assembly's proposal. A number of these countries including Australia, Britain, the United States and the Soviet Union had never been fully convinced of the usefulness of the General Assembly's proposal, although they had not voted against it. As a result the Congress of WMO adopted a resolution which recommended the implementation of a scheme following further consultations with UNSCEAR, with such modifications however that will essentially alter the nature of the initial proposal of the General Assembly. The resolution of the Congress specifies that contrary to the initial proposal the telegraphic network of WMO should not be used to transmit the data collected but that the latter be exchanged by airmail between countries interested and only upon request. This would remove from the original proposal its main provision which called for automatic, periodical, prompt and world-wide telegraphic exchange of the information monitored by participating states.

As an active member of UNSCEAR, Canada has made a useful contribution to the Committee's second comprehensive report which had been in preparation since 1960. In the view of the Canadian Government, the second comprehensive report of the United Nations Scientific Committee on the Effects of Atomic Radiation constitutes the most complete and up-to-date review and assessment of the exposure of mankind to all sources of radiation and of the harmful effects on human health which may result from various degrees of exposure. The report fully reflects the present stage of scientific understanding of this question as well as the need to pursue efforts to broaden and deepen our present knowledge of radiation's harmful effects. The resolution adopted by the General Assembly at its seventeenth session calls particular attention to the following conclusion of the Committee's report:

"... the exposure of mankind to radiation from increasing numbers of artificial sources including the world-wide contamination of the environment with short- and long-lived radio-nuclides from weapons tests, calls for the closest attention, particularly because the effects of any increase in radiation exposure may not be fully manifested for several decades in the case of somatic disease, and for many generations in the case of genetic damage."

## SECTION D

PROGRAMME ALIMENTAIRE MONDIAL  
WORLD FOOD PROGRAMME

69.

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*

RESTRICTED

[Ottawa], February 5, 1962

## WORLD FOOD PROGRAMME

The first meeting of the Intergovernmental Committee will convene in Rome for about a week beginning February 12 "to develop detailed procedures and arrangements" for the World Food Programme, as instructed by the FAO Resolution of November 24 which was endorsed by UNGA Resolution 1714 (XVI). As you know, Canada is one of the twenty member countries of that Committee.

2. The Canadian Delegation to the Rome meeting will be led by Mr. A. Turner, Director of the Economics Branch, Department of Agriculture, who will be accompanied by Mr. K. MacLellan, First Secretary of our Embassy in Rome, Mr. D.B. Dewar of the Privy Council Office, Mr. P.M. Reid of the Department of Finance, and Mr. J. MacNaught, Second Secretary (Commercial) at our Embassy in Washington. These officials have been closely concerned with past negotiations leading to the adoption of the Resolutions on the World Food Programme and are thoroughly familiar with Canadian interests and objectives.

3. For the guidance of the Delegation, and for possible sponsorship at Rome, officials of the interested departments prepared a draft Charter for the World Food Programme, a copy of which is attached.† This was approved at a Meeting of the Interdepartmental Committee on External Trade Policy under the Chairmanship of the Secretary of the Cabinet on February 1, and it was agreed that these general instructions to the Delegation were generally consistent with the Cabinet's decision on a World Food Bank last August 9<sup>68</sup> and that further guidance from Cabinet was not required at this time; the departments concerned are, however, reporting to their respective Ministers on this subject.

4. It is intended that immediately following the Rome meeting Cabinet will be asked to consider the Intergovernmental Committee's draft Charter for the Programme so that appropriate instructions may be issued to the Canadian Delegation to the FAO Council meeting, which is to be held in New York next April concurrently with the 33rd ECOSOC for the purpose of approving that draft. Cabinet will also have to consider at some stage the question of Canada's position at the pledging conference to be convened sometime this summer since we have offered "up to" \$5 million towards a \$100 million programme, but it does not now appear likely that this target figure will soon be reached.

5. Between now and the Rome meeting our Embassy in Washington will be holding discussions with the Americans to enlist their support, if possible, for the attached Canadian plan. We have also given copies to the Australian and New Zealand High Commissions, and are referring copies to Rome and to Permis New York.

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<sup>68</sup> Voir/See Volume 28, document 140 n. 63.

6. You will note that the substantive questions of how the resources of the Programme should be allocated, and when it should start, have not been spelled out precisely in the attached draft. This recognizes the fact that the exercise in Rome will involve a good deal of compromising and reconciling of conflicting interests. The Canadian Delegation will have as its primary objective the adoption, if possible with unanimous approval, of a realistic and workable draft Charter which would be acceptable to the Canadian Government and at the same time command widespread support of potential donor countries. As you know this World Food Programme, if and when it comes into being, can be attributed, in considerable measure to Prime Minister Diefenbaker's initiative at the Fifteenth General Assembly and for that reason it has come to be very closely identified with Canada in the eyes of other countries. Canada, therefore, has an important stake in the success of this idea, and we are encouraged by the progress that has been made in the past year to hope that the World Food Programme will become a reality by perhaps the beginning of next year.

6. There is a point concerning estimates to which I should draw your attention. When the Cabinet considered this matter last August 9 it was contemplated that the World Food Programme would be a continuing operation, once it started. Such was the resistance (largely from Argentina and New Zealand at the Sixteenth General Assembly) to the idea of taking its success for granted, that the Programme is now envisaged purely and simply as an initial three-year experiment. Country pledges will, therefore, be limited to obligations stretching over three years, and there will be no provision at all for replenishing the resources of the fund as they are exhausted. Accordingly, although Cabinet approved replenishment contributions up to an additional \$5 million over and above the initial Canadian \$5 million pledge, should these have been needed, it will not now be necessary to consider this for at least another two years. The sum of \$5 million will appear in the first supplementary estimates of this Department for 1962-63, as a non-lapsing vote.

N.A. R[OBERTSON]

70.

DEA/24-2-40

*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*

CONFIDENTIAL

[Ottawa], February 23, 1962

WORLD FOOD PROGRAMME

I wish to report the successful outcome of the first meeting of the Intergovernmental Committee of the World Food Programme (WFP) which was held in Rome from February 12 to 20. This Committee, of which Canada is a member, comprises twenty countries, half of which were elected by the FAO Council and the other half by the Economic and Social Council last November and December. The purpose of this first meeting was "to develop detailed procedures and arrangements" for the WFP, the establishment of which had been authorized by two mutually complementary resolutions passed by the FAO Conference and the General Assembly on November 24 and December 19. The recommendations of the Intergovernmental Committee will next be considered and approved by the FAO Council (of which Canada is a member) and the Economic and Social Council which will be meeting concurrently in New York for this purpose next month. There will follow a pledging conference, perhaps as early as May or June, after which the programme will get under way, assuming that sufficient support is forthcoming from the potential donor countries.

2. While the WFP Charter drafted in Rome last week did not in all respects conform to the original Canadian proposals for a World Food Bank, the preliminary reports we have received indicate that a substantial measure of success was achieved by our Delegation in attaining its major objectives. However, one outstanding issue of importance, which we hope will be resolved in New York next month by the FAO Council and ECOSOC, is the question of how much should be pledged to the WFP by donor countries before operations commence. The Director-General of the FAO had pressed vigorously for agreement to start when \$50 million is pledged. The majority of the twenty member Intergovernmental Committee favoured acceptance of this but the Canadian Delegation, fearing that unless a higher target were set the multilateral aspect of the programme would be impaired, urged the postponement of a decision on this until next month in the hope that a figure perhaps nearer \$60 million can be agreed upon. So far only three countries have made firm offers, the United States last April offered \$40 million in surplus commodities, Denmark last November offered \$2 million in cash and commodities, and at the FAO Conference in November the Minister of Fisheries offered *up to* \$5 million on behalf of Canada towards a \$100 million programme. It will be seen that a \$50 million target figure could perhaps be reached with only four or five contributing countries, and it will be for consideration whether a programme in such circumstances would satisfy the Canadian requirement that it be multilateral.

3. If you should wish to make some reference to these recent developments in your forthcoming speech in Edmonton, I would suggest that your remarks might cover the following positive points:

(1) At the Fifteenth General Assembly (on September 26, 1960) you proposed to the United Nations the creation of a Food Bank as a first step in a joint and worldwide attack on the problem of hunger and malnutrition.

(2) The United Nations speedily passed a resolution at the Fifteenth Session supporting this proposal and calling for urgent studies to be carried out.

(3) At a series of meetings held under United Nations and FAO auspices last Spring and Summer considerable advances were made in developing specific ideas and proposals for a World Food Bank. By the Fall major attention was being given to a suggested \$100 million programme to be devoted partly to emergency relief and partly to economic development projects using surplus food stuffs.

(4) The Eleventh Session of the FAO Conference in Rome passed a resolution (November 24) authorizing the establishment of a World Food Programme, subject to the concurrence of the United Nations. The Canadian Delegation led first by the Minister of Agriculture and second by the Minister of Fisheries played a leading role in securing the adoption of this resolution.

(5) Shortly afterwards the United Nations General Assembly passed a resolution of its own (December 19) concurring in the FAO recommendations, thus clearing the way for the final steps to be taken. The Canadian Delegation (Mr. Gordon Aiken, Spokesman) again played an active part in getting a resolution passed.

(6) An Intergovernmental Committee of twenty countries which was elected half by the FAO Council and half by the ECOSOC met in Rome (February 12 to 20) to implement the mandate in the FAO and United Nations resolutions to draft a Charter or blueprint for the World Food Programme. Canada was represented at that meeting and our Delegation, as before, played a prominent part in its work.



(7) The recommendations on preparatory measures and studies to be undertaken, and the proposed general regulations for the establishment and operation of the WFP will shortly be submitted for consideration and approval to concurrent meetings of the ECOSOC and the FAO Council to be held in New York next month.

(8) There will then follow a pledging conference of interested countries to be convened sometime this Summer, following which the WFP should commence operations.

N.A. ROBERTSON

71.

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. 150-62

[Ottawa], March 30, 1962

CONFIDENTIAL

WORLD FOOD PROGRAMME

The Prime Minister's proposal made to the UN General Assembly in September, 1960, for the creation of a World Food Bank, to provide surplus food to countries in need, has been further advanced by Canada in meetings of the United Nations and the Food and Agriculture Organization since that time. On August 9, 1961 (Cabinet Document 286-61)<sup>69</sup> Cabinet agreed that Canada should continue to support the creation of a UN food bank with a fund for the first three years of \$100 million in cash, commodities and services underwritten on a broad multilateral basis. It was envisaged that the Bank should be devoted primarily to meeting emergency food needs, with a limited use of resources in selected pilot projects involving the [use of] food as an aid in social and economic development. It was also a Canadian objective that the activities of the UN food bank should not damage the commercial interests of countries exporting food.

2. At the session of the FAO Conference in November, 1961, the Canadian Delegation led first by the Minister of Agriculture and then by the Minister of Fisheries took the lead in sponsoring and securing unanimous acceptance of a Resolution approving the establishment of a joint UN/FAO three-year experimental World Food Programme (WFP) with an objective of \$100 million in contributions. Immediately afterwards the Canadian Delegation to the UN General Assembly co-sponsored a complementary Resolution which was supported by all member countries except the Soviet Bloc, which abstained. Attached as Annex "A" is a copy of the UNGA Resolution 1714 (XVI)† which incorporates the FAO Resolution setting out the purposes and principles governing the WFP. These Resolutions also established an Intergovernmental Committee (IGC) of twenty countries, to which Canada was elected, to provide governmental control and guidance on policy, administration, and operations of the WFP.

3. The first session of the IGC was held in Rome from February 12 to 20, 1962, for the purpose of drafting the conditions and procedures for the establishment and operation of the WFP. The report of this meeting will be considered and approved by concurrent sessions of the

<sup>69</sup> Voir/See Volume 28, document 140.

FAO and the Economic and Social Councils in New York (April 16-19). There will follow, probably this summer, a pledging conference to be convened jointly by the Secretary-General of the UN and the Director-General of FAO, after which, on the authority of the IGC, operations will commence for the initial three-year experimental period.

4. The detailed proposals of the IGC for the functioning of the WFP are contained in pages 6 to 13 of the report to ECOSOC and the FAO Council, which is attached as Annex "B".† It is provided that the WFP will give assistance for emergency food relief, preschool and school feeding and pilot projects using food as an aid to social and economic development. Countries will pledge commodities (f.a.s. port of exit), services (such as shipping) and cash to the programme, and projects will be initiated only at the request of countries in need. After investigation, the WFP will call up the commodities needed for an emergency or a pilot project. The WFP may use cash to purchase commodities as well as services, including shipping, when the types required are not available as contributions. Assistance to recipient governments will be in the form of grants, but when the food is used in economic and social development projects the conditions of its use (for feeding of workers and children, or for sale for local currency to be used on a designated project) will be governed by a project agreement between the WFP and the recipient government. Safeguards are provided for the commercial interests of food exporting countries and the developing economies of recipient countries.

5. It is also provided that the WFP will be administered by a joint UN-FAO unit in Rome headed by an Executive Director who will submit to the IGC for approval annual budgets and programmes of work, including projects. Initially at least, IGC approval will be required for economic development projects but not for provision of assistance in emergencies.

6. The proposals of the IGC, while not meeting all the original Canadian objectives, represent the best compromise arrangement that the Canadian Delegation was able to secure at the first session of the IGC. In the light of the decision of Cabinet on August 9, 1961, however, attention is drawn particularly to the following features of the IGC report:

(a) Paragraph 25 on page 13 of the report envisages the beginning of commitment of funds, commodities and services as soon as \$50 million has been pledged, provided that "country participation and the distribution of the pledged amounts as between commodities and cash are such in the opinion of the IGC in consultation with the Secretary-General and the Director-General as to justify such commitments." Since the United States has already offered a contribution of \$40 million in commodities and may offer an additional cash contribution of \$10 million, and since Canada has announced (at the FAO Conference in November, 1961) a contribution of up to \$5 million in cash and commodities, it is quite probable that under this formula operations might commence before the Canadian objective of broad multilateral support for the programme has been fully achieved. Denmark and Sweden have each announced offers of \$2 million. Confidential reports indicate that the Netherlands may contribute \$1.5 million, Norway \$.5 million and Germany \$3 million; France, Australia, and New Zealand are also understood to be contemplating contributions and a number of developing countries may make some contributions.

The Cabinet decision of August 9, 1961, envisaged that substantial support from a number of the important developed countries besides the United States would be desirable before operations started to assure the WFP of broad multilateral underwriting. Britain will be a late starter if she contributes, the size of the probable French contribution is unknown, the intended German contribution is small, the Japanese may not make an offer, and Italy's intentions are uncertain. The Canadian Delegation to the IGC urged that commitments from the WFP should commence only when a significantly higher threshold of pledges than \$50 million had been reached, but found itself alone in taking this position. All other countries on the IGC favoured a prompt start and took the view that adequate multilaterally-contributed resources were in

prospect to justify a start being made this year. The Canadian Delegation entered a reservation on this point (paragraph 18 on page 4 of the Annex "B").

(b) Nearly all members of the IGC, except Canada and Australia, emphasized the role of the WFP in providing assistance for economic and social development projects and their desire to place a limit on the resources to be set aside for meeting emergency needs. It can only be determined by experience whether this limit of 25% agreed to for the first year will meet the Canadian objective to have adequate resources provided for emergency relief. Canada did, however, obtain provision that the Intergovernmental Committee will review this figure at the end of the first year of operation.

7. Although it is doubtful that the views of most other members of the IGC on these points of difference with the original Canadian position will change significantly, the provisions that a further decision by the IGC is required before commitments from the WFP commence, and that the IGC will review after the first year the amount of resources to be set aside for emergency relief, suggests that there will be some opportunity for Canadian representatives to try to attain the original Canadian objectives in future IGC meetings. In the light of this consideration, and because of the leadership Canada has assumed concerning the World Food Programme, it is recommended that the Canadian Delegation to the forthcoming special session of the FAO Council be:

(a) Instructed to take the lead in securing the adoption of the "Draft General Regulations or Recommendations on Arrangements and Procedures for its Operation" contained in pages 6 to 13 of the report of the Intergovernmental Committee to the FAO Council and ECOSOC;

(b) Instructed to lift the reservation concerning commencement of operations made by the Canadian Delegation to the IGC meeting, while at the same time emphasizing the importance that Canada attaches to the World Food Programme being supported by as many countries able to make contributions as possible.<sup>70</sup>

[H.C. GREEN]

Concurred in:

[ALVIN HAMILTON]  
Minister of Agriculture

[J. ANGUS MACLEAN]  
Minister of Fisheries

72.

DEA/24-2-40

*Note du sous-ministre adjoint des Finances  
pour le ministre des Finances*

*Memorandum from Assistant Deputy Minister of Finance  
to Minister of Finance*

[Ottawa], April 10, 1962

WORLD FOOD PROGRAM (WFP)

The attached Memorandum to Cabinet on the subject of the World Food Program has been prepared interdepartmentally and will, we understand, be submitted to Cabinet in the near

<sup>70</sup> Approuvé par le Cabinet le 14 avril 1962./Approved by Cabinet on April 14, 1962.

future. As the Memorandum points out, the proposal for a U.N. Food Bank (now referred to as a World Food Program) has been through several processes of international consideration and negotiation since Cabinet last considered the subject in August last year. The outcome, which goes before a joint session of ECOSOC and the FAO Council next week for approval, falls in some respects short of the original objectives envisaged by Canada. However, it is agreed among the Departments concerned that the principles underlying this program and the conditions and procedures now envisaged for its establishment and operation are generally acceptable as a basis for launching an experimental three-year program. The proposals being presented to ECOSOC and the FAO Council reflect with a considerable degree of success the efforts of Canadian representatives during international negotiations to retain as far as possible the original Canadian objectives. We would hope that Cabinet could endorse the general recommendation of the Memorandum.

Originally, Canadian objectives envisaged that a new international program would as a first priority assume responsibility for all miscellaneous requests for emergency relief arising through international channels. There has developed, however, strong international support for concentrating efforts on developing effective ways of using food for economic development purposes. The program continues to provide for meeting emergency situations but, if use of food for economic development purposes proves successful, it is possible that additional requests for food in meeting specific emergencies will not be entirely eliminated. It was perhaps also envisaged that a new international program would use some of its cash resources to buy food from countries such as Canada. It is considered more likely, however, that the cash resources of the WFP will be used to meet administrative expenses, to provide for shipping, and to purchase commodities from underdeveloped countries. The need to ensure that the operations of an international food program do not damage or distort normal commercial markets has been very much in the minds of Canadian and other representatives of food exporting countries in the negotiations and are reflected in the proposed arrangements and procedures. It is, however, difficult to devise in advance detailed safeguards and regulations in respect of an experimental program; these will be worked out and supplied as the activities and operations of the program are developed. Canadian officials have not yet considered what would be the most appropriate commodity composition of Canada's contribution to the program. Prior to the pledging conference later this year FAO will draw up a tentative list of eligible commodities. Interdepartmental consideration should be given to this matter prior to the pledging conference.

At the Rome meeting of the Intergovernmental Committee, the Canadian delegation reserved its position on the question of when the program should go into operation in order to emphasize the importance that Canada attaches to the program being broadly multilateral in character through the support of as many contributing countries as possible. Although so far few countries have indicated firm intentions to contribute, it is to be hoped that the situation will be much improved by the time a pledging conference is convened. In order to permit plans to move forward, it is felt that Canada should not retain a formal reservation on the point, but should continue to emphasize the importance we attach to achieving a program which is truly multilateral in character and to take whatever effective steps are possible to encourage broad support for the program.

On August 9, 1961, Cabinet decided that Canada should be prepared to contribute \$5 million in commodities, services and cash, of which one-third might be in cash, provided the Canadian contribution did not exceed one-tenth of that of the U.S. The Cabinet Memorandum on which the above decision was based noted that the size of the Canadian contribution might also be dependent upon the contributions of developed countries other than the U.S. and Canada, of the order of 40% of the total fund. Last fall at FAO the Canadian delegation

announced that Canada was prepared to contribute “up to” \$5 million, at least one-third of which would be cash.

It will probably be several months before the pledging conference is convened, at which time Canada and other countries will be expected to make firm pledges. Canadian representatives along with others should make the best use of this period to encourage other potential donor countries to make contributions commensurate with the level envisaged by Canada. In continuing to pursue this objective, tactics will have to be adjusted to suit events as they develop. It would seem important, however, that the Canadian reservation should be removed in a manner which does not appear to be a weakening of the Canadian position. In this connection, it would be good tactics for Canadian representatives to continue to leave the impression that the level of the Canadian pledge may be influenced by the pledging intentions of others.

73.

DEA/24-2-40

*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 608

New York, April 17, 1962

CONFIDENTIAL. PRIORITY.

Repeat for Information: Washington, London, Geneva, Rome from Ottawa, DM/T&C,  
Agriculture, Finance, PCO, ExtAid Ottawa from Ottawa.

## WORLD FOOD PROGRAMME: FAO COUNCIL

FAO Council met in special session in New York April 16 to consider report of Intergovernmental Committee of 20 on World Food Programme (Document E/3594).<sup>71</sup> Report was approved unanimously without vote at suggestion of Canada seconded by Denmark and Ceylon. Resolution embodying acceptance of IGC report including “Draft General Regulations or Recommendations” will be submitted to FAO Council today in context of FAO Council report. Way will then be open for ECOSOC to consider IGC report and take similar action April 18.

2. In course of paragraph by paragraph consideration of IGC report Canadian representative lifted Canadian reservation on commencement of operations. Deputy Minister Agriculture pointed out that Canada’s views remained unchanged on need for truly multilateral programme but since report represented carefully balanced compromise negotiated over period of 18 months Canada would support all proposals contained in regulations and recommendations.

3. Lifting of Canadian reservation prompted French delegation to reiterate French reservation on subject of WFP accounting based on world market prices. After extensive debate it was agreed that WFP should as recommended utilize single accounting procedure based on world

<sup>71</sup> Voir Programme alimentaire mondial – Comité intergouvernemental, *Rapport au Conseil économique et social des Nations Unies et au Conseil de la FAO*, 1<sup>ière</sup> session, 12-20 février 1962, UN Doc E/3594 (2 mars 1962), <http://documents.un.org/>.

See World Food Program – Intergovernmental Committee, *Report to UN Economic and Social Council and to FAO Council*, 1<sup>st</sup> Session, February 12-20, 1962, UN Doc E/3594 (March 2, 1962), <http://documents.un.org/>.

market prices but that annual report of Executive Director should contain tables indicating not repeat not only world market price equivalents of commodity pledges but domestic price equivalents as well. Council also agreed that IGC should keep accounting methods under continuous review.

4. In debate on General Regulations (pages 6 to 13 of IGC report) 20 delegations participated. Most delegations merely reiterated positions already put forward in FAO forums but following highlights of debate may be of interest. Italian delegation indicated that Italian Government had decided in principle to contribute to WFP. (We learned in confidence that Italy is thinking in terms of a contribution totalling approximately two million dollars. Breakdown into cash and commodity components has not yet been agreed upon.)

5. Pakistani representative proposed that in addition to guideline list of acceptable commodities to be circulated to member countries in advance of Pledging Conference Executive Director should draw up and circulate to recipient countries a list of commodities actually pledged so that recipients might plan future requests.

6. Australian delegation which had received fairly stringent instructions to secure changes in report were dissuaded by other delegations from reopening substance of report in form of amendments. Instead Australian representative made his points as observations in course of statement. He laid particular emphasis on need for a strong IGC with more clear-cut control over programme operations. (Australians are quite unhappy about existing relationship between Executive Director IGC and Director General of FAO.) Australians also thought that provisions for emergency needs were skimpy if not repeat not inadequate and would have preferred larger percentage allocation for emergency requests.

7. Most delegations on Council shared to a greater or lesser extent Australian preference for strong IGC in control of operations. Indian delegation thought there was even greater need for authority to be delegated to Executive Director to implement programme and projects "on his own." Indian delegation hoped that underdeveloped countries would be in a position to contribute commodities. He questioned language in paragraph 4 (d) of Regulations which states that currency contributions by developing countries should be in "currencies readily usable in programme." While India would have preferred terminology "other currencies" he urged that existing wording be interpreted in flexible manner.

8. Dr. Bernardo of Argentina who<sup>72</sup> had led opposition to WFP in 2nd Committee of 16th UNGA supported objectives of programme and specific recommendations contained in IGC report on understanding that report represented a compromise acceptable to all and that WFP was to be regarded as purely experimental. Argentina particularly favoured malnutrition programmes and continued to have reservations about development projects. Argentine approval was conditional on three points: inclusion of guarantees for traditional commercial exporters; adequate attention to problems arising from agricultural development of recipient countries; and acceptance of purely experimental nature of programme.

9. UK representative was cautiously non-committal reiterating usual caveats about normal channels of trade. UK wished to ensure that any country in emergency food situation would be able to get aid from WFP. French representative took opportunity to suggest that problems being met by WFP were only one aspect of larger problem concerning stabilization of world commodity prices at higher levels.

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<sup>72</sup> Note marginale :/Marginal note:  
with Bill Green of New Zealand [Auteur inconnu/Author unknown]

10. Only sour political note was struck by Cuban representative who suggested that WFP had admirable objectives but would become in effect another tool of USA imperialism in which economic bondage would be disguised as aid. USA representative (Tetro) who spoke immediately after Cuban delegation made no repeat no direct reference to Cuban statement.

11. Several delegations in course of statements indicated appreciation for Canada's accommodating approach. All delegations believed that IGC report represented effective compromise and that operations could begin without further difficulties.

12. Text of FAO resolution will be forwarded to you when available.

74.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], August 29, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

...

WORLD FOOD PROGRAMME; CANADIAN CONTRIBUTION  
 (Previous reference April 14†)

35. *The Secretary of State for External Affairs* said that Canada had taken a leading part in arranging for a multilateral world food bank. The Cabinet had approved in 1961 a Canadian contribution of up to \$5 million, of which at least one-third was to be in cash, provided the Canadian contribution did not exceed one-tenth of the U.S. contribution. Pledging by the participating countries was important to the achievement of a fund which would be one-third cash, so that commodities and services which were not contributed might be procured. It appeared that most developed countries outside the Soviet bloc would make pledges, and that at least \$80 million U.S. in cash would be pledged. It had not been stated whether Canada's

contribution would be in Canadian or U.S. funds. The Canadian dollar had been at a premium when the decision was made. It was desirable that the commodities offered should be listed and it was suggested that Canada should pledge dairy products, wheat and dried or canned fish.

An explanatory memorandum had been circulated; (Minister's memorandum, Aug. 23 – Cab. Doc. 264-62†).

36. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs, concurred in by the Ministers of Agriculture and Fisheries,

(a) that Canada pledge the equivalent of U.S. \$5 million of which one-third will be in cash and the remainder in appropriate commodities as indicated in para. 9 of the Minister's memorandum (Cab. Doc. 264-62, Aug. 23);

(b) that the Canadian Delegation to the Pledging Conference of the World Food Programme at the United Nations Headquarters in New York on September 5th, 1962, be headed by the Minister of Agriculture; and,

(c) that the Canadian delegate be authorized to make the Canadian pledge at the Pledging Conference on behalf of the Canadian government and to sign the Final Act of the Conference which would set out the pledges of the participating countries.

...

75.

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*

RESTRICTED

[Ottawa], September 10, 1962

PLEDGING CONFERENCE FOR THE WORLD FOOD PROGRAMME

I think you may be interested in the results of the first Pledging Conference for the World Food Programme which took place on September 5 in New York. It resulted in firm commitments from 31 countries of contributions amounting to \$85.91 million while a further nine countries indicated their intention to make concrete pledges at a later stage. Although the cash component at approximately \$16 million fell short of the recommended one-third of total contributions, it was sufficient to cover the United States' reservation that their proposed \$6 million cash contribution should not exceed 40 per cent of total cash contributed.

2. As you know, Canada's contribution amounted to \$5 million (U.S.), of which one-third is in cash. The United States contribution is approximately \$50 million of which \$6 million is in cash, \$40 million in commodities and approximately \$4 million in shipping to carry at least one-half of the commodity contribution. Other major contributors were Germany – \$8 million, Britain – \$5 million, France – \$3 million, Sweden and Denmark – \$2 million each, Norway – \$1.7 million, Italy and Australia – \$1.5 million each. The only Soviet Bloc contributors were Rumania whose pledge was in unconvertible currency for the training of specialists and Cuba which offered 5,000 tons of sugar in 1964.

3. Mr. Hamilton's statement announcing the Canadian contribution was among the first made and was well received, particularly the emphasis on emergency relief and reference to the earthquake disaster in Iran. Later statements, particularly those of the British, Scandinavian and some other Western Europeans showed strong opposition to the United States policy of



tying some of their contribution in the form of shipping services. They indicated that although net providers of shipping themselves, they were making cash contributions on the grounds that procurement of shipping services should be on a freely competitive basis; several reserved the right to convert their cash contribution into a tied shipping contribution if they considered that the necessary marine transport for WFP commodities was being secured non-competitively.

4. In spite of this rather acrimonious exchange and some disappointment at the level of cash contributed, it seems clear that the World Food Programme is off to an encouraging start and that Canada's active role in this endeavour has received wide recognition.

N.A. R[OBERTSON]

## SECTION E

COUR INTERNATIONALE DE JUSTICE  
INTERNATIONAL COURT OF JUSTICE

76.

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. 347/62  
CONFIDENTIAL

[Ottawa], October 15, 1962

### A NEW CANADIAN DECLARATION ACCEPTING THE COMPULSORY JURISDICTION OF THE INTERNATIONAL COURT OF JUSTICE WITHOUT RESERVATIONS

The International Court of Justice is a juridical organ of the U.N. and it functions in accordance with its Statute which forms an Annex to the Charter of the U.N. The Court was established mainly to settle disputes of a legal character between State parties to the Statute according to the principles of international law. The Court's competence in this regard, however, depends on the consent of these states; in other words no state is obliged to accept the court's jurisdiction unless it voluntarily elects to do so. Thus the states parties to the Statute may at any time under paragraph 2 of Article 36 declare that they recognize as compulsory in relation to any other state accepting the same obligation the jurisdiction of the Court in some types of legal disputes (See para 2, sub-paras (a) to (d) of Article 36, in Annex "A") subject to such reservations as these states may see fit to impose. The Court only recognizes a compulsory jurisdiction in regard to the states that have filed with the Registrar of the Court such declarations and then only to the extent permitted by these declarations.

2. Many states including the U.S.S.R. have elected not to submit to the compulsory jurisdiction of the Court by refraining from filing declarations of this kind, even though all members of the United Nations are *ipso facto* parties to the Statute of the International Court of Justice. The vast majority of states which have filed declarations accepting the compulsory jurisdiction of the Court, *including Canada*, have as already indicated, made their declarations subject to a number of conditions or reservations. Only two states, namely Haiti and Nicaragua, have filed declarations in absolute terms that they accept unconditionally the

compulsory jurisdiction of the Court. Paraguay has also filed a declaration which has essentially the same effect, expressed however in more cautious terms. Other states, including the Dominican Republic, Panama and Uruguay, have filed declarations recognizing the compulsory jurisdiction of the Court subject only to the condition of reciprocity.

3. The reservations to which Canada made its acceptance of the compulsory jurisdiction of the Court, in brief, are as follows:

(1) *The Condition of Reciprocity*. This means that Canada's acceptance of the compulsory jurisdiction was made only as between Canada and other states similarly accepting the compulsory jurisdiction of the Court.

(2) *The Condition Relating to Disputes Arising Prior to July 28, 1930*. Canada's acceptance excluded from the jurisdiction of the Court disputes arising prior to July 28, 1930, the date of Canada's ratification of its original declaration of acceptance, there having been two declarations, one in 1929 and one in 1939.

(3) *The Condition Relating to Other Methods of Peaceful Settlement*. Acceptance excluded disputes concerning which the parties agree to some other method of peaceful settlement.

(4) *The Domestic Jurisdiction Condition*. The acceptance excluded disputes with regard to questions which by international law fall exclusively within the jurisdiction of Canada.

(5) *The League of Nations Disputes Condition*. Acceptance excluded disputes under consideration by the Council of the League of Nations.

(6) *World War II Condition*. Acceptance excluded disputes arising out of events occurring in World War II.

(7) *British Commonwealth of Nations Condition*. Acceptance excluded disputes with the government of any other member of the League of Nations which is a member of the British Commonwealth of Nations.

4. The question has been under study as to whether there are still reasons of particular importance which would prevent Canada from withdrawing these reservations. It has been made clear by Canadian policy statements in the United Nations General Assembly and elsewhere that the advancement of the rule of law amongst nations is a cornerstone of Canadian foreign policy and that in the Canadian view this process would be noted by more frequent use of the International Court. At the same time, in putting forward these principles Canada has been in a somewhat equivocal position because of the number and extent of her reservations to acceptance of the compulsory jurisdiction of the Court.

5. It should be noted, however, that Canada's present position is not seriously out of line with that of other countries. As I pointed out to the Standing Committee of the House of Commons on External Affairs, March 10, 1960:

"Canada's acceptance of compulsory jurisdiction of the Court is more far-reaching and generous than the acceptance of many other states. In fact, the Canadian declaration is generally less restricted than those of the major Western powers. Indeed there is no member of the Commonwealth whose acceptance is more liberal than that of Canada ... Although Canada has a number of reservations these are largely of a minor character, some merely reiterate articles of the Statute itself and none unduly derogate from the jurisdiction of the Court."

I concluded, however, that:

"It is our intention that the reservations will be deleted at such time as it is considered that the deletion of one or more is justifiable and usefully enhance the authority of the Court."

(a) It must be borne in mind, also, that the I.C.J. is not a judiciary organ in fully the same sense as a national court (i.e. in the sense of having power to enforce its judgments).

Furthermore, in its composition and decisions, it can never be entirely divorced from the political realities of the international scene. The corollary to this proposition is that the practice of international law in its present state falls short in many respects from the ideal of the rule of law among nations. In accepting the jurisdiction of the Court without reservations, therefore, Canada would be submitting to the application of international law as it is and not as it might ideally be.

6. On the other hand, the withdrawal of the reservations would imply no more than the possibility of having to appear before the Court in cases where we might not now have to do so; it would not pre-suppose adverse judgments. It seems clear, in any event, for the reasons given in Annex A, that the only two reservations which continue to have real significance are those relating respectively to reciprocity and to Commonwealth disputes.

7. As regards the reciprocity reservation, the weight of legal opinion seems to be that reciprocity protection is a built-in protection contained in Article 36 itself of the State [sic] of the Court. This interpretation is by no means free from doubt (for a full discussion of this question see paras 5 and subsequent of the background paper contained in Annex A) and the fact remains that only two states have in absolute terms filed declarations accepting unconditionally the compulsory jurisdiction of the Court. A number of others with obviously the same objective in mind have taken the precaution, since the wording of Article 36 is sufficiently ambiguous to lend itself to more than one interpretation, to make their acceptance of the jurisdiction of the Court subject expressly to the condition of reciprocity. (The following states have accepted the jurisdiction of the court on condition of reciprocity only: China, Colombia, Denmark, Finland, Honduras, Japan, Panama, Philippines, Switzerland and Thailand.)

8. The reservation regarding Commonwealth disputes raises a policy rather than a legal issue, by virtue of the fact that there may not be unanimity on this question among members of the Commonwealth. When their governments were consulted by us on this subject in 1946-47, nearly all were reluctant to eliminate the reservation; none, however, officially objected to Canada making a fresh declaration without a reservation as to intra-Commonwealth disputes. As a result of these consultations, Cabinet decided at the time that no further declarations should be made by Canada, there being no reason strong enough to overcome the *status quo*. (See in this connection discussion contained in paragraphs 26 and subsequent of background paper herewith.)

9. Other members of the Commonwealth may continue to have persuasive reasons for retaining the status quo as far as they are concerned. However, there is not enough information available at this time to make an accurate assessment as to their probable attitude (particularly that of the new members) and it seems advisable to consult them anew to allow Canada to make a re-assessment of the situation before adopting any definite course of action.

10. In the event that the other members of the Commonwealth should show themselves unprepared to withdraw their own reservation on Commonwealth disputes, these consultations would bring to light any difficulty which unilateral withdrawal on Canada's part could cause. Assuming, however, as well may be the case, that such a step would not be detrimental to intra-Commonwealth relations, it may be said that the only other reservation about the withdrawal of which doubt may subsist is that relating to reciprocity. All the others, by and large, have lost their significance.

11. The spelling out of the reciprocity condition in a new declaration might (in view of the situation mentioned in para 7) represent some protection, but its retention might detract to some extent from the impact on the world at large of our gesture of withdrawing the Canadian reservations. In these circumstances, an acceptable formula might be to couch our declaration of acceptance in the terms used by Paraguay which appear to offer some protection – although

their import cannot be stated with complete certainty to be equivalent to the express condition of reciprocity. A suitable alternative which would perhaps be an improvement on the Paraguay Formula has also been put forward in the course of the discussion in this matter in Annex "A". (See paragraph 14 of Annex "A" hereto.)

12. The question seems to resolve itself therefore to make a determination whether the advantages of proceeding with the plan calling for Canada's unconditional acceptance of the compulsory jurisdiction of the Court would be in Canada's interest. The possible advantages would seem to lie well beyond the mere addition of one more state to the list of those few prepared to accept the compulsory jurisdiction of the Court unconditionally. As a symbolic gesture for world peace, as a possible example for others to follow, and as a dramatic affirmation of Canada's convictions on the question, its value could be considerable. Apart from all other considerations, however, there seems to be a question of principle at stake as to whether or not Canada is prepared to back up her oft-repeated statements in support of the rule of law with concrete action designed to help bring it about.

#### *Recommendations*

In view of the above, I recommend:

(i) that subject to the results of the consultations referred to in recommendations (ii) here below, a decision be made in principle that Canada should withdraw all the reservations to which her acceptance of the compulsory jurisdiction of the International Court of Justice are now subject, or that such withdrawal be made in such terms as would retain only a reservation based on the Paraguay-type formula or, even better, on an improved version of this formula as referred to in paragraph 11 above;

(ii) that – advantage being taken of the presence of their representatives at the current U.N. Assembly – the governments of other members of the Commonwealth be approached informally with a view to finding out whether they would object (particularly in view of the Commonwealth reservation clause) to Canada proceeding on its own to making new declarations accepting the compulsory jurisdiction of the International Court of Justice, either in the context of the proposed resolution on "Friendly Relations" in the Sixth Committee of the United Nations, or at some other time;

(iii) that the Cabinet be apprised of the results of such approaches with a view to recommending what course of action should be taken regarding the withdrawal of Canada's reservations.<sup>73</sup>

H.C. GREEN

<sup>73</sup> Approuvé par le Cabinet le 8 novembre 1962./Approved by Cabinet on November 8, 1962.

[PIÈCE JOINTE/ENCLOSURE]

*Annexe A**Annex A*

SECRET

ANNEX "A" TO MEMORANDUM TO THE CABINET DATED MARCH 8, 1962  
CONCERNING A NEW DECLARATION ACCEPTING THE COMPULSORY JURISDICTION  
OF THE INTERNATIONAL COURT OF JUSTICE WITHOUT RESERVATIONS

*Introductory Remarks*

All members of the United Nations are *ipso facto* parties to the Statute of the International Court of Justice, which forms an annex to the Charter of San Francisco (1945)<sup>74</sup> and each member is required to comply with the decisions of the Court in any case to which it is a party. However, the Court only exercises a compulsory jurisdiction in regard to states that have filed declarations with the Court in pursuance to Article 36 of the Statute, which reads:

1. The jurisdiction of the Court comprises all cases which the parties refer to it and all matters specially provided for in the Charter of the United Nations or in treaties and conventions in force.
2. The states parties to the present Statute may at any time declare that they recognize as compulsory *ipso facto* and without special agreement, in relation to any other state accepting the same obligation, the jurisdiction of the Court in all legal disputes concerning:
  - (a) the interpretation of a treaty;
  - (b) any question of international law;
  - (c) the existence of any fact which, if established, would constitute a breach of an international obligation;
  - (d) the nature or extent of the reparation to be made for the breach of an international obligation.
3. The declarations referred to above may be made unconditionally or on condition of reciprocity on the part of several or certain states, or for a certain time.
4. Such declarations shall be deposited with the Secretary-General of the United Nations, who shall transmit copies thereof to the parties to the Statute and to the Registrar of the Court.
5. Declarations made under Article 36 of the Statute of the Permanent Court of International Justice and which are still in force shall be deemed, as between the parties to the present Statute, to be acceptances of the compulsory jurisdiction of the International Court of Justice for the period which they still have to run in accordance with their terms.
6. In the event of a dispute as to whether the Court has jurisdiction, the matter shall be settled by the decision of the Court.

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<sup>74</sup> Voir *Charte des Nations Unies et Statut de la Cour internationale de Justice* (New York: Nations Unies, 1945).

See *Charter of the United Nations and Statute of the International Court of Justice* (New York: United Nations, 1945).

2. Canada's acceptance of the compulsory jurisdiction of the International Court of Justice dates back to 1929,<sup>75</sup> when – for the first time – we filed a declaration of acceptance of the compulsory jurisdiction of the Permanent Court of International Justice (the predecessor in effect of the I.C.J.) which had been established in 1920 under the covenant of the League of Nations. In so doing, Canada acted like most of the other members of the League, which at the time seemed desirable. – On December 7, 1939, shortly after the outbreak of the Second World War, Canada made a new reservation relating to events connected with the War.<sup>76</sup>

*Note:* Declarations of Acceptance of the compulsory jurisdiction of the Permanent Court of International Justice are deemed by virtue of paragraph 5 of Article 36 of the Statute of the (present) International Court of Justice to apply to the former Court as well. The reservations made by Canada in 1929 and 1939 are therefore still in effect.

3. The Declarations (For text see pages 236 and 237 of I.C.J. Yearbook 1959-60) contain reservations:

- (1) Designed to ensure reciprocity as between Canada and other states accepting the optional clause (although this may not be strictly speaking a reservation);
- (2) Excluding disputes
  - (a) arising prior to July 20, 1930;
  - (b) for which another forum of settlement has been agreed peacefully;
  - (c) relating to questions which by international law fall exclusively within the jurisdiction of Canada;
  - (d) under consideration by the Council of the League of Nations;
  - (e) arising out of events which occurred during World War II;
  - (f) with members of the British Commonwealth of Nations.

#### *Analysis of Reservations*

4. It is now proposed to review each of the conditions in turn to which Canada has made her acceptance of the International Court of Justice subject, with a view to determining whether Canada can, without any real prejudice to her legal position, file a new declaration with the Court accepting this jurisdiction unconditionally, or if not unconditionally, then at least on the basis that one or more of the present conditions to which its acceptance is made subject can be dropped.

#### CONDITION OF RECIPROCITY

5. Canada's first reservation is that its acceptance of the compulsory jurisdiction of the Court is on "condition of reciprocity," i.e. only as between Canada and other states similarly accepting the compulsory jurisdiction of the international justice of the Court.

6. The question of reciprocity is closely related to the interpretation of paragraphs 2 and 3 of Article 36 of the Statute of the International Court of Justice (quoted on page 1 above). The weight of legal opinion, taking into account certain statements contained in judgments of the International Court of Justice and its predecessor and based on the views of publicists, appears to be that the condition of reciprocity mentioned in Article 36<sup>(2)</sup> applies absolutely and in connection with any dispute before the Court regardless whether it is repeated in one or both of the declarations of the states concerned by virtue of which application has been filed with the Court.<sup>(1)</sup>

<sup>75</sup> Voir/See Volume 4, documents 532-535, 541-542.

<sup>76</sup> Voir/See Volume 7, document 1225.

7. This interpretation implies also in effect that paragraph 3 of Article 36, when speaking of declarations being made “unconditionally or on condition of reciprocity on the part of several or certain states or for a certain time,” means that these provisions are always subject to the built-in condition set out in paragraph 2 of Article 36, which no declaration, no matter what its terms, has the power to modify.<sup>(2)</sup>

8. The present text of the Article, however, which does suffer from some ambiguity, lends itself to more than one interpretation and some writers have supported interpretations which are not in accord with the majority view;<sup>(3)</sup> they contend that the language of paragraph 2 of Article 36 permits the states to accept quite unconditionally the jurisdiction of the court if they so wish, and that therefore paragraph 2 of Article 36 could not be made to apply to declarations of this type.

9. The right-to-make-an-unconditional-reservation argument bases itself in part anyway on the theory that paragraph 3 of Article 36 modifies paragraph 2 of Article 36. However, the text of these two paragraphs does not support this argument, but rather the contrary view discussed above. Paragraph 3 of Article 36 is careful to state that the type of declaration to which it is referring is the type of declaration defined in paragraph 2 of Article 36, thus clearly making the terms of paragraph 3 of Article 36 expressly subject to the terms of paragraph 2 of this article.

10. The history of paragraph (3) of Article 36 of the I.C.J. Statute is significant in this connection: this provision of the Article of the new Statute repeats in identical terms the wording provision of Article 36, paragraph (3) of the old Statute. The origin of this paragraph shows that its text was not intended to provide for “reciprocity.” It can be seen from its language that it simply authorizes states to accept the optional clause *for limited periods* and to make their liability to jurisdiction having also been accepted *by a particular number of other states* or by *particular named states*. The provision was included at the insistence of the Brazilian delegate,<sup>(4)</sup> and although more than one country<sup>(5)</sup> has taken advantage of the opportunity to make its declarations “for a certain time,” only Brazil actually made her reservation subject to a condition of reciprocity “on the part of two at least of the great powers.”<sup>(6)</sup> This form of condition would not seem to be really a condition of reciprocity at all, therefore, but rather a condition that the declaration is not to be enforced unless and until a certain number of states or certain named states have accepted the compulsory jurisdiction of the Optional Clause.

11. The foregoing discussion suggests that any state desiring protection of the condition of reciprocity should rely for this protection on the provisions of Article 36(2) of the Statute of International Court of Justice, irrespective of the terms of paragraph (3) thereof. Nevertheless, as has been already indicated, the subsisting uncertainty has prompted a number of states to include in their declaration of acceptance, to be on the safe side, an express reservation of some kind concerning reciprocity<sup>(7)</sup> with the exception of Haiti, Nicaragua and Paraguay. Haiti and Nicaragua in effect have filed declarations in absolute terms that they accept unconditionally the jurisdiction of the court. Paraguay’s declaration is to the same effect, except it avoids using that same express language. It relies rather on the words of the statute to do this. Paraguay’s declaration thus provides:

“Paraguay recognizes purely and simply, as obligatory, as of right and without a special convention, the jurisdiction of the Permanent Court of International Justice, as described in Article 36, paragraph 2 of the Statute.”<sup>(8)</sup>

12. In considering the means of overcoming the doubt over the reciprocity question that has arisen largely from the fact that the wording of Article 36(2) and 36(3) is sufficiently ambiguous to lend itself to more than one interpretation, the wording of the Paraguayan declaration becomes important. It contrasts strikingly in form to the complete and conditional acceptance of the jurisdiction of the Court contained in Nicaragua's declaration, which states:

“On behalf of the Republic of Nicaragua I recognize as compulsory unconditionally the jurisdiction of the Permanent Court of International Justice.”<sup>(8)</sup>

13. As already indicated, the Paraguayan formula appears to have been designed to combine the unconditional acceptance feature of the Haiti and Nicaragua declarations as well as the full protection acquired by retaining the reciprocity condition without the declaration being made expressly subject to such a condition. If so, however, it could have perhaps been expressed in clearer terms, from a legal standpoint, since it does not attempt to solve the contentious question whether the statute of the Court, of and by itself, provides for reciprocity even in the case of a completely unconditional acceptance.

14. The Paraguayan approach might nevertheless be incorporated into the Canadian declaration, – along the following lines:

“In accordance with Article 36(2) of the Statute of the International Court of Justice, Canada hereby accepts as compulsory the jurisdiction of the International Court of Justice in relation to any other state similarly accepting this Court's jurisdiction.”

#### RESERVATIONS OF DISPUTES ARISING PRIOR TO JULY 28, 1930

15. There is no particular significance to this cut-off date<sup>(9)</sup> since this condition was not aimed at protecting Canada against any particular dispute brought before the Court. It was merely a customary one providing against litigation of disputes arising prior to acceptance of the Court's jurisdiction.

16. It is probably true that the withdrawal of this reservation would open the way to situation where Canada would be obliged to submit to the jurisdiction of the Court in regard to disputes arising prior to July 28, 1930. Indeed, for example, the disputes concerning the Gut Dam claims or Hecate Strait might qualify as pre-July 28, 1930 disputes and the United States might wish to avail itself of the opportunity provided by the withdrawal of this reservation to have these disputes referred to the International Court of Justice.

17. Actually, however, the practical consequences from withdrawing this reservation would appear to be innocuous; any dispute with another country which has significance to Canada will sooner or later have to be arbitrated or settled in some fashion or other if it is important enough to either country and the International Court of Justice should be as desirable a forum as one could normally expect. Another important reason for withdrawing this reservation at this time is that it would be difficult for Canada to insist on this reservation in the face of Canada's declared policy that as great a use as possible should be made of the Court.

#### RESERVATION OF DISPUTES CONCERNING WHICH THE PARTIES AGREE TO SOME OTHER METHOD OF PEACEFUL SETTLEMENT

18. This reservation seems redundant because Article 95 of the Charter provides that nothing “shall prevent members of the United Nations from entrusting the solution of their differences to other tribunals by virtue of agreements already in existence or which may be included in the future.”



RESERVATION OF DISPUTES RELATING TO QUESTIONS WHICH  
BY INTERNATIONAL LAW FALL EXCLUSIVELY WITHIN THE JURISDICTION OF CANADA

19. This reservation appears to be unnecessary because Article 2(7) of the United Nations Charter provides that “nothing in the Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any State, or request members to submit such matters to settlement ...”

20. However, Article 2(7) of the Charter leaves open the question as to who decides when a matter is essentially within the domestic jurisdiction of a state. Perhaps the only effective way to cure this weakness would be to adopt the kind of reservation contained in the U.S.A. declaration which reserves to the U.S.A. the right to determine whether the particular issue is one of domestic jurisdiction or not. However, as pointed out by Mr. Justice Read (then the Canadian member of the Court), in a recent case, such a reservation is inconsistent with the whole notion of acceptance of compulsory jurisdiction.

RESERVATION OF DISPUTES UNDER CONSIDERATION BY THE COUNCIL  
OF THE LEAGUE OF NATIONS

21. The United Nations is not a successor to the League of Nations and by the same token, the International Court of Justice is not a successor to the Permanent Court of International Justice.<sup>(10)</sup> For these reasons the weight of authority indicates clearly that this kind of reservation specifically referring to organs of the League cannot be deemed to apply to organs of the United Nations and must therefore be considered as having lapsed. Moreover, there would not seem to be any merit in including a reservation providing similar protection respecting disputes while they are being debated in the United Nations. No other state has filed a reservation of this kind for the reason that such a reservation is not considered necessary in the context of the United Nations.

RESERVATION OF DISPUTES ARISING OUT OF EVENTS OCCURING  
DURING WORLD WAR II

22. This is the reservation introduced separately in 1939 at the outbreak of World War II. It could have saved Canada from embarrassment had the Polish Art treasures<sup>77</sup> dispute, which has now been settled, been brought before the Court. Because of the constitutional issue which would then have been involved, the dispute was a matter of direct concern to the Province of Quebec and the fear had been that, if the Court rendered judgment requiring implementation by Canada, the Federal Government could have been unsuccessful in persuading the Province of Quebec to live up to the judgement had the Provincial Government not wished to do so.

23. The only other known dispute at present debarred by this reservation is a money claim against Canada by “La Compagnie Française des Mines d’Or du Canada” founded on alleged improper action by the Custodian of Enemy Property. However, this case does not carry the constitutional difficulties associated with the Polish Art Treasures dispute, and, if it should be referred to the Court, no special constitutional problem which would require the retention of this reservation would arise. There would thus seem to be no reason why this reservation could not be withdrawn.

24. In considering in general the constitutional position of Canada in this context, it should be pointed out that our reservations to the acceptance of compulsory jurisdiction were never given *per se* to protect the Canadian Government from the dilemma it would face if it were required to implement a Court decision involving the co-operation of a province where the Provincial Government concerned refused to give this cooperation. In the Polish Art Treasures case, this constitutional question did threaten to arise and had it in fact arisen, the reservation would

<sup>77</sup> Voir/See Volume 27, documents 514-515.

have provided a certain measure of protection for Canada. This happened, of course, not because the reservation in question related to the Canadian constitution but because by accident a constitutional question arose incidentally in connection with another type of dispute.

25. No other state had made a reservation designed to seek special protection in relation to constitutional problems and Canada might indeed from every point of view, be raising more problems than it would solve were it to attempt to consider introducing a reservation of this kind.

#### RESERVATION OF COMMONWEALTH DISPUTES

26. When we consulted in 1946-47 as to the possibility of Canada making a new declaration without reservations, the United Kingdom, Australia, New Zealand and South Africa, which all possessed similar reservations, indicated that though not prepared to eliminate their own, they would not object at Canada making a fresh declaration without a reservation of this kind.

27. This reservation has been criticized as being incompatible with the basic principle of acceptance of compulsory jurisdiction, in that to exempt such a large group of important and influential countries is inconsistent with the independent status of the members of the Commonwealth and because disputes between members of the Commonwealth (such as that between Pakistan and India over Kashmir) are unquestionably international disputes. These arguments suggest that intra-commonwealth disputes should be made subject to the jurisdiction of the Court.

28. On the other hand, there may be a feeling amongst other Commonwealth countries that this reservation is in keeping with the Commonwealth notion and that its removal might lessen Commonwealth ties. With these considerations in mind, the Government of the day decided on March 20, 1948 that the time had not yet arrived for the withdrawal or for Canada to make any further declaration, – indicating that the movement for change was still not strong enough to overcome the status quo position.

29. The following members of the Commonwealth have made their acceptance of the compulsory jurisdiction of the Court subject to the Commonwealth reservation: United Kingdom, Australia, Canada, India, New Zealand. Pakistan, the only other member of the Commonwealth to have filed a declaration accepting the compulsory jurisdiction of the Court, has expressly omitted the Commonwealth reservation. Thus, were Canada to withdraw the Commonwealth reservation it would be following the precedent established by Pakistan.

30. The foregoing discussion would suggest that there are really no valid reasons from a legal standpoint as to why this reservation should not be withdrawn. However, before taking this decision it would seem appropriate that each of the other Commonwealth countries should first be consulted again.

#### [Endnotes:]

<sup>(1)</sup> (Relevant passages in judgments of the Permanent Court of International Justice in the “Phosphates in Morocco” case, Series A/B No. 74 at p. 22; and in the “Electricity Company of Sofia” P.C.I.J. case, Series A/B, No. 77 at p. 81; judges of the present court have touched on the same point in Anglo-Iranian Oil Co. Case, 1952 at p. 103. None of these cases, however, involves a completely unconditional declaration, hence these passages are largely *obiter dicta*.)

<sup>(2)</sup> (For a further study of this question, see S. Rosenne, “The International Court of Justice” at p. 310 and subsequent, with particular reference to pp. 312 & subsequent, wherein the relevant court cases are quoted and discussed. Also: Hudson, “The Permanent Court of International Justice, 1920-1942 (1943)” at pp. 451-465. The following comment by Hudson in this work, on p. 456 is particularly relevant: “Every declaration made under para. 2 of Art. 36, whether it is made by signature of the optional clause or otherwise, has this characteristic impressed upon it. It is not a reservation made by

the declarant; it is a limitation in the very nature of the declaration which operates under or is made 'in conformity with' para. 2 of Art. 36." See also an article on the Optional Clause by H.W. Briggs in 93 Hague Recueil (1958, Vol. I), beginning at p. 229. But see Hambro, former Registrar of the Permanent Court, writing in the British Yearbook 1945, etc. (cf. note (3) below).

- (3) (See 1948 British Yearbook p. 133 "Some Observations on Compulsory Jurisdiction of the I.C.J."; also, 76 Hague Recueil (1950, Vol. 1) beginning at p. 18, - both by Dr. E. Hambro.)
- (4) (See C.M.H. Waldock "Decline of the Optional Clause," British Yearbook of International Law, Vol. XXXIII, p. 255.)
- (5) (Canada's declaration was "for a period of 10 years and thereafter until such time as notice may be given to terminate the acceptance.")
- (6) (See the most interesting article by Prof. Waldock just referred to at pps. 244 and subsequent.)
- (7) (The following states have accepted the jurisdiction of the court on condition of reciprocity only: China, Columbia, Denmark, Finland, Honduras, Japan, Panama, Philippines, Switzerland and Thailand.)
- (8) (This declaration remains valid for the I.C.J. See note in para.2.)
- (9) (The date is that of Canada's ratification of its original declaration of acceptance of compulsory jurisdiction.)
- (10) (In some instances though, specific provision has been made to provide continuity between the Permanent Court of International Justice and the International Court of Justice where this is considered vital, thus in connection with declarations concerning acceptance of compulsory jurisdiction of the Permanent Court of International Justice, Article 36(5) of the Statute of the International Court of Justice provides that such declarations as may still be in force shall be "deemed as between the parties to the present statute to be acceptances of the compulsory jurisdiction of the I.C.J. for the period which they still have to run and in accordance with their terms.")

## SECTION F

REPRISE DE LA SEIZIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE,  
15 JANVIER AU 23 FÉVRIER 1962  
RESUMED SIXTEENTH SESSION OF THE GENERAL ASSEMBLY,  
JANUARY 15 TO FEBRUARY 23, 1962

### SUBDIVISION I/SUB-SECTION I

#### RUANDA-URUNDI

77.

DEA/5475-AT-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], January 13, 196[2]

#### RUANDA-URUNDI

The agenda for the resumed session of the United Nations General Assembly includes the question of the future of Ruanda Urundi. The main document to be considered is the Report of

the United Nations Commission for Ruanda Urundi which was headed by Ambassador Dorsinville of Haiti (the other two members were from Iran and Togo).<sup>78</sup> The Report was submitted at the end of November but discussion in the Fourth Committee was deferred at the request of the Belgians who at the time were engaged in talks with the political leaders of Ruanda and Urundi in Brussels.

2. The main task of the Dorsinville Commission was to follow the progress of events in Ruanda Urundi, to supervise the elections and the preparatory measures preceding them, and to assist and advise the Administering Authority (Belgium). As regards the elections themselves and the referendum on the future of the Mwami in Ruanda, the task of the Commission involved reporting on (i) whether the pre-electoral atmosphere was such as to permit political workers and leaders to resume normal democratic political activity and (ii) whether the organization of the actual voting was such as to provide for a secret ballot and an accurate count of the vote.

3. In contrast to the Commission's Interim Report of last year which was sharply critical of Belgium, the final Report submitted in November commends the cooperation and assistance of the Belgian administration. In this connection the Report states that the Commission's task "was most fortunately understood by the Belgian Government which abandoned the policy of the previous government and displayed a general willingness to appreciate what was being aimed at and to act in a spirit of comprehension and sincere cooperation which deserves the Commission's gratitude." Thanks to this cooperation, the Report states, the Commission was able "to persuade and assist the Administering Authority to implement the Resolutions of the General Assembly and in organizing the most effective possible system for supervising the elections."

4. As regards Urundi, the Commission at first expressed concern that the Administration's electoral law in the territory might have opened the way to electoral fraud but it concluded that all political parties were in fact able to express their opinions "freely and calmly." The polling had taken place with no serious incident and the final results had been a resounding success.

5. As regards Ruanda, the Commissioners were divided on whether an atmosphere which permitted normal democratic political activity had, in fact, been achieved. They therefore decided, after drawing attention to the existence of tribal violence and cases of local intimidation, to leave it to the General Assembly to form its own judgment on the basis of the facts. The Report itself is therefore partially inconclusive, but the Chairman of the Commission, Ambassador Dorsinville, expressed the personal view that, although the atmosphere prevailing before the elections was not exactly what the UN General Assembly had in mind, "it would be in the higher interests of the peoples of Urundi and Ruanda for the fact of the elections to be accepted so that these peoples may be given the status of legitimacy necessary to their accession to independence."

6. At a meeting in Brussels between Belgian officials and political leaders from Ruanda-Urundi it was agreed that, beginning early in January, the two territories would be given local autonomy and be administered separately, each from its own capital (Kigali and Kitega). They would, however, continue to cooperate on a number of common services such as customs, post office, aerodromes, etc. As Administering Power under the Trusteeship Agreement, Belgium

<sup>78</sup> Voir *Rapport de la Commission des Nations Unies pour le Ruanda-Urundi*, UN Doc A/4994 et Add.1; *Documents officiels de l'Assemblée générale*, seizième session, annexes, additif à point 49 (30 novembre 1961).

See *Report of the United Nations Commission for Ruanda-Urundi*, UN Doc A/4994 and Add.1; *Official Records of the General Assembly*, Sixteenth Session, Annexes, Addendum to Agenda Item 49 (November 30, 1961), <http://documents.un.org/>.

would remain responsible for foreign affairs, defence and the maintenance of law and order. The Resident-General, who had overall responsibility for the whole of the territory, would be replaced by two Residents, one located in each of the two capitals. According to the Belgian Foreign Ministry these arrangements, which we understand are now in force, reflect the wishes of the Prime Ministers of Ruanda and of Urundi as well as the other elected representatives of the two territories present at the Brussels meeting.

7. No target date for independence was mentioned in the Dorsinville Commission's Report or in the official documents of the Brussels meeting. However, the political leaders of Ruanda and Urundi have indicated privately that it might be possible to terminate the Trusteeship sometime during the first half of 1962. The Belgians, for their part, seem to be willing to accept any date agreeable to the African leaders.

8. At a recent meeting of the NATO Ad Hoc Committee on Africa the Belgians reported the results of the Brussels negotiations and asked for the support of their allies when Ruanda Urundi is discussed at the United Nations. The French and Dutch offered their full support, while the British, Portuguese, Danish, and Italians promised a sympathetic and friendly attitude.

9. It seems likely that discussion in the United Nations will centre around some or all of three main questions:

- (1) The Dorsinville Commission Report;
- (2) A target date for independence of the territory;
- (3) Whether, on independence, the territory should become one state or two.

10. So far as the Commission's Report is concerned, it would seem that the directives contained in the General Assembly Resolution have been carried out as far as could be expected under the circumstances prevailing in the territories and that, as recommended by the Chairman, the elections and governments formed in the two parts of the territory should be accepted by the General Assembly. In view of the Belgian co-operation with the Commission there would seem to be a good chance that the General Assembly will accept, or perhaps simply note, the Commission's Report, although it is always possible that some of the Casablanca powers will accuse the Belgians of unfairly influencing the elections and the referendum on the Mwami in Ruanda where the pro-Belgian Hutu party defeated the minority Tutsi group who were supported by the Soviet bloc and the Afro-Asians at the 15th Session of the General Assembly.

11. As regards a target date for independence, it would seem that the leaders of Ruanda and Urundi are undecided and may wish to avoid setting a specific date. Dorsinville himself is understood to hold the private conviction that independence should be delayed because of the obvious unreadiness of the territories for this step. The State Department would be willing to support a proposal to delay independence but it seems unlikely that Dorsinville or any of the Afro-Asians would be willing to make such a proposal publicly. Discussions of this question may, therefore, hinge on the attitude taken by the leaders of Ruanda and Urundi who, we understand, will attend the debate in New York.

12. The question of whether the territory should become one state or two is complicated by the fact that, although the Dorsinville Commission's Interim Report submitted last year recommended one state, the political leaders of the territory seem to favour two states. It may be, however, that this question can be avoided during the present discussions.

#### *Instructions for the Delegation*

The present instructions in the Commentary are that it will not be necessary for the Canadian Delegation to make any intervention in the debate but they should be prepared to vote for any moderate resolution contributing to Ruanda-Urundi's peaceful evolution towards

independence. If an extreme resolution is submitted to the Assembly the delegation should consult the Department for instructions. It is recommended that the Delegation be instructed in addition to support any reasonable resolution accepting or noting the Dorsinville Commission Report which does not contain derogatory references to Belgium. It is assumed that the Delegation will keep us informed of any further developments in order that additional instructions may be provided as required.<sup>79</sup>

N.A. R[OBERTSON]

78.

DEA/5475-AT-3-40

*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 111

New York, January 22, 1962

CONFIDENTIAL. OPIIMMEDIATE.

Repeat for Information: London, Washington, Paris, NATO Paris (Priority), Brussels (Priority) from Ottawa.

By Bag Lisbon, Accra, Lagos, Wellington, Canberra from London.

COMMONWEALTH MEETING JANUARY 18 – ANGOLA AND RUANDA-URUNDI

Commonwealth meeting held January 18 began with Angolan item. Discussion was limited by fact that Afro-Asian group had still not repeat not agreed on a resolution and also by absence at time of representatives of some of the African members of Commonwealth. They turned up later. Australian representative opened discussion with a suggestion that Assembly ought to avoid taking action which would close door to any possibility of cooperation from Portugal. Indian and Malayan representatives agreed with validity of approach, but wondered how Portugal could be persuaded to comply with a UNGA resolution. It was doubt about Portugal's willingness to cooperate which caused the countries concerned about problem to turn to more drastic measures. Malayan representative suggested that UK, USA and Brazil could "do a lot to make Portugal accept fact." UK representative reminded Committee that both bilaterally and through NATO UK had done its best and would continue to do so. While Portugal was in no repeat no doubt as to opinion of UK, it had not repeat not yet chosen to follow UK's advice.

2. Meeting then turned to question of Ruanda-Urundi. Australian representative said debate on this item had just commenced in Fourth Committee and it appeared that a choice would have to be made between: (a) immediate independence or (b) delaying independence in order to make some attempt to unify the two states. Indian representative (Jha) said that it would be necessary to wait for views of African states on this question. In principle, India believed it would be disastrous to create two small states out of what was formerly one trust territory.

3. Ghanaian and Nigerian representatives made it clear that they would prefer to see some sort of union between Ruanda and Burundi. Ghanaian representative indicated that before reaching any firm conclusion his delegation would wish to hear views of petitioners. He seemed to attach more weight to opinions which petitioners might voice than to views held by newly elected governments in the two states. Nigerian representative (Ifeagwu) expressed

<sup>79</sup> Note marginale :/Marginal note:  
OK H. G[reen] 15/1

opinion that it was most important to work for the formation of a loose federal union between Ruanda and Burundi. It would help a great deal if Belgian government would exert pressure in that direction. He said that Nigerian delegation had discussed this with the petitioners (presumably UNAR petitioners who represent opposition in Ruanda) and thought they would be amenable to a solution on these lines.

4. I raised problem of maintaining public order and security after Belgians left, saying that our info indicated that there was a grave danger that local police forces in Ruanda and Burundi would be inadequate to maintain order if new disturbances should break out. In that case we might be faced with another Congo situation. Nigerian representative agreed that this was a real problem. He said that here attitude of Belgian government became all important. If Belgium had not repeat not taken a final position in favour of granting immediate independence then one might work for some arrangement under UN auspices by which Belgian forces could continue to train local Garde Territoriale and maintain order.

5. In the ensuing discussion it became clear that Nigeria and Ghana favoured delaying independence for Ruanda and Burundi in the hope that some form of union could be worked out. Nigerian representative was also worried at prospect of creating two small states which would be very weak economically and a source of concern to other African states. He appealed to white Commonwealth countries to use their influence to persuade Belgium to encourage formation of a federal union between Ruanda and Burundi.

6. Sir Hugh Foot (UK) commented that this was an instance where two guiding principles seemed to conflict with one another. On one hand there was principle that unity was to be favoured over division, and on other, principle that wishes of people should prevail. Cypriot representative (Rossides) seemed to be in favour of a referendum to ascertain wishes of people of Ruanda and Burundi on issue of unity. Later in day he broached this proposal in Fourth Committee but New Zealand representative believes that he has now convinced Rossides that a referendum would destroy any hope of forming a federal union because the overwhelming majority of the people would undoubtedly vote against it.

7. Meeting closed with a very brief résumé by Sir Patrick Dean of USA-UK talks in Washington.

[C.S.A.] RITCHIE

79.

DEA/5475-AT-3-40

*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 124

New York, January 23, 1962

CONFIDENTIAL. OPIIMMEDIATE.

Reference: Our Tel 76 Jan 17.†

Repeat for Information: London, Washington, Paris, NATO Paris, Brussels from Ottawa.

By Bag Lagos, Accra from London.

RESUMED 16TH UNGA – ITEM 49; RUANDA-URUNDI

Although UN Commissioners for Ruanda-Urundi agreed on their report and facts contained therein, they were unable to reach agreement on a subjective evaluation of elections in Ruanda

(paragraphs 3 and 4 our reference telegram). In presenting report of Commission, Chairman Dorsinville expounded his viewpoint. Other two members of Commission were then invited by Guinean delegation to give their personal views to Committee; they complied with this request on January 19 and 22 and, as a result, Committee has a somewhat clearer perspective of issues involved.

2. For Commissioner Ernest Gassou (Togo), pre-electoral period in Ruanda was such that results of elections and of plebiscites cannot repeat not be considered as expressing mind of electoral body. He blames burgomasters and local civil service administration for atmosphere of fear and violence which prevailed in many parts of territory before election day and suggests that choice of many electors was vitiated at very start. In his view there are three courses of action open to Assembly.

(a) To refuse to validate results of elections and hold new ones. Under present administrative structure, he fears a repetition of 1959-60 disturbances if UNGA adopts this course;

(b) To validate results of elections and grant separate independence for two states as already envisaged. In this case he predicts that certain tribal minorities will resort to violence;

(c) To accept the "de facto" state of affairs and attempt to remedy defects of present situation in Ruanda.

3. Brilliant exposé of Commissioner Majid Rahnema (Iran) contained a profound and sober analysis of factors involved in present situation. Rahnema explained that deep-rooted Hutu emancipation movement which culminated in 1959 disturbances had been deflected from its main course when odium of both feudalism and colonialism had been directed against Tutsi, thereby discrediting them completely and undermining authority of Mwami, who had to flee the country. ParmeHutu (Parti du mouvement de l'émancipation Hutu), abetted by Belgian administration, had then created a new power structure based largely on their control of local administration. Tutsi opposition parties had tried to rely on UN in order to improve atmosphere but ParmeHutu and local Belgian administration had conducted an extensive propaganda campaign against UN.

4. Change of government in Brussels had brought about a completely new Belgian policy on Ruanda-Urundi, based on a sincere attempt to cooperate with UN. However, given excellent Belgian cooperation, Rahnema stated that within time limit specified in 15th UNGA resolutions, it had been impossible to break up administration pyramid then in existence and, consequently, Hutu were exposed only to electioneering propaganda of ParmeHutu Party. Thus "legal framework which had been set up had not repeat not seemed to be sufficient to allow full freedom of expression for opposition in interior parts of territory." Nevertheless final decision on validity of election in Ruanda rested with UNGA and not repeat not with UN Commission.

5. For same reasons given by Gassou, Rahnema rejected idea of holding new elections. On question of union between two territories he urged Assembly not repeat not to impose a theoretical solution in opposition to present political realities and against wishes of inhabitants of Urundi, clearly expressed by their government which has an "unquestionable mandate" to speak on their behalf.

6. In conclusion, Rahnema outlined five factors which should govern final decision of Assembly: (a) question of validity of elections; (b) question of whether independence should be granted immediately, despite all problems involved; (c) question of unity; (d) means and resources at disposal of UN in discharge of its duties on territory. He suggested that Assembly might wish to study possibility of having UN take over administration of territory in part or as a whole. In this eventuality, would member governments be ready to pay for cost of this UN presence? (e) attitude of administering power. In Rahnema's view Belgian policy and efforts remain key to future of territory.



7. 4th Committee now seems to have before it most of facts it needs. Questioning of representative of Urundi and of Ruanda has not repeat not added greatly to Committee's knowledge and it is not repeat not expected that questioning of petitioners (which is to start today) will provide much fresh food for thought. Mood of Committee can best be described by comment made to us by Yugoslav delegation that "it is evident that these people do not repeat not have sufficient political maturity to be granted independence." In minds of many delegations, problem of unity between two territories seems to have been left in abeyance until more pressing problem of timing of, and readiness for, independence is settled. While Rahnema protested that he did not repeat not wish to suggest any solution, he seemed inclined to favour some sort of UN presence in Ruanda. We believe that this idea is gaining adherents within Committee. However, complexity of these questions is such that Afro-Asians have not repeat not yet evolved a unified line of action.

80.

DEA/12862-40

*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], January 24, 1962

## RUANDA-URUNDI

You asked for our comments on the suggestion that Canada promote the idea of Ruanda-Urundi gaining its independence as one state rather than two; one advantage being to avoid two additional votes at the United Nations. Since then you will have seen Permis New York telegram No. 111 of January 22, 1962 (attached), which indicates that the majority of Commonwealth countries and presumably the Afro-Asian Group in general would also prefer to see Ruanda-Urundi become one state. Also, as you will recall, both the Trusteeship Council and the General Assembly in earlier resolutions have gone on record as recommending a single state.

2. Throughout its history, the division of Ruanda-Urundi has been recognized in one way or another. During the period of German rule Ruanda and Urundi formed districts 13 and 14 of German East Africa. When the Belgians took over the territory after the First World War they continued to recognize the separateness of the two kingdoms, while setting up a common administrative centre in Usumbura.

3. The main problem for the future of Ruanda-Urundi apart from the tribal one lies in the fact that the territory is very poor and densely populated. Also it lacks both an adequately trained gendarmerie to maintain law and order and a competent cadre of civil servants. This means that the territories will require outside financial and technical assistance for some time to come. (This is also a reason for preferring a single state.) The doubt about the territory's economic viability raises the question of whether it would not be better off in the long run if it joined one of its neighbours.

4. Although Ruanda-Urundi once formed part of German East Africa and has maintained contacts with Uganda and Tanganyika, culturally the territory is closer to the Congo, particularly through the use of the French language. If the Congo crisis had not occurred there would probably have been strong pressure for Ruanda-Urundi to join the Congo. Soon after declaring Katanga's secession, Tshombe is understood to have tried to interest the Ruanda-

Urundi leaders in joining a confederation or economic union with Katanga, Kivu and Kasai. This idea was rejected, however, and it seems unlikely that the present governments of Ruanda and Urundi would be interested at the moment in joining the Congo.

5. The possibility of the territory joining Tanganyika has been suggested privately at various times. We understand that Nyerere has indicated that he would have no objection to Ruanda-Urundi joining Tanganyika. The Belgian Foreign Ministry has, also, indicated to our Embassy in Brussels that the Belgians would not be averse to a merger of either or both of the territories with Tanganyika. Another possibility is that the territory might become part of a greater Federation of East Africa which would also include Tanganyika, Uganda and Kenya, but this, of course, would not provide an immediate solution to the problem.

6. The desire of the other African countries to see Ruanda-Urundi remain one country presumably stems from:

(a) their recognition that two small countries would be less economically viable and a potential source of political trouble;

(b) their general dislike of balkanization tendencies in Africa; and,

(c) their belief that partition is really Belgian inspired, and that in a union the influence of the pro-Belgian Government in Ruanda would perhaps be partially offset by the more nationalist government in Urundi.

7. Perhaps the best that could be hoped for in the present circumstances is that the two territories extend their present customs and economic union to form a loose confederal union in which they would enjoy separate political autonomy with responsibility for foreign affairs, defence and trade, etc. vested in a central authority.

8. According to latest reports from New York there is a growing feeling in the Fourth Committee in favour of delaying independence for Ruanda-Urundi. This would have the advantage of postponing the controversial question of whether the territory should become one state or two and would allow more time to prepare the territories for full sovereignty.

9. It would be very difficult for any Western country to suggest in public that independence for Ruanda-Urundi should be delayed. Any such suggestion would have to come from the other African countries themselves and preferably with the prior concurrence of the leaders of Ruanda-Urundi.

10. Attached for your signature, if you agree, is a telegram to New York outlining our views of the main issues under discussion in the Fourth Committee.<sup>80</sup>

R.E. C[OLLINS]

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<sup>80</sup> Notes marginales :/Marginal notes:  
Signed 25.1.62 [Auteur inconnu/Author unknown]  
Noted. N.A. R[obertson]

81.

DEA/5475-AT-3-40

*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-19

Ottawa, January 24, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tels 111 of Jan 22 and 124 of Jan 23/62.

Repeat for Information: London, Washington, Brussels.

## RESUMED 16TH UNGA – ITEM 49: RUANDA-URUNDI

Following are some preliminary views which you may use as appropriate in discussions with other delegations.

*2. UN Commission's Report:* It would be a great mistake in our view if the UNGA were to refuse to validate the elections in Ruanda and hold new ones. Even if new elections were held it would be unrealistic given the existing tribal animosities to expect that the results would be materially different or that the Mwami could be reinstated. Moreover as pointed out by the commissioners, new elections could well lead to a recurrence of bloodshed and a further legacy of hatred. The main problem here seems to be to find some way for the Tutsi to be given representation in the Government of Ruanda. This would seem to depend on the Hutus being persuaded by the Belgians and friendly African states of the long term advantages of including some Tutsis in the government.

*Timing of Independence:* We are inclined to agree that the territory is probably not ready for independence (in this connection we fully agree with the fears you expressed at the Commonwealth meeting). On the other hand the argument of unpreparedness has been rejected in other contexts and we doubt that the leaders of Ruanda-Urundi would agree to postpone independence beyond 1962. Certainly any suggestion for a delay in independence say by a reference to the Trusteeship Council meeting in May or 'til the 17th UNGA would have to come from African delegations and preferably after consultation with the leaders of Ruanda-Urundi.

*Question of Unity:* On balance we would prefer to see the territory become independent as one state rather than two. This would presumably give them a better chance to develop economic viability and they would thereby also gain the benefits of common overhead administrative expenses; moreover the outside financial and technical assistance (including UN assistance) which the country will require could in our view be more easily and efficiently provided to a single state.

3. We should be grateful if you would continue to keep us informed of developments in the Fourth Committee particularly as regards the growth of any sentiment for a UN presence in Ruanda-Urundi. We would also like to be kept informed of Belgian views on developments including their reaction to what seems to be the majority preference for one state rather than two.

82.

DEA/5475-AT-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 2, 1962

## RUANDA-URUNDI

You will note from the attached telegram† that Mr. Spaak has asked Canada, along with a number of other Western countries to co-sponsor a draft resolution on the future of Ruanda-Urundi.

2. This resolution would create a special five-member U.N. Commission for Ruanda-Urundi which would go to the territory for the purpose of assisting and advising the administering authority and the local governments during the transitional period before independence. The Commission would assist in such matters as the proposed economic union, technical assistance programs, resettlement of refugees and, where possible, use its good offices to encourage a reconciliation amongst the political parties. The Commission would not, however, report back to the General Assembly and the two territories of Burundi and Ruanda would become independent as separate states within an economic union on June 25, 1962.

3. The resolution has the backing of the U.S., British and French, but apparently has not been discussed with the Afro-Asian group. It seems very unlikely that it would receive support from the Afro-Asian group who are meeting on Monday to draft a resolution of their own. Indeed, it would seem from the situation described by our Delegation in the attached telegram 192† that there is no serious expectation that the resolution would be adopted and that its chief purpose would be to serve as a counter-weight in the event that the Afro-Asian group put forward an extreme resolution.

4. We understand from New York that the Swedish Delegation has been authorized to co-sponsor the draft on the understanding that Canada and the others approached (e.g. Mexico, Greece, Italy) as well as the moderate African states are also prepared to do so. Mexico has refused to co-sponsor and is thinking of suggesting a constitutional round table of all political parties in the territory followed by a referendum on the question of one state or two. The Italian and Greek delegations had not yet received instructions but felt sure that their Governments would not agree to co-sponsorship on the grounds that the resolution would not enjoy wide support including the Afro-Asian group. The Greek delegation calculated that the resolution would not obtain more than 25 affirmative votes.

5. In view of the fact that an Afro-Asian draft is pending we think it would be desirable to see both draft resolutions before deciding to co-sponsor one of them. If you agree, therefore, a telegram to New York in this sense is attached for your approval.†

6. Also attached for your approval is a telegram† to New York containing a Canadian statement on Ruanda-Urundi which Mr. Asselin proposes to make in the Fourth Committee tomorrow (February 6). This statement is basically a shortened version of the draft submitted by the Delegation in their telegram 206† copy of which is attached.<sup>81</sup>

G.P. DE T. G[LAZEBROOK]  
for  
N.A. R[OBERTSON]

83.

DEA/5475-AT-3-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures,  
pour la Direction des Nations Unies*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,  
to United Nations Division*

CONFIDENTIAL

[Ottawa], February 5, 1962

## RUANDA-URUNDI

This is to confirm that the Minister does not want Canada to co-sponsor the Belgian draft resolution, and has so informed Senator Brooks by telephone. He would, however, like a telegram of confirmation send to New York.

2. The background to the request to the Delegation to co-sponsor is that Mr. Spaak made a personal appeal to Mr. Martial Asselin, who in turn was personally disposed to favour Canadian co-sponsorship.

R.C[AMPBELL]

84.

DEA/5475-AT-3-40

*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 324

New York, February 20, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: [Yo]ur Tel ME-61 Feb 19.†

Repeat for Information: London, Washington, Paris, NATO Paris (OpImmediate), Brussels (OpImmediate) from London.

By Bag Accra, Lagos from London.

## RESUMED 16TH UNGA – RUANDA-URUNDI

West Asian draft resolution on future of Ruanda-Urundi will come to a vote tomorrow morning in Fourth Committee. Explanations on behalf of cosponsors have helped to clarify

<sup>81</sup> Note marginale :/Marginal note:  
Tels signed by SSEA 5/2. R. C[ampbell]

text in several respects, e.g. it has been made clear that Belgium retains full responsibility for territory under our paragraph 3 until granting of independence. In case of high level conference called for in our paragraph 4 cosponsors have said that UN Commission can request Belgian representatives to participate in talks if Commission thinks this would be desirable.

2. One crucial problem which remains is the wording of our paragraph 3(e) which as presently drafted, states expressly that replacement of Belgian military forces must be completed before date of independence. Until today there was ground for hoping that cosponsors would accept some slight change in wording which would remove categorical and mandatory deadline for removal of all Belgian military forces. However after several meetings cosponsors were unable to agree on any change in text of this paragraph.

3. Belgians have told us that they regard it as absolutely essential that wording of paragraph 3(e) be modified. They accept the basic aim of this paragraph, namely that all Belgian military forces should be removed as soon as possible but they are very worried about consequences which would follow if they were adopted with paragraph 3(e) in its present form. Belgians say that one immediate result would be a mass exodus of Belgian civilians from Ruanda Urundi. These civilians who form backbone of the administration would be fearful of a breakdown of law and order if all Belgian military forces were to withdraw before independence. Apart from withdrawal of officers and troops serving in Belgian armed forces in Ruanda Urundi, Belgian officers serving in a training capacity with the local national guard and police forces would also wish to leave territory once they learned that a deadline as of date of independence had been fixed for replacement of all Belgian military and paragraph 2 military forces.

4. In course of today's debate very strong opposition developed to categorical wording of paragraph 3(e). Sweden, Ireland, New Zealand and USA expressed grave concern over situation which could develop if all Belgian forces were forced to withdraw before independence and no repeat no one could be found to take their place. On instructions from Washington USA representative told Committee that if paragraph 3(e) remained in its present form USA could not repeat not support resolution as a whole. He said that it would not repeat not be possible for governments of Ruanda and Urundi to assume full responsibility by July 1 for maintaining law and order. As it stood paragraph 3(e) was "asking for another Congo." It was absolutely categorical in asking for withdrawal of Belgian troops before July 1 and completely ignored views of two governments who had not repeat not asked for withdrawal of Belgian troops before independence.

5. Irish representative in putting forward amendment to paragraph 3(e) by his delegation and Sweden said that with tragedy of Congo fresh in mind UN could not repeat not contemplate creating a vacuum in maintenance of law and order in Ruanda Urundi. While sympathizing with principle that no repeat no country could be truly independent if foreign troops remained on its territory, Ireland attached even greater importance to maintenance of law and order. Neither Government of Ruanda nor that of Urundi had asked for withdrawal of all Belgian forces. Irish representative said that his government felt very strongly that if paragraph 3(e) remained in its present form and if disorder should break out in Ruanda Urundi following premature withdrawal of Belgian forces then UN would have failed lamentably.

6. Secretary-General is also very concerned about possible consequences if paragraph remains unchanged. He told some of Afro-Asian cosponsors this afternoon that UN had "neither money nor men" to fill vacuum which would be left by complete withdrawal of all Belgian military forces before independence. U Thant intends to speak again to cosponsors tomorrow morning in an effort to underline seriousness with which he views this situation.

7. Latin Americans are also worried. In an effort to find a compromise wording for the paragraph Mexican representative (speaking for Mexico, Argentina and Brazil) suggested following revision of Irish-Swedish amendment to paragraph 3(e):

“Change of paragraph 3(e) to read as follows: “Arrangements for training of indigenous forces with help of experts or training missions provided by UN in order to achieve without delay progressive replacement of Belgian military and IAR military forces according to a plan which would be submitted to UNGA before independence and in which modalities and target date for final withdrawal of all Belgian forces would be established.” Ireland and Sweden have accepted this revision of their amendment. Since this amendment will have support of all Western countries and Latin Americans it stands a fair chance of being adopted if a number of Afro-Asians vote in favour or abstain when it is put to a vote.

8. If Mexican revision of paragraph 3(e) is carried there will be no repeat no problem in voting on resolution as a whole. If it is not repeat not adopted and paragraph remains in its present form Belgium will either vote against or abstain on resolution as a whole. Following countries will abstain on resolution as a whole if paragraph is unchanged: USA, UK, Denmark, Ireland, Netherlands, New Zealand, Australia, Italy, Sweden and in all likelihood Austria. France will vote with Belgium. As of this afternoon following friendly Western countries were prepared to vote for resolution as a whole, whether or not repeat not any changes were made in paragraph 3(e): Norway, Finland, Canada, Turkey and Greece. Greece is anxious to vote with Afro-Asians because a Greek national was implicated in murder of Prince Rwagasore, Prime Minister of Urundi.

9. In his phone call to delegation tonight Minister confirmed that if there is no repeat no change in text we should abstain on paragraph 3(e) and vote for the resolution as a whole.

10. Since speaking to Minister we have been told by Norwegian delegation that after weighing pros and cons they have recommended to Oslo that Norway should abstain on resolution as a whole if paragraph 3(e) remains unchanged. Norwegians have been influenced by views held by Ireland and Sweden. These views as explained to us today by Poland are that countries such as Ireland, Sweden and Canada who have contributed heavily to Congo operation ought not repeat not to go on record as voting for a resolution with an irresponsible element in it which seems bound to lead to serious trouble if it is carried out and could conceivably produce another Congo situation. Ends.

85.

DEA/5475-AT-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 20, 1962

RUANDA URUNDI

Operative paragraph 3e of the Afro-Asian resolution on the future of Ruanda Urundi provides for the departure of Belgian military forces before independence and their replacement by indigenous forces and a UN training mission.

2. Although the Belgians originally indicated that they could accept this provision albeit reluctantly, they have now changed their minds and say it is unacceptable because it would lead to a mass exodus of civilians from the territory and make it more difficult to recruit civilian technicians. As a result of the Belgian position and because of misgivings of their own a number of Western countries led by the United States have also taken the position that they cannot support the Afro-Asian resolution as a whole if paragraph 3e remains unchanged. If,

therefore, the resolution comes to a vote in its present form the following Western countries will abstain: United States, United Kingdom, Denmark, Netherlands, and probably Ireland, New Zealand and Sweden. Norway and Finland would still vote for the resolution.

3. Our present instructions to the Delegation are that they should vote for the resolution even if no changes are made. These instructions were based on the Delegation's own recommendations and were made at the time they thought the Belgians could accept the resolution unchanged. In view of the new situation the Delegation have asked whether their instructions could be made flexible enough to permit them to abstain along with the majority of other Western Delegations. Do you agree that the instructions may be changed in this way?

4. Even with the above abstentions, the resolution would of course obtain sufficient favourable voters to be adopted.<sup>82</sup>

G.P. DE T. G[LAZEBROOK]  
for  
N.A. R[OBERTSON]

86.

DEA/5475-AT-3-40

*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], February 21, 1962

16TH UNGA: RUANDA URUNDI

The Minister has spoken by telephone to Senator Brooks, Mr. Ritchie and Mr. Asselin this morning concerning the Canadian voting position on the Afro-Asian draft resolution. He had before him Candel telegram 319 of February 20.†

2. His voting instructions were as follows:

(1) On a paragraph by paragraph vote, the Delegation has discretion either to oppose or abstain on paragraph 3(e), although the Minister himself doubts the wisdom of voting against this paragraph as it would be generally construed as a vote in favour of the retention of Belgian forces in Ruanda Urundi after independence.

(2) On the resolution as a whole, the Delegation is authorized to abstain.

(3) The Delegation is to make an explanation of vote in respect of its stand on paragraph 3(e) and on the resolution as a whole, explaining the need, in the Canadian view, to avoid language which might lead to a U.N. military commitment in Ruanda Urundi similar to that which the U.N. was compelled to undertake in Congo as a result of the breakdown of law and order following independence. The Delegation is to stress the inability of the U.N., in terms of both manpower and finances, to take on another commitment of this magnitude.

R. C[AMPBELL]

<sup>82</sup> Note marginale :/Marginal note:

Unless big swing, could abstain on para 3 but vote *for* res[olutio]n as a whole. These instructions were passed by phone by SSEA direct to Asselin & Parry in N.Y. 20/2 19:30. R. C[ampbell]



87.

DEA/5475-AT-3-40

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

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

TELEGRAM 344

New York, February 26, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 336 Feb 22.†

Repeat for Information: London, Washington, Paris, NATO Paris, Brussels from Ottawa.

By Bag Accra, Lagos.

## RESUMED 16TH UNGA: RUANDA-URUNDI

Resolution on future of Ruanda-Urundi (text as amended given in our reference telegram) came before Plenary Friday afternoon February 23. It was adopted by 88 in favour (Canada) to none against, with 11 abstentions (Soviet Bloc plus Iraq). No repeat no roll call was taken in Plenary but apart from one additional vote in favour of resolution, result was identical to that in Committee. On this issue Cuba deserted Communist camp to vote for Afro-Asian resolution. 5th Committee recommendations on financial implications (A/509) were approved by 86 (Canada)-0-11.

2. Before vote in Plenary Soviet Representative (Morozov) complained that revised resolution adopted by 4th Committee was even worse than original draft. He attacked Belgium in violent language, expressed disappointment at Afro-Asian compromise and said USSR would abstain on these grounds:

(a) resolution allowed Belgian troops to remain in Ruanda-Urundi after independence;

(b) only Security Council had right to decide on question of military assistance to Ruanda-Urundi; and

(c) only if Security Council considered question could USSR "be tied by financial implications of resolution." Morozov even went so far as to assert that UN Secretariat intended to "organize" situation in Ruanda-Urundi in such a way that it would be to advantage of Belgium. This may have been intended as an oblique criticism of Secretary-General U Thant, whose pressure forced Afro-Asian co-sponsors to amend operative paragraph 3(e) and issue a revised resolution (L730/Rev1) on afternoon of February 21.

3. Spaak immediately took rostrum to reply to Soviet Representative. Speaking forcefully and earnestly, Belgian Foreign Minister said that Belgium's policy in Ruanda-Urundi was being attacked by a country which had been chased out of League of Nations and condemned for aggression. USSR, he went on, had left its troops in free and independent countries for years and had systematically refused to carry out all UN resolutions when they seemed to run counter to its interests. Truth was that USSR could not repeat not fail to hide its disappointment that a compromise had been reached without its participation, a compromise that ran counter to Soviet policy of fomenting chaos in Africa. In concluding, Spaak praised Afro-Asian delegations for efforts they had made to draft an honourable compromise. 4th Committee had given an example, during six difficult weeks of discussion, of will to understand and true UN spirit. Belgium would respond in kind. Spaak said compromise reflected in Afro-Asian resolution would be implemented with goodwill on part of Belgium. He hoped that when Assembly reconvened in June proof of this would be evident and this would be best answer to slanders of USSR. Spaak received a spontaneous ovation at conclusion of his statement.

4. Selection of five members of UN Commission for Ruanda-Urundi gave rise to some difficulty. It was agreed first of all by Afro-Asians that members of existing UN Commission (Haiti, Togo and Iran) should participate in expanded Commission. For remaining two seats there were three candidates (Morocco, Liberia and Ivory Coast), none of which would withdraw to produce an agreed slate. In order to ensure election of Ivory Coast, French Representative proposed in Plenary that number of members should be raised from five to six. Ghana and Guinea asked for a recess so that co-sponsors could consult on the amendment proposed by France. When Slim refused, insisting that voting had begun, Indian Representative raised question of additional financial commitment which would be involved if Commission were increased to six members. At this point, when it had become clear that his amendment was likely to reopen whole question of compromise embodied in resolution, French Representative withdrew his amendment. French move hurt chances of Ivory Coast (Ambassador Usher). When ballots for election of UN Commission were tabulated result was Togo 93, Iran 88, Liberia 67, Haiti 66, Morocco 64, Ivory Coast 53 and a scattering of votes for other candidates. Accordingly members of new Commission are Togo, Iran, Liberia, Haiti and Morocco. Individual representatives appointed by these States are expected to be Gassou (Togo), Rahnema (Iran), Miss Brooks (Liberia), Dorsinville (Haiti) and Skalli or Sidi Baba from Morocco.

5. Final moves to find an acceptable wording for operative paragraph 3(e) dealing with withdrawal of Belgian troops were made in morning and afternoon February 21. In morning U Thant met with key co-sponsors of Afro-Asian draft and made it very clear to them that UN could not repeat not hope to find personnel to replace all Belgian troops before independence, let alone finance such an operation. Japanese tell us that Secretary-General spoke very firmly and it was his personal intervention which compelled co-sponsors to find a compromise wording.

6. By afternoon February 21 compromise version of paragraph 3(e) had appeared as part of a revised draft resolution (L730/Rev1). It read as follows: "(e) Arrangements for training of indigenous forces with help of experts or a training mission provided by UN; and rapid withdrawal of Belgian military and paramilitary forces, to be completed before independence, with exception of such personnel whose retention in view of Commission, in consultation with authorities of Ruanda-Urundi and administering authority, may be considered necessary as an interim measure"; this was coupled with addition of a new sub(c) to operative paragraph 6 which read: "and (c) as to timetable for withdrawal of personnel, if any, retained as an interim measure under operative paragraph 3(e)";

7. New paragraph 3(e) was generally regarded as an improvement over Mexican revision of Irish-Swedish amendment (our telegram 324 February 20). Ireland and Sweden immediately withdrew their revised amendment and way was open for a quick vote. At this stage, however, Iraqi representative (Pachachi) protested new wording of paragraph 3(e) and withdrew his delegation's cosponsorship. It seems that after participating in meeting with U Thant, Pachachi drew up his own revision of paragraph, which was passed over by other co-sponsors in favour of text given above.

8. As overwhelming majority of Afro-Asians were not repeat not prepared to pander to Pachachi, they were ready to vote for revised draft and to support a motion for closure made by Bolivia. However Bingham (USA) decided that some clarification was needed of wording in operative paragraph 2 and objected to closure although he had been asked by Sweden not repeat not to do so since any further discussion would only reopen wording of crucial paragraph 3(e). Foolishly and unwisely, Bingham objected to closure; debate continued, and in an effort to meet Pachachi's objections India suggested inserting following words after "administering authority" in paragraph 3(e): "and without prejudice to sovereign rights of

future independent Ruanda-Urundi and subject to latter's subsequent ratification." India then consulted with Ghana and Guinea and latter announced that this change had been accepted by co-sponsors. None of other 27 co-sponsors of Afro-Asian draft were consulted before this announcement was made and many of them were greatly annoyed, more so because addition did not repeat not in end secure Iraq's support. Change was mere verbiage, however, only stating obvious, and it made no repeat no difference to votes which Belgium, Afro-Asians and Western countries had already decided to cast on revised draft resolution.

9. Before voting in 4th Committee, which took place late in evening February 21, Cameroun Representative withdrew his amendments (L731). Soviet Representative tabled two revised amendments (L736/Rev1) to operative paragraphs 3(e) and 6. First Soviet amendment, to paragraph 3(e), was rejected by 45 (Canada) to 12 (Soviet bloc, Burma and Cuba) with 30 abstentions. Second, affecting paragraph 6, was rejected by 46 (Canada) to 13 with 27 abstentions. Previously another Soviet amendment (L734) had been rejected. This was designed to introduce a final preambular paragraph reading: "Considering that all Belgian military and paramilitary forces should be withdrawn from trust territory before Ruanda-Urundi attains independence." Vote on this amendment was 24 in favour (Soviet bloc, Burma, Cuba, Ghana, Guinea, India, Mali, Iraq, Ethiopia, Yugoslavia) 50 against (Canada, West Europe and Latins, Malaya, Iran, Ivory Coast, Japan, Pakistan, Syria, Sudan, Sierra Leone, Tanganyika) with 24 abstentions (remaining Afro-Asians).

10. USA amendments (L732), which were aimed at confining June resumed session to sole question of Ruanda-Urundi, passed handily since co-sponsors had agreed to accept them. They were supported by almost all Afro-Asians, vote being 80 (Canada) to 11 (Soviet bloc, Cuba) with 3 abstentions.

11. A Bulgarian request for voting by division on parts of resolution was rejected by an overwhelming vote and second revision of Afro-Asian draft (L730/Rev2) as amended by USA, finally came to a vote in 4th Committee at 11:00 pm on February 21. As reported earlier, resolution as a whole was adopted by 87 (Canada) to none, with 11 abstentions.

12. Result of debate on Ruanda-Urundi must be considered to be highly satisfactory in that over space of six weeks a compromise was finally found which Afro-Asians and Western countries could support, leaving Soviet bloc in isolation. Negotiations in Afro-Asian group were extremely difficult and protracted but on this occasion Afro-Asians as a whole must be given full credit for displaying patience and willingness to seek an agreed compromise acceptable to all responsible members of Assembly.

88.

DEA/5475-AT-3-40

*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 356

New York, February 27, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: ExtAid from Ottawa.

RUANDA-URUNDI: UN REQUEST FOR ASSISTANCE

We have received a request for assistance from UN Secretariat in connection with implementation of resolution on future of Ruanda-Urundi adopted by UNGA on February 23.

UN would be grateful if Canada could provide two French-speaking advisers in police field to go to Ruanda-Urundi for approximately six weeks to survey situation and prepare recommendations for the Commission on organization training and administration of indigenous police forces in territory. Advisers should be persons who have had experience in organizing and administering a police force.

2. El Haj of UN Office of Personnel said UN Secretariat believed two advisers should preferably come from one country and hoped very much that Canada could meet this request for assistance. If possible advisers should be in New York not later than March 12. Their mission would last from mid-March to June 1 when resumed session on Ruanda-Urundi begins.

3. Payment could be arranged in either of two ways: (a) advisers could obtain leave of absence from their department or police force and UN would then pay everything including expenses and salary, or (b) advisers could be detailed or seconded from their present duties in which case UN would pay subsistence and travel allowance and department or police force concerned would later bill UN for their salaries. On whole UN would prefer second arrangement.

4. Resolution in question asks Secretary-General to provide UN Commission for Ruanda-Urundi with experts and military observers for purposes envisaged in operative paragraphs 3(d), 3(e) and 4 of resolution. El Haj said that two police advisers requested from Canada would be sent to territory for purpose of advising on arrangements for maintenance of law and order by African police forces under paragraph 3(d) of resolution. Advisers in military field are being sought from other countries.

5. As you know much of discussion on Ruanda-Urundi at resumed session centred on need for making adequate preparations for maintaining law and order in territory after it attains independence probably on July 1. Accordingly UN places great importance on securing proper advisory personnel to assist UN Commission in carrying out tasks assigned to it. We hope therefore that it may be possible for Canada to meet present request.

6. We understand that Secretariat has already spoken informally to External Aid about this question. Accordingly if it is decided that Canada should endeavour to meet this request for two police advisers would you please let us know as soon as possible and also notify External Aid so that they can fill request.

89.

DEA/5475-AT-3-40

*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 V-79

Ottawa, March 2, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 356 of Feb 27/62.

RUANDA-URUNDI: UN REQUEST FOR ASSISTANCE

The Minister agreed yesterday that we should try to meet the Secretary-General's request for two police advisers to assist the Commission recently appointed by the Assembly to supervise the orderly accession of the trust territory of Ruanda-Urundi for independence.

2. We have now asked External Aid Office to follow up this matter with the RCMP with all possible despatch.

3. We take it that we are right in assuming that the UN Secretariat will keep directly in touch with External Aid Office regarding all arrangements connected with the police advisers' tour of duty in the territory.

90.

DEA/5475-AT-3-40

*Le directeur général, Bureau de l'aide extérieure,  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Director-General, External Aid Office,  
to Under-Secretary of State for External Affairs*

Ottawa, March 6, 1962

Dear Mr. Robertson:

I received yesterday afternoon your letter of March 2, † concerning the request from the Secretary-General of the United Nations for two French speaking Canadians to act as advisers in Ruanda-Urundi in the police field. This request was telephoned to us some days ago, and I can advise that with the full cooperation of Commissioner Harvison it has been possible to secure the services for the required period of two R.C.M.P. personnel, who will proceed to Ruanda-Urundi as soon as the necessary administrative arrangements can be made.

Yours sincerely,

H.O. MORAN

91.

DEA/5475-AT-3-40

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

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

CONFIDENTIAL

[Ottawa], May 26, 1962

RUANDA-URUNDI

The Sixteenth Session of the General Assembly will resume on June 7 to consider the future of the trust territory of Ruanda-Urundi.

2. You will recall that on February 23 the General Assembly approved a Fourth Committee resolution setting up a five-nation commission, headed by Miss Brooks of Liberia, to cooperate with the Belgian and local authorities in a programme designed to assist in preparing Ruanda-Urundi for independence. The programme included the reconciliation of various political factions, the return and resettlement of refugees, the maintenance of public order, and the training of indigenous forces so that Belgian troops (with certain exceptions to be agreed by the Commission in consultation with the Belgian and local governments) could be withdrawn before independence. In addition, the Commission was to convene (in Addis Ababa) a high-level conference of the governments of Ruanda and Urundi with a view to finding a mutually acceptable formula for the creation of the closest possible form of political, economic and

administrative union. The Commission was to submit to the General Assembly before June 1 a progress report together with recommendations concerning: (a) the arrangements for the final transfer of power, and (b) the assistance which the United Nations could provide to deal with local, social and economic problems. The resolution envisaged the final date for independence as July 1, 1962, subject to the approval of the General Assembly in the light of the Commission's report.

3. Although the Commission has not yet submitted its report it seems likely on the basis of the information so far available that the main problems facing the General Assembly will be:

- (a) the provision of economic and technical assistance to the territories,
- (b) whether any Belgian troops will remain in the territories after independence and
- (c) whether the territories should become independent on July 1.

4. On the first question there seems no doubt that the two territories will require substantial financial and technical assistance for some years to come. (One estimate is that some 25 million dollars a year will be required to ensure economic stability.) The United States has informed the two local governments that they would not be prepared to underwrite a large bilateral assistance programme or support a large-scale UN technical assistance programme. (The reasons for this attitude are, first, that the State Department does not wish to give aid to Ruanda-Urundi on a scale which would be out of proportion to what they are giving other African states and, second, because they fear a large-scale UN programme might run into Congressional opposition.) The US would, however, be willing to support a modest UN assistance programme. The Belgians are willing to furnish technical and financial assistance provided they do not have to assume the whole burden and that adequate measures are taken to preserve law and order which in their view means the retention of some Belgian forces in the territories after independence.

5. The most difficult question will be how to ensure law and order after independence in view of the present inadequacy of the local gendarmerie. You will recall that at the NATO meeting in Athens Mr. Spaak said that if all Belgian troops were withdrawn before independence between two-thirds and three-quarters of the Belgian technicians would leave and his government would not, therefore, be able to implement its programme of technical assistance. The Belgians suggested to the UN Commission that they should keep on approximately 350 troops in each territory after independence. Meanwhile, however, the two local governments, under pressure from some members of the Commission, have informed the Commission that they do not wish Belgian troops to remain after independence. (On this point Ruanda was less categorical than Urundi and may be prepared to allow Belgian forces to phase their withdrawal over a period of some three months. In Urundi the Mwami (King) was willing to retain Belgian forces but the government refused.)

6. The Acting Secretary-General has made it clear that the UN has neither the men nor the money to undertake a police operation in Ruanda-Urundi. Yesterday he told Mr. Murray that as a matter of policy United Nations troops could not be placed at the disposal of the governments concerned because of the danger that the troops would be used to suppress political opposition in the two countries. He did say that a United Nations training unit of about 200, all ranks, could be installed in Ruanda and Urundi but they could not be used directly to deal with the security situation and they might be prevented from performing their training role effectively if internal security could not be maintained. U Thant is understood to favour retaining some Belgian troops in the territories after independence but he cannot, of course, take this position if the two local governments say they do not wish Belgian forces to remain.

7. As regards the date for independence, it is generally expected that the commission's report will either recommend the termination of the trusteeship agreement on the 1st of July, 1962, or make no recommendation at all, leaving it to the General Assembly to form its own judgement. In the latter event, it would be difficult for the General Assembly to postpone independence beyond July 1, 1962, even though there is a real danger of chaos and violence once the Belgians withdraw.

8. One other question concerns whether the territory should become independent as one state or two. During the debate last February a number of the African countries held strongly to the view that Ruanda and Urundi should form a political union. Although the UN Commission pressed this view on the two governments at the Addis Ababa conference the most the latter would accept was a customs and economic union. It seems evident, therefore, that the territory will become independent as two separate states.

9. It will be seen from what has been said above that the General Assembly is faced with a very difficult and complex problem in Ruanda-Urundi. Although the territories are clearly not ready for independence it would be very difficult for anyone to suggest a postponement at this late date. Similarly, if the governments of Ruanda and Urundi maintain their demand that Belgian troops withdraw, it will not be easy to find an alternative means of ensuring minimum security. Moreover, if all their forces withdraw it seems unlikely that the Belgians could provide the technical assistance, which, in the absence of large-scale UN assistance, is crucial to the future development of the country. In this situation it has been suggested that the best hope lies in some understanding between the governments of Ruanda and Urundi, the Belgian Government and Secretary-General U Thant which would enable a certain number of Belgian military personnel to remain after independence in the guise of training cadres under a United Nations technical assistance umbrella. However, in the light of the Secretary-General's stated view in paragraph 6 above there is some doubt whether he would accept such an arrangement.

10. Until the UN Commission's report is available it is difficult to prepare precise instructions for the Canadian Delegation. We should, however, give them some general idea of our views on (a) the date of independence and (b) the retention of Belgian troops after independence especially since it is possible the UN Commission will not make specific recommendations on these two key questions.

11. On the first point there seems little possibility that independence could be postponed for more than a few months and it is doubtful that the security situation in the territories would be any better at that time. Moreover, a postponement could lead to a further deterioration of relations between Belgian officials and the local governments, perhaps to the point where it would be impossible for any Belgian technicians to remain after independence.

12. It should perhaps be recognized that since Ruanda-Urundi is a trust territory the United Nations has a basic responsibility to see that it becomes independent in the most favourable circumstances. For this reason we agree on the desirability of a UN presence in Ruanda-Urundi.<sup>83</sup>

13. With reference to security arrangements the Secretary-General's ideas are restrictive of the UN's role but sound in principle. In any event we would not wish to support a proposal which would involve the UN in heavy expenditures such as, for example, a UN police operation in Ruanda-Urundi.

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<sup>83</sup> Note marginale :/Marginal note:  
No. [H.C. Green]

14. These suggestions so far do not resolve the security problem which appears to require retention of some Belgian security forces with the consent of the two governments. We must hope that they can be persuaded to cooperate in this sense. At the same time we would not wish to take a position against Afro-Asian opinion whereby we would appear to insist on the presence of Belgian troops in the territory against the wishes of the local governments.<sup>84</sup>

15. If you agree, we would propose to send this memorandum to the Canadian Delegation for their guidance and for use in consultation with other delegations.<sup>85</sup>

G[EORGE] I[GNIATIEFF]  
for  
N.A. R[OBERTSON]

92.

DEA/5475-AT-3-40

*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], June 4, 1962

RUANDA URUNDI

The Minister has, at our request given further consideration to the rather categorical instructions he had issued on first reading the memorandum dated May 26, where he had indicated that because any U.N. involvement in Ruanda and Urundi after independence would quickly lead to a call for security forces, Canada should not support even a U.N. presence.

2. He has now agreed that we may support a U.N. presence, and specifically the 200 strong training cadre of which U Thant has spoken, although he maintains his position that Canada should oppose the creation of a U.N. Security Force on the Congo model.<sup>86</sup>

R. C[AMPBELL]

<sup>84</sup> Note marginale :/Marginal note:  
We may have to do this. [H.C. Green]

<sup>85</sup> Note marginale :/Marginal note:  
I believe that some Belgian troops will have to stay or else U.N. troops will have to go in and we cannot urge the latter. H.C. G[reen] 27/5

<sup>86</sup> Note marginale :/Marginal note:  
Noted. [N.A.] R[obertson]



93.

DEA/5475-AT-3-40

*Note du chef de la 1<sup>ère</sup> Direction de liaison avec la Défense  
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*

*Memorandum from Head, Defence Liaison (1) Division,  
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], July 6, 1962

## CANADIAN MILITARY OBSERVER IN RUANDA-URUNDI

Attached for your signature, if you agree, is a telegram asking our Permanent Mission in New York† to approach the U.N. Secretariat at a relatively high level in order to protest against the selection, without prior consultation with us, of a Canadian officer serving at ONUC Headquarters to act as Military Adviser in Ruanda-Urundi.

2. We have been told informally that this officer is a Major M. Kolesar. In March 1962, while serving in Leopoldville, he was asked by the U.N. Commander to accompany the U.N. Commission which, under the chairmanship of Miss Brooks of Liberia, was proceeding to investigate the situation in Ruanda-Urundi. One Indian and two Moroccan officers were also detached from ONUC Headquarters for that purpose. It is not clear to us what precise duties they were asked to perform in these territories but it is certain that they remained in the area after the departure of the Commission in order to be in a position to report on military developments. Insofar as we know, these officers are still there.

3. It is unusual that the Canadian Government was not informed officially of this change of duties. We are told that even the National Defence Headquarters were informed only indirectly, a few weeks after Major Kolesar's departure from Leopoldville, when a periodic report from the Canadian Commanding Officer in the Congo on the location of the Canadian personnel mentioned that this officer was serving in Ruanda-Urundi. This rather important development was not brought to the attention of this Department. The information given above was volunteered by a comparatively junior official of National Defence, in response to an informal enquiry.

4. The presence of a regular member of the Canadian forces in Ruanda-Urundi was first mentioned to us in New York's telegram 1056 of June 29.† In a previous telegram (1036 of June 27†) our mission had reported that U Thant was considering seeking approval of the Canadian authorities for the secondment of six Canadian officers from the U.N. forces in the Congo for this purpose. No official request along those lines has yet been received. If and when such a request comes about, it will have to be considered on its merits and the matter will be submitted to the Minister.

5. Meanwhile, we believe that the lack of previous consultation is a serious matter. When in 1960 we informed the UN that we would provide personnel to ONUC, it was mentioned specifically that the decision had been approved by the Parliament and the Government of Canada. Presumably the earmarking of this personnel for a different task would require prior approval by the Canadian Government only when Parliament is not in session.<sup>87</sup>

A.R. MENZIES

<sup>87</sup> Notes marginales :/Marginal notes:

Mr. Menzies: Has this been cleared with DND? R. C[ampbell] 7/7  
Tel. sent Aug. 1<sup>st</sup>, 1962. [Auteur inconnu/ Author unknown]

## SECTION G

DIX-SEPTIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE,  
18 SEPTEMBRE AU 21 DÉCEMBRE 1962  
SEVENTEENTH SESSION OF THE GENERAL ASSEMBLY,  
SEPTEMBER 18 TO DECEMBER 21, 1962

## SUBDIVISION I/SUB-SECTION I

INSTRUCTIONS À LA DÉLÉGATION CANADIENNE  
INSTRUCTIONS TO THE CANADIAN DELEGATION

94.

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. 277-62  
SECRET

[Ottawa], September 5, 1962

INSTRUCTIONS TO THE CANADIAN DELEGATION TO THE  
SEVENTEENTH SESSION OF THE GENERAL ASSEMBLY

The seventeenth session of the General Assembly will open on September 18. The provisional agenda lists 79 items and a few supplementary items can be expected before the Assembly convenes. Many of the items are recurring and some are routine. This memorandum deals with those which have important implications for Canadian policy at the United Nations.

*General Remarks*

2. The Assembly will face a situation of continuing uncertainty for the United Nations. It is still heavily committed in the Congo, both politically and financially, and much may depend on the present plans for bringing about national reconciliation in that country, which the leaders of Katanga and Central Congolese Governments have now both accepted. While there is no agenda item on the political situation, the 17th session will be required to provide for meeting the Congo expenses. The Acting Secretary-General, has been pressing for an early solution which will permit him to reduce the size and scope of the United Nations military operation in the Congo. His own future as executive head of the Secretariat may depend to some extent on whether this can be accomplished soon. If he decides to run, U Thant seems assured of full support, including that of the Soviet Union, for re-appointment for a five-year term.

3. During U Thant's visit to Moscow, it emerged that Mr. Khrushchev will not attend the opening of the Assembly but the possibility remains that he might visit the United Nations during the session. He apparently gave no indication to U Thant that the Soviet Union intends to raise the German and Berlin problems as a regular agenda item.

4. Some of the principal economic items relate to world trade and to the flow of capital and technical assistance to the developing countries. This pressure for increased assistance must be considered in relation to the heavy commitments which the United Nations is facing as a result of peace-keeping operations. Economic and financial questions will loom large this session.

5. The African-Asian majority will continue their pressure to accelerate the granting of independence to dependent peoples, particularly in Africa, and to eliminate racial discrimination. This may take the form of proposals for drastic measures, like diplomatic and economic sanctions and even the expulsion of states (South Africa and Portugal) whose policies have remained rigid in the face of past exhortations from the General Assembly. The British may be subjected to heavy pressure as well and they will be looking to their friends to assist them.

#### *Admission of New Members*

6. The Security Council has unanimously recommended the admission of Burundi and Rwanda and the applications of Jamaica and Trinidad will be considered in September. Others expected to apply shortly are Algeria, Kuwait (vetoed last year by the Soviet Union) and Uganda (becoming independent on October 9). Canada should support the admission of all states recommended by the Security Council and may co-sponsor Commonwealth applicants if this seems desirable.

#### *Elections*

7. For the Presidency, Canada will support Sir Zafrullah Khan of Pakistan, who appears to have a substantial edge over his opponent, Dr. Malalasekera of Ceylon. In accordance with the Assembly resolution on the composition of the General Committee, the Vice-Presidencies are likely to be by acclamation in favour of the following candidates: Australia, Belgium, Haiti, Colombia, Jordan, Sierra Leone, Malagasay (preferred over Guinea) and Czechoslovakia. The Chairmanships are following established pattern, although one candidate remains to be named: First Committee, Adeel (Sudan); Special Political Committee, Benites (Ecuador); Second Committee, Lewandowski (Poland); Fourth Committee, Avendano (Guatemala); Fifth Committee (Western Europe); Sixth Committee, Eustathiades (Greece). As for the appointment of Secretary-General, Canada should give U Thant full support.

8. The elections to the Security Council are complicated by the large number of candidates from the African-Asian group, including that of Nigeria which seeks the West European seat now occupied by Ireland. For this seat, Canada is committed to support Norway, whose prospects are reasonably bright, and to support Brazil as the candidate for the Latin American vacancy. The third seat, now occupied by the United Arab Republic, is being contested by a number of African and Asian candidates but of the main contenders, Morocco and Mauritania, the former probably has the best chance of being elected. Subject to further developments in relation to Nigeria's candidature, Canada should be prepared to support Morocco. As for the Economic and Social Council, the following seem assured of election: United Kingdom, Soviet Union, Austria, Argentina and Czechoslovakia. The sixth seat involves the re-election of Japan in competition with other Asian states (Afghanistan, Burma, Iraq and Nepal). Canada has pledged its support to Japan and should support the various candidates listed for the other five seats.

#### *Representation of China*

9. All the indications are that this subject will be discussed in much the same terms as it was at the 16th session. The United States is apparently relying on the resolution adopted then, requiring a two-thirds majority for any change in the representation of China. Canada should continue to support the Assembly decision to that effect and should vote against attempts to have communist China seated at the expense of Nationalist China.

#### *Outer Space and Radiation*

10. It is unlikely that much will be found in the report of the Outer Space Committee, which met during the summer, to attract special interest, although the spectacular new advances in the

exploration of space may add a greater sense of urgency and importance to the General Assembly's consideration of this question. The hope is that the Committee, with the assistance of the Specialized Agencies involved, will produce a non-controversial report which can serve as the basis for constructive developments in the whole field, in accordance with the groundwork laid in the Assembly resolution of the 16th session. Canada should work toward this constructive end and oppose efforts, expected mainly from the Soviet Union, to inject into the debate propaganda issues such as high altitude testing and military reconnaissance in outer space. Canada should be fully associated with any move designed to stimulate the work of the Outer Space Committee.

11. On radiation, the Assembly will have before it the second comprehensive report of the United Nations Scientific Committee on the Effects of Atomic Radiation. Last year's resolution initiated by Canada also calls for a report by the World Meteorological Organization on the feasibility of establishing a world-wide system of reporting on radioactive fallout. If, for technical reasons, WMO is unable to submit this report to the 17th session, the Assembly will presumably wish to call for such a report at the earliest possible time. In view of the resumed testing since the last Assembly, Canada should work with like-minded states to encourage the maximum international action designed to keep a close watch on levels of radiation and the possible health hazard resulting therefrom.

#### *Disarmament and Nuclear Tests*

12. A recess in the work of the Eighteen-Nation Disarmament Committee having been decided, there is expected to be a full debate on disarmament at the 17th session of the General Assembly. The overriding concern of the Canadian Delegation should be to ensure that the disarmament debate is directed toward providing a clear endorsement by the Assembly for continuing negotiations in the Eighteen-Nation Committee. In supporting the desirability of early resumption of negotiations in Geneva, the Canadian Delegation should try to obtain the adoption of a general disarmament resolution which will give a renewed mandate to the Eighteen-Nation Committee and take account of suggestions made at the General Assembly. A draft of a resolution along these lines is now being considered by the Western delegations primarily concerned. Canadian Representatives should take the position, once a suitable draft has been worked out, that it will be essential to the success of the resolution to obtain the active support of as many delegations as possible, particularly among the uncommitted countries before going ahead with its formal submission.

13. On questions related to general disarmament, the United Nations agenda so far includes an item only on the convening of a special conference to sign a convention on the prohibition of the use of nuclear weapons. The Canadian Government's reply to the Acting Secretary-General's enquiry pursuant to the resolution on this subject adopted last year indicated that Canada did not consider it desirable to convene such a conference, since the problems concerned would best be dealt with in the Eighteen Nation Committee. With regard to other special questions, such as the prohibition of the wider spread of nuclear weapons and "denuclearized zones," the Delegation should seek instructions from Ottawa when the specific terms of proposals which may be put forward in these fields are known.

14. Canadian opposition to all forms of nuclear weapons testing has been maintained at past General Assemblies and in the Eighteen-Nation Disarmament Committee. In addition, Canada has recognized the need for an effective and binding international agreement in this field, and has urged the nuclear powers to reach a satisfactory compromise on the problem of inspection which remains the major cause of disagreement. India has submitted an item which suggests by its wording that a resolution may be introduced calling for the suspension of all nuclear weapons tests pending the achievement of a binding international agreement. Canada voted in

favour of a similar resolution at last year's session. The Delegation should request further instructions when draft resolutions in this field have been submitted.

#### *African Questions*

15. The perennial South African items, in particular apartheid, raise the possibility of renewed pressure from the African members for diplomatic and economic sanctions against South Africa and even of its expulsion from the United Nations. Undoubtedly the main effort for the Western powers will be to exercise the maximum moderating influence in order to head off proposals for drastic action. As in the past, while leaving no doubt about Canada's complete disapproval of apartheid policies, the Canadian Delegation should oppose moves to expel South Africa from the United Nations and should not support proposals for other kinds of sanctions. On the question of South West Africa, other considerations might be relevant if the International Court should rule against South Africa in connection with its administration of the mandate. The Court's ruling is not expected before 1963, however, and if possible the Africans should be restrained from any action which would prejudice the outcome.

16. Similar pressure may be exerted on Portugal because of its repeated refusal to heed past Assembly resolutions. There has been little sign of any real change in the rigid policies applied in the Portuguese territories in Africa. While it may be difficult to contain African pressure for stringent measures, the Canadian Delegation should use its influence in favour of moderation and counsel against proposals which can only result in the hardening of international attitudes and increase tensions locally. The expulsion of Portugal should be opposed.

17. The recommendations of the Special Committee of Seventeen (established to watch over the implementation of the Assembly Declaration on colonialism) particularly those concerning British administered territories, may well lead to protracted debate and demands for accelerated decolonization. British Guiana, the High Commission territories, Zanzibar, the Rhodesias and Nyasaland are cases in point. Because of uncertainty about the action to be proposed at the 17th session, the Canadian Delegation will be required to seek detailed instructions on these various questions as they arise. In general, the Delegation should try to assist the British in persuading African-Asians to be moderate in their approach to the delicate and difficult situations in the territories concerned.

#### *Soviet Imperialism*

18. Canada is approaching some twenty or more countries, representing moderate opinion in the main geographical areas, to have their reactions to a working draft resolution on this subject. The suggested tactics are to introduce this resolution at the appropriate time in the plenary debate on colonialism. Although it may be regarded as a diversion by some African-Asians and as a cold war move by others, and although counter-attacks can be expected regarding the position of Canadian minorities, the Canadian intention is primarily to expose the false claim of the Soviet Union to be the champion of freedom and self-determination for subject people. The resolution and the tactics may be modified once reactions of other governments become known. While sympathizing with Canadian aims, many governments have expressed doubts about proceeding by resolution in the absence of assured support of its adoption. The Delegation should continue to explore the various possibilities carefully and seek further instructions on the exact nature of the move.

#### *Economic Questions*

19. At previous sessions of the General Assembly, the Canadian Delegation has been able to take useful initiatives in the Second Committee, because Canada has been in a position to back up such initiatives with financial support. This year, however, owing to the Canadian budgetary position, it seems unlikely that Canada will be able to make any additional funds available for United Nations programmes in the months ahead. Consequently, the Delegation

should not take any initiatives which are likely to involve additional or new commitments for Canada. The Canadian Delegation can, however, play a constructive role in the Second Committee by trying to ensure that such initiatives as are taken by other countries are realistic and useful.

20. The Second Committee will be concerned with trade and aid with the emphasis probably on the former. In the aid field, the Delegation should continue, with likeminded donor countries, to refuse to support proposals for the channelling of capital aid through the United Nations. Concrete proposals for the United Nations Development Decade may also be advanced. On the trade side, it now seems likely that the major concern will be to carry forward proposals initiated at earlier sessions and subsequently discussed by other United Nations bodies: for example, an international trade conference; commodity problems and compensatory financing. The Delegation should follow these questions closely with a view to seeking further instructions made when more information is available on the implications of the various proposals.

21. There is an item on the provisional agenda dealing with population growth, and there are indications that the Second Committee may give increasing attention to this important question and its impact on economic development of less-developed countries. The Delegation should keep in close touch with Ottawa on this matter.

#### *Social Questions*

22. The most difficult items in the Third Committee may be the draft international covenants on human rights, the Convention on Freedom of Information and the Report of the High Commissioner for Refugees. The debates on the first two will probably revolve around efforts by the Soviet bloc and non-aligned delegations to impose restrictive provisions of the appropriate instruments. Western powers, including Canada, may find it difficult to prevent moves of this kind and, in seeking to do so, they should press in unequivocal terms the case for maximum freedom in relation to human rights and rights of expression, assembly and an unfettered press.

23. As regards the renewed mandate of the High Commissioner for Refugees, efforts may be made, particularly by the Africans, to enlarge the High Commissioner's responsibility for refugees in other parts of the world than Europe. This could involve increased financial commitment which the main contributing countries would be unwilling to bear. For this reason, it is desirable to confine the new mandate as far as possible to activities which the High Commissioner has pursued in the past, mainly to allow him to use his good offices in dealing with non-European refugee problems. Canada is consulting with the other contributing countries and with the High Commissioner with a view to submitting an appropriate resolution defining the new mandate in that sense. If sufficient support is forthcoming, this initiative should be pursued.

#### *United Nations Financing*

24. The main problem will be related to the International Court's advisory opinion concerning Congo and UNEF expenses; the bond issue, with particular reference to repayment through the regular budget; and the continuing financial crisis resulting mainly from the heavy costs in the Congo. As well, there is likely to be a sharp argument with the Soviet Union about its regular assessment which was recently increased. Canada, working with like-minded states, should make strenuous efforts at the 17th session to ensure that the Court's advisory opinion is strongly endorsed in order to provide firm political ground for methods of financing peace-keeping operations on a basis of collective responsibility and for exerting pressure on member states in default of their assessed contributions. In particular, Soviet bloc attempts to avoid

their financial responsibilities should be firmly resisted. Any proposals involving substantial increase in Canada's contributions should be referred to Ottawa for further instructions.

*Legal Questions*

25. The Soviet bloc is expected to seek support mainly from the African-Asians for its promotion of new standards of international law. They are advocating that friendly relations and co-operation among states should be regulated on the basis of peaceful co-existence and the termination of colonialism. Their aim is clearly to make political capital as well as to upset established concepts of international law. The Western powers will be required to meet this challenge firmly. Canada has been consulting with close friends about the tactics for dealing with the Soviet threat. The Canadian Delegation should participate fully in efforts to maintain established principles of international law.<sup>88</sup>

H.C. GREEN

SUBDIVISION II/SUB-SECTION II

COLONIALISME

COLONIALISM

95.

DEA/11389-A-40

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

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

CONFIDENTIAL

[Ottawa], December 21, 1961

SOVIET COLONIALISM AT THE UNITED NATIONS

There has been increasing interest in this subject since the Prime Minister's speech in Toronto to an audience representing the ethnic groups.<sup>89</sup> Some Missions have begun to comment on the possibility that Canada would show a more active interest in the matter at the 17th session of the General Assembly and might introduce a draft resolution, if there appeared to be sufficient support for such a move. There has been other correspondence with organizations in Canada, through which the ethnic groups usually express their point of view.

2. For the time being, the planning of any United Nations initiative in this regard will be largely a matter of tactics. We shall be required to consult with some of our close friends about the possibility and to consider among other things whether the question of Soviet colonialism should be raised under a general item on colonialism or under a separate item. Initially, there should be a position paper re-examining all the relevant factors.

<sup>88</sup> Approuvé par le Cabinet le 6 septembre 1962./Approved by the Cabinet on September 6, 1962.

<sup>89</sup> Voir/See "Canada to Attack Soviet Colonialism: Immigrants Told Reds Hypocrites," *Globe and Mail*, November 23, 1961, pp. 1-2.

3. African and Middle Eastern Division, European Division and United Nations Division are concerned with this subject. After consulting with them and with Mr. Robinson, I am recommending that, for the time being at least, the subject should be dealt with by United Nations Division which will initiate action and co-ordinate the views of others. Later on, it may be desirable to modify this arrangement. If you agree with the recommendation, I shall make arrangements to have the correspondence and other documents routed to United Nations Division for action.<sup>90</sup>

G.S. MURRAY

96.

DEA/11389-A-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*

DESPATCH NO. 983  
CONFIDENTIAL

Cairo, December 26, 1961

WESTERN OFFENSIVE AGAINST SOVIET COLONIALISM

I have read the notes for the Prime Minister's speech in Toronto on November 22 with very great interest. Since the subject of Soviet colonialism is one with which I have been preoccupied for many years, perhaps a few comments might be permitted.

2. First, I think it is high time we stopped letting the Russians get away with the impression that they are the greatest champions of the independence and freedom of colonial peoples. In the past, perhaps, there was something to be said for avoiding raising a new issue between Moscow and the West if there was a chance of improving relations. But since the Russians are determined to push their anti-Western, anti-colonial policy, and will continue to do so even if a *détente* is worked out in Europe, I see no reason why we should not hit back at any weak spot in the Soviet body politic. As the East-West struggle becomes more and more concentrated in Asia and Africa, it becomes increasingly important for us to go over to the offensive against the Russians on the issue of colonialism. But to do this we must be absolutely sure of our ground.

3. The two superficially weak spots in the Western case are (a) the fact that the former colonial countries of Africa and Asia are obviously not interested in Soviet domination of other European peoples and do not consider this colonialism properly speaking; and (b) the difficulty in presenting the case for the freedom of the non-Russian subject peoples when Moscow can always claim they are freely constituted members of the Soviet "commonwealth," and very few legitimate free representatives of these peoples still exist and can present a valid case against the U.S.S.R.

4. With regard to the first point, I think we should make a clear distinction between the European expansionism of the U.S.S.R. and its colonial domination of Asian and Caucasian peoples. In order to make a more effective attack in the U.N. and to gain the sympathies of the

<sup>90</sup> Notes marginales :/Marginal notes:  
I agree. G. I[ggnatieff]  
Agreed. [N.A.] R[obertson] 22.12.61



large Afro-Asian bloc, I suggest that the attack on Soviet European imperialism should take the form of a formal challenging of the credentials of the Ukraine and Byelorussia.

5. These two “countries” were admitted to the U.N. in San Francisco because of the tactics of Molotov who, if I remember correctly, traded them against the admission of Argentina; and because of a feeling that the U.S.S.R. was distinctly outnumbered in the U.N. at that time, and perhaps deserved a couple of extra votes. However, the U.S.S.R. is no longer outnumbered and I think it is time we insisted either that the Ukraine and Byelorussia demonstrate some of the attributes of sovereign statehood, or be expelled from the organization. In this connection it might be possible to turn back on the Russians some of the arguments they have used in vetoing the application of Kuwait, for example. There might be a danger of the U.S.S.R. then pressing for the expulsion of Nationalist China, but the cases are sufficiently different not to deter us, particularly as the anti-Formosa campaign is going to be exploited anyway.

6. It is in this context that we could make most effectively our onslaught on Great Russian domination of the Ukraine, Moldavia, Byelorussia and the Baltic states. I have not seen any reaction from the U.S.S.R. as yet to the Prime Minister’s speech, but I recall noting in November last year the violent reaction in the Ukraine to Mr. Diefenbaker’s speech in the U.N. General Assembly in October, 1960.<sup>91</sup> This reaction (reported in the *Neue Züricher Zeitung* of November 20, 1960) showed that possibilities do exist for putting the U.S.S.R. on the defensive by well-publicised criticism of Soviet rule, and that the Russians are highly sensitive about these problems.

7. To pass to the question of Soviet colonialism in the Caucasus and Asia, I have for years thought that we were neglecting an obvious chance of putting the Russians off balance and countering their championship of Afro-Asian colonial peoples by not trying to focus attention on Soviet colonialism in these areas. The Afro-Asians do not care one iota what happens to the Letts, the Ukrainians and other “whites.” They only consider colonialism in the context of the exploitation of non-European peoples by Europeans. And they have failed, most of them, to apply the lesson to Soviet Central Asia and the Caucasus because, first, they have been hypnotised<sup>92</sup> into thinking of the Western powers alone as colonialists; second, because of the association of colonialism with territories removed by sea from the “exploiting” country; and third, because of clever Soviet propaganda which has taken advantage of these tendencies and played on the pro-Soviet sentiment of most Afro-Asian intellectuals.

8. In this connection, I remember often in Moscow being mystified by the way Asians would visit Tashkent and Alma-Ata and return full of praise. Full of praise, of course, for the material progress, the kind of material progress which Britain brought to India and France to Algeria. Bemused, I suppose, by the myth of Soviet communism, and usually leftist-inclined, these Asians seemed oblivious to the fact that Central Asian culture had almost been extinguished except as a kind of tourist attraction, the ancient social system destroyed, the language disappearing, and the religion discarded. The individual Turkman or Uzbek is possibly better off materially than his father, but he has to all intents and purposes become a Russian, and even then he very seldom succeeds in reaching a top job in his own country.

<sup>91</sup> Il s’agit probablement d’une référence à une allocution de Diefenbaker prononcée à la fin de septembre, et non pas d’octobre, 1960. Voir Nations Unies, *Documents officiels de l’Assemblée générale*, quinzième session, 871<sup>ème</sup> séance plénière, le 26 septembre 1960, UN Doc A/PV.871, pp. 111 à 115 <http://documents.un.org/>.

This is presumably a reference to a speech Diefenbaker made in late September, not October, 1960. See United Nations, *Official Records of the General Assembly*, Fifteenth Session, 871<sup>st</sup> Plenary Meeting, 26 September 1960, UN Doc A/PV.871, pp. 108-112, <http://documents.un.org/>.

<sup>92</sup> Note marginale :/Marginal note:

Most of them experienced it first hand ! [Auteur inconnu/Author unknown]

9. These are precisely the complaints of the Africans and Asians against Western colonialism. "Better starve in liberty..." etc., as Sekou Touré says. Is it not possible for us to turn this against the Russians, to make the Asians and Africans realize what utter hypocrisy the Russians have used? I fail to see any basic difference between French action in Algeria and Russian action in Central Asia except that the Russians, by their ruthless suppression of the local culture, religion and social systems, have been more successful in stamping out opposition.

10. And then, there is now in addition the problem of Soviet-Chinese relations, and the eventual struggle for Central Asia. There has always been a strong Soviet-Chinese rivalry for the allegiance of the Mongul and Turkish peoples of Central Asia. In present circumstances I suspect this could flare up again at any time. Just the threat of a real attack on Soviet colonialism in Central Asia would in my opinion be a strong trump card in our hand.

11. The Russians will, of course, reply either that questioning of the legitimacy of Soviet rule is interference in Soviet internal affairs, or else that the Asian and Caucasian republics are freely associated with Moscow. In both cases I think we could use many of the arguments advanced in the U.N. against the Portuguese, the argument that their colonies are integral parts of Portugal. If we are not prepared to accept the word of the Portuguese as to what are, or are not, parts of their metropolitan territory, then why should we accept the Russian word. And in addition Portugal has owned its colonies far longer than the Russians their colonies, acquired mostly in the nineteenth century.

12. I do not suppose we could accomplish much at the first go at this, but if we kept it up year after year, we might in the end succeed (a) in countering some at least of Soviet anti-colonial propaganda and dispelling the image in Africa and Asia of the U.S.S.R. as the great champion of colonial rights; and (b) throwing the Russians off-balance and gaining at least some measure of the offensive in the U.N. I think the most effective way to do this would be in the context of future debates on the subject of the granting of independence to colonial countries and peoples.

13. But our case would have to be carefully prepared and documented, and we might have to be ready to withstand Soviet counter-attacks. This will be easier, and our propaganda advantage will be greater if we make a clear distinction between the Soviet colonial empire in Asia and the Caucasus, and the problem of domination of Eastern Europe.

14. I should be grateful for your comments on these suggestions.

R.A.D. FORD

97.

DEA/11389-A-40

*Note de l'adjoint spécial au premier ministre  
pour l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures*

*Memorandum from Special Assistant to Prime Minister  
to Special Assistant, Office of Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], February 13, 1962

Mr. Campbell,

The Prime Minister said on February 13 that we should proceed to discuss the question of Soviet colonialism with other Governments. He said that we "should do this soon."

H.B. R[OBINSON]

98.

DEA/11389-A-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 14, 1962

UNITED NATIONS GENERAL ASSEMBLY  
SOVIET COLONIALISM

In your speech to the ethnic groups on November 22 you indicated that a resolution on Soviet colonialism might be put forward at the seventeenth session of the General Assembly if there were sufficient international support for it. If you agree, letters similar to the attached draft† will now be sent to our Missions in Washington, London and Paris. Once we have reactions from those capitals we shall be in a better position to assess the prospects for a Canadian initiative, for none could succeed in this field without their active support. Each is capable of influencing significant voting strength when willing to make the effort.

2. Even with vigorous assistance from the three major Western powers it is not certain that the necessary two-thirds majority could be obtained to focus public attention specifically on Soviet colonialism. It is even more doubtful that a condemnatory resolution, or one asking for investigation by, say, the Committee of Seventeen could be forced through the Assembly.

3. This is so because Soviet colonialism is not a reality for those 51 out of 104 members of the United Nations which belong to the African-Asian group. They are pre-occupied in a very single-minded way with the racial connotations of white ascendancy over coloured peoples, of which they have had recent and sometimes bitter experience.

4. Moreover, African and Asian members value Soviet bloc support for their anti-colonial resolutions and they are most reluctant to do anything that would jeopardize this. They are especially wary of assuming positions in what they regard as "cold war" issues.

5. However justifiable it would be to expose the U.S.S.R., a number of members would feel this to be an exacerbation of tensions within the Organization. Many would also fear that a move against the Soviet Union would open nearly every other member to comparable criticism. (A Canadian initiative could, for example, provoke a rebuttal aimed at exploiting the position of our Indians and Eskimos and the existence of a secessionist minority in Quebec.)

6. Of those prepared to join in exposing Soviet colonialism, some would no doubt insist on drawing a distinction between Eastern European satellites, like Poland, and parts of the Soviet Union of states, like the Ukraine. Others might be willing to consider only the cases of Latvia, Lithuania and Estonia.

7. The Assembly of Captive European Nations has suggested in its letter of December 18 that it may be desirable to focus attention on Soviet colonialism whether or not a formal proposal were ultimately to suffer defeat. The people in the Eastern European countries and the minorities within the Soviet Union itself would no doubt take heart if they were to learn that their plight had not been forgotten in the United Nations. It would also be of value if the balance of the debate in the United Nations could be more evenly struck between the shortcomings of our Western "friends" and those of their Eastern "accusers."

8. On the other hand, a sharp defeat of a deliberate move against the U.S.S.R. would be a grim disappointment to the "captive" peoples. Moreover, it might be interpreted in the United Nations as absolving the U.S.S.R. from all blame. Such a result would be especially regrettable

if it were to lead to further public disillusionment in the U.S.A. and the United Kingdom about the efficacy of the United Nations.

9. Considerations such as these suggest that, as a first step, we should obtain the views of London, Washington and Paris.<sup>93</sup> We need to know whether they would actively support a Canadian initiative. It would also be valuable to have their judgements on the chances of such an exercise carrying a desirable degree of support in the United Nations.

H.C. G[REEN]

99.

DEA/11389-A-40

*Le secrétaire d'État aux Affaires extérieures  
aux missions au Royaume-Uni, aux États-Unis, et en France*  
*Secretary of State for External Affairs  
to Missions in United Kingdom, United States, and France*

DESPATCH NO. V-226  
CONFIDENTIAL

[Ottawa], February 20, 1962

UNITED NATIONS GENERAL ASSEMBLY – SOVIET COLONIALISM

On November 22 the Prime Minister indicated to a Toronto meeting of ethnic groups that he hoped that “the Canadian Government can through consultation secure sufficient international support to bring about United Nations considerations of Soviet colonialism at the next session of the Assembly.” He said that he had been considering “proposing a resolution in the United Nations in condemnation of Soviet communist enslavement of many nations and peoples.”

2. For your background information we are enclosing the following Annexes:†

- (1) Press Release giving the partial notes used by the Prime Minister on November 22.
- (2) General Assembly Resolution 1514 (XV) “Declaration on the Granting of Independence to Colonial Countries and Peoples.”
3. General Assembly Resolution adopted on November 27, 1961 to set up a Committee of Seventeen to examine into the application of the above declaration.
- (4) General Assembly Document A/4985 of November 25 – United States comments on Soviet colonialism.
- (5) President Kennedy’s references to Soviet colonialism.
- (6) Similar comments by United States spokesman in the General Assembly.
- (7) Similar comments by United Kingdom spokesmen.

3. Our examination of the prospects open for a Canadian initiative on Soviet colonialism indicate that the following factors might militate against a two-thirds vote in support of a condemnatory resolution:

(a) so far as the vast majority of the African and Asian countries are concerned there is only one type of colonialism of any interest, namely, where white races have dominated coloured peoples;

<sup>93</sup> Note marginale :/Marginal note:  
Prime Minister approves. H.B. R[obinson] Feb. 16/62.

(b) although most African-Asian members recognize Soviet hypocrisy for what it is, all members of that group nevertheless cherish Soviet support for their own anti-colonial manoeuvres;

(c) most Africans and Asians, and indeed possibly other members of the United Nations, might suspect that an attack on Soviet colonialism was at worst an attempt to divert attention away from traditional colonialism, and at best a “cold-war” exercise not likely to affect the fate of the “captive peoples” in the Soviet orbit;

(d) Khrushchev’s claim, for example, in a radio broadcast of April 5, 1958 that “the people of East Europe have already solved this problem. They are masters of their own household. They will not allow anyone to interfere in their internal affairs” seems to have gained wide acceptance;<sup>94</sup>

(e) although there is a tendency for the Assembly to overlook Article 2(7) where classical colonialism is concerned, its provisions are jealously respected when the immunity of essentially domestic matters is raised in other contexts;

(f) it is also possible that an attack on Soviet colonialism would be resisted on the grounds of paragraph 6 of Resolution 1514 (XV) which says, “any attempt aimed at the partial or total disruption of the national unity or territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations”;

(g) no doubt continued domination of the three Baltic states would be more readily recognized as offensive to the United Nations than would be either the position of members of the Soviet Union of states, like the Ukraine and Byelorussia or Eastern satellites, like Poland and Czechoslovakia, which are members of the United Nations in their own right;

(h) even some countries, although sharing a belief that it would be useful to uncover Soviet colonialism to public scrutiny, might be wary of joining in such an exercise for fear that they might themselves be open to criticism. (For example, the position of Canadian Indians and Eskimos and the existence of a secessionist minority in Quebec could be misrepresented in the debate.)

4. Factors such as the above undoubtedly could add up to a formidable form of resistance to any move against the Soviet Union. Nevertheless, we strongly believe that it is very unhealthy for the United Nations to shrink from exposing Soviet hypocrisy in respect of colonialism. We suspect that several other countries share this conviction. The Prime Minister’s forceful speech exposing the Soviet situation was well received at the fifteenth Assembly. Several speakers at the sixteenth session also drew attention to the anomalies in the Soviet position. A concerted campaign by interested countries might succeed in persuading a broad group of members that objective truth, the future prestige of the Organization and the welfare of oppressed peoples everywhere are powerful arguments in favour of exposing Soviet colonialism. The objective would be both to have great emphasis in the debate laid on the evils in the Soviet system and, if possible, to have sufficient support for tabling a carefully worded resolution to bring the Soviet empire within the competence of the Committee of Seventeen.

5. The terms of the resolution containing the declaration on the independence of colonial peoples, which speaks not only of Trust and Non-Self-Governing territories but also of “all other territories which have not yet attained independence,” has opened the Soviet Empire to scrutiny in a manner that was not foreseen when the Charter provisions on Non-Self-Governing and Trust territories were drafted. In view of the Soviet part in pushing for a

<sup>94</sup> Il semble que cette citation provienne, dans les faits, d’une allocution prononcée à Budapest le 4 avril. It appears that this quote is actually from an address delivered in Budapest on April 4. Voir/See Nikita S. Khrushchev, *For Victory in Peaceful Competition with Capitalism* (New York: Dutton, 1960), pp. 268-279.

resolution of maximum embarrassment to Western countries, even those of our friends with respectable colonial records, it would be only just if this resolution could in fact be made to work against the Soviet system of colonialism.

6. In our opinion there would be merit in pressing for formal recognition that the turn of the Soviet Empire has come even if a two-thirds majority in favour could not be obtained straight away. Constant application of pressure on the Soviet Union in the Assemblies ahead, while classical colonialism continues to disappear, might eventually lead to a vigorous United Nations stand against the Soviet system. On the other hand, a resounding defeat of a move against the Soviet Union could have very unfortunate repercussions. The hopes that the initiation of an anti-Soviet move would raise among "captive" peoples might be bitterly disappointed. Moreover, a sharp rebuff of a concerted and formal attempt to condemn the Soviet Union's colonialism could be interpreted as absolving the U.S.S.R. from reproach. Such a result would undoubtedly irritate public opinion in many countries, particularly in the U.S.A. and the United Kingdom, and could lead to grave weakening in public support for the Organization.

7. Since we consider that no formal proposal in regard to Soviet colonialism could succeed without the strong and active backing of the United States, the United Kingdom and France, we are anxious for our Missions in the capitals of those countries to take this matter up as a matter of some urgency. We would wish to know whether these three countries were prepared to support Canada vigorously if a Canadian move were pursued. It would also be helpful to know how officials in those capitals assess the prospects of obtaining a worthwhile degree of support for a resolution (a) focusing attention on Soviet colonialism and (b) bringing it within the competence of the Committee of Seventeen.

8. Finally, we should also welcome their views on how best to seek to broaden the international support for any initiative it is desirable to take at the seventeenth session. The Assembly of Captive European Nations, the headquarters of which is in New York, has suggested in a letter to the Prime Minister that we take soundings from the following governments:

*Latin America:* Chile, Colombia, Guatemala, Peru

*Europe:* Cyprus, France, Ireland, Luxembourg, the Netherlands

*Asia :* Philippines, Malaya, Thailand

*Africa :* Cameroun, Madagascar

We think it would also be desirable at an early stage to consult the Scandinavian countries (Iceland, Norway, Sweden and Denmark), as well as New Zealand, Australia, India, Ceylon, Pakistan, Japan, Argentina, Brazil, Mexico and perhaps even Tunisia. However, before approaching any of these countries we think we must have the reactions from London, Washington and Paris and we hope that our missions in those capitals will be able to reply at an early date.

9. In addition to sending this letter to several Missions for their information, we would ask our Permanent Mission in New York to report on the likely reactions of key delegations in the General Assembly to a determined bid to put Soviet colonialism in the United Nations dock. In this context we have been impressed by a thought-provoking article entitled "Close-Up of the Afro-Asian Bloc," which appeared in the *New York Times* Sunday Magazine section of December 17, 1961, over the name of Jane Kruger Rosen.

H.C. GREEN

100.

DEA/11389-A-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 27, 1962

UNITED NATIONS GENERAL ASSEMBLY – SOVIET COLONIALISM

In accordance with the steps outlined in the Minister's memorandum of February 14, consultations have taken place with United States, United Kingdom and French officials in New York, Washington, London and Paris. The three countries agree with the Canadian view that it would be useful to mount in the United Nations a campaign against Soviet colonialism. While General de Gaulle's indifference to the United Nations may prevent French co-operation from being fully effective, and while the United Kingdom's special problems in the colonial field will colour the stand taken by that country, our three major allies should be prepared to lend their support to a carefully staged move to focus United Nations attention on the Soviet domination of subject people.

2. None of the three, and more particularly the United States which has independently studied the matter thoroughly, is yet in a position to endorse the tabling of specific proposals as early as the seventeenth session next September. The fear is that not only such specific proposals, but also a request for a special agenda item under which to consider them, might not receive at this time a desirable measure of support from African and Asian states for reasons familiar to you. The United States and the United Kingdom are concerned to keep the Special Committee of Seventeen on colonialism engaged in a reasonable role of assisting in the transition to independence for existing colonies in Africa and Asia. (That Committee was set up to examine into the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, Resolutions 1514(XV) and 1654(XVI).) Understandably all three of our partners would wish to be able to tie the timing and formulation of any specific resolution on Soviet imperialism to their tactical positions at any given moment, to the current status of Western negotiations with the Soviet Bloc and to other initiatives that might be contemplated. Each has also drawn distinctions between Eastern European states and subject territories of the USSR, like the Baltic countries, as well as between the latter and the subject peoples in Soviet Central Asia.

3. We are continuing to explore with the United Kingdom, the United States and France how best to proceed. The next step will be to ascertain which additional United Nations members might most usefully be brought into the consultations. The aim is to arrive at sound recommendations as to the relative advantages and disadvantages of seeking to focus United Nations attention on the question of Soviet colonialism:

- (a) by a resolution condemning Soviet imperialism for what it really is,
- (b) by a more subtle resolution asking the Committee of Seventeen, in effect, to examine whether Soviet colonialism should come within its mandate and the non-self-governing territories provisions of the Charter, or
- (c) by concentrating the approach in the immediate future on a campaign of speeches and documents designed to condition African, Asian and Latin American opinion to support, in due course, a more formal move against the USSR.

4. The United Kingdom sees some possibilities along the lines of (b), but generally seems to favour the more cautious United States view that for the time being it may be necessary to

follow course (c). In this latter regard the United States has already inaugurated a concerted programme of education in many countries and will consider circulating at the seventeenth session a further statement of its views on Soviet colonialism similar to that which it circulated at the last session.

5. United Kingdom officials have raised a further tentative suggestion that complaints and petitions to the United Nations from recent refugees from Russian colonial areas might be stimulated by the West. It is recognized that the only likely source of this is the Baltic states. While it is true that this might help to paint a "shameful" picture of Soviet colonialism, it is a line of action that would need to be weighed carefully. United States officials have pointed out, for example, the domestic political repercussions that could follow if the approach were directed at any one specific example of Soviet imperialism.

6. This summary of development thus far may be helpful, if this subject should be raised during the course of Prime Minister Macmillan's visit.

N.A. R[OBERTSON]

101.

J.G.D./MG01/XII/F/229

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 387  
CONFIDENTIAL

Moscow, June 8, 1962

Repeat for Information: Permis New York, London, Washington, NATO Paris, Paris, Bonn, Hague, Brussels from Ottawa.

By Bag Moscow (Confirmation copy), Warsaw, Prague, Belgrade, Vienna, Cairo from London.

#### SOVIET COLONIALISM

During past few days Khrushchev and Kuznetsov (First Deputy Foreign Minister) have made references in conversation with me to Prime Minister's charges against Soviet colonialism. Khrushchev's reference was casual and almost jocular, but Kuznetsov spoke about them at some length and rather seriously.

2. Khrushchev's remarks were made to me at reception by President of Mali, Modibo Keita, after latter had made rather extreme speech proposing toast to "victory of socialist camp over camp of imperialists and capitalists." I mentioned to my British and American colleagues that I did not repeat not intend to drink that particular toast, and we three laid our glasses on table. This was done unobtrusively and noticed only by Khrushchev, who came over to me and said teasingly that "apparently colonialists do not repeat not like drinking that toast." I asked him what colonies he thought Canada had. He conceded I had a point there but said that nevertheless Canada supported colonialists. Khrushchev then grinned happily and said "But Prime Minister Diefenbaker even accuses me of being colonialist myself." Khrushchev seemed in high good humour and immediately added that he would not repeat not argue this point now. He then called for small tray of glasses and proposed private toast to each other's health, which he drank with Thompson, Roberts and myself.

3. A few minutes later Khrushchev made speech into microphone roundly condemning colonialism in general, and in Africa in particular, and asserting inevitability that its last



vestiges would soon be removed and that within unpredictable but not repeat not very long period now Communism too would inevitably be everywhere triumphant. As not repeat not infrequently happens Khrushchev got increasingly worked up during course of this extempore speech, and made some rather extreme assertions along lines of old-fashioned Marxist dogma. Press report of speech was toned down.

4. I saw Kuznetsov on Tuesday to make representations on behalf of would-be emigrants to Canada. After discussing this question, and also my request that USSR cease discriminating against Canada in refusing our request for telex communications facilities (I am reporting separately on this), we spent an additional hour in general tour d'horizon. Much of the time Kuznetsov sounded regrettably like *Pravda* and *Izvestia* editorials and said little that was noteworthy. He seemed more interested in putting blame on USA for deterioration and tension in international situation than in discussing any possible way forward out of the difficulties (other than through Canada and other countries loosening ties with USA and supporting Soviet proposals on disarmament and other questions). He spoke about danger of American nuclear and particularly high altitude testing. He spoke of American aggressiveness, as evidenced in Kennedy's now famous statement to Alsop,<sup>95</sup> but then proceeded to take line that though Kennedy does not repeat not talk about rolling Communism back, as Eisenhower had done, Canada now seems to be advocating this line on America's behalf. He claimed that Prime Minister's charges against Soviet colonialism, and Prime Minister's announced idea of introducing resolution on subject in UN, fitted in to general American campaign about possible need to take nuclear initiative. Kuznetsov added that Prime Minister spoke explicitly about "destroying Communism." I made obvious point to Kuznetsov that Canadian views on Soviet colonialism were based on well known fact of denial of right of self determination to various peoples in Eastern Europe, following from Stalin's postwar policy. I added that I personally thought that Western charges should be understood in Moscow in light of repeated Soviet attacks and charges against Anglo-Saxon and Western colonialism, made despite rapid devolution of former Western empires toward voluntarily negotiated national independence. This contrasted very markedly with situation in Communist empire, and Soviet charges struck Westerners as hypocritical propaganda. At same time I said it would be in my judgment ridiculous for Kuznetsov to think that there was any Canadian or indeed any Western plan to roll back Communism from Eastern Europe. We considered that peoples of Eastern Europe would continue to demand and would eventually obtain increasing national freedom and self determination. But there was no repeat no Western intention to intervene in internal affairs of Eastern Europe.

6. Kuznetsov reiterated that Prime Minister had referred to destruction of Communism. He could not repeat not give me exact reference to which he was referring, but took line that inevitably such suggestions from Canadian government leaders looked ominous in Soviet eyes, and had to be seen in conjunction with American and general Western policy.

7. Kuznetsov also made standard Soviet propaganda point that if Canadian government were really interested in national liberation we should liberate our own people from American economic domination.

8. I might add that two junior members of Foreign Ministry have also recently raised with members of Canadian and Australian embassies, Prime Minister Diefenbaker's remarks on Soviet colonialism. Remarks have obviously disturbed Russians and it would appear that Foreign Ministry officials are being encouraged to raise subject with Canadians and even others. I doubt whether Soviet leaders really believe there is any Western idea of liberating captive peoples of Eastern Europe (or, as they would see it, of "intervening in attempt to

<sup>95</sup> Voir/See Stewart Alsop, "Kennedy's Grand Strategy," *Saturday Evening Post*, March 31, 1962, pp. 11-16.

disrupt socialist camp"). But it is not repeat not entirely inconceivable that they might try to use Canadian campaign against Soviet colonialism to reinforce their current public propaganda line about possibility of American pre-emptive war initiative, and in attempt to create idea among Soviet public that West is implacably hostile to basic Soviet interests.

ARNOLD SMITH

102.

DEA/5475-AT-7-40

*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 1684

Paris, July 13, 1962

CONFIDENTIAL. PRIORITY.

Reference: Our Tel 1665 Jul 12.†

17TH UNGA: DISCUSSION IN NATO: COLONIALISM

UN discussion in Council on July 11 and 12 was mainly centred around the problem of colonialism. We have already reported on Council reactions to our proposal on Soviet colonialism and the purpose of this telegram is to report discussion on the general question of colonialism.

2. Cleveland in his introductory remarks said that colonialism would be one of the chief features of the 17th General Assembly. The question would be difficult to deal with as it would stir up the Assembly [over] symbolic issues as against real or operational issues (see our general telegram on this distinction). The Committee of Seventeen was beginning to review the situation territory by territory. This was worrying and the West needed to do some campaigning about it. The enthusiasm of Afro-Asians for rapid action in this field affected the present and future role of UNGA. A persistent tendency to pass resolutions in the UN which did not repeat not appeal to USA public opinion as practical would affect public support for the UN. There was a large job of education to be done by the West in order that delegations of underdeveloped countries at UNGA receive instructions and be not repeat not left to react with their own emotions. A similar preparatory campaign by USA on Chinese representation last year had produced good results.

3. Greek Permanent Representative made a plea against double standards applied to colonial issues. Kashmir and Goa were also cases of colonization. No repeat no doubt the West had to display understanding of new countries and their support was also needed in the UN. These objectives however should not repeat not be pursued by the West to the extent that basic principles of justice were forgotten.

4. Spaak said that the phenomenon of decolonization was too rapid and too complete. A régime of transition between the status of colony and independence would have been preferable. This was however impossible and one could not repeat not oppose the wave of history. What the West could obtain however was that colonial countries should help in the process of decolonization. This could be done only if former colonies and Afro-Asians were convinced that the West believed that colonialism had come to an end.

5. Freedom and poverty would not repeat not last together for long. Needs of economic aid would create again bonds between Africa and Europe. Ways and means to establish these new links should be found. The fourteen former French African colonies had now requested to maintain their links with the EEC and it appeared certain that an agreement to that effect would

be found before the end of the year. The core of assistance to least developed countries was to stabilize commodity prices. These links between Europe and Africa were one of the major preoccupations of Khrushchev. With the eventual entry of British into the Common Market these links with former French African colonies could also be extended to former British territories. Economic needs were therefore bringing former colonies back into a relationship with Europe. There should not repeat not be any objection to the African countries remaining neutral in foreign policy even if they were linked to the EEC. The establishment of such relationships between Europe and Africa should be done in cooperation with USA, Canada, the Commonwealth and Latin America.

6. Italian Permanent Representative in his intervention supported his Greek colleague on the idea that the relationships between former colonial territories and the West should be based on the principles of justice and equality. The decolonization process was irreversible and it should be gradual and realistic. USSR was disappointed by the results of decolonization.

7. Portuguese Permanent Representative took the familiar line that they were helping Africa to progress in the field of social justice. Portuguese authorities were working in Africa in all fields with as much success as the new countries themselves. NATO governments which could not repeat not support in UN Portuguese policies vis-à-vis Africa should not repeat not vote against Portugal but abstain: this was the only realistic solution.

8. United Kingdom Permanent Representative said that British attitude towards the colonial issue in UN would be essentially conditioned by the fact that British had still many territories for which no repeat no single constitutional solution was possible. It was therefore essentially a matter of time. UK delegation in New York would try to avoid being made to work on a timetable in the process of decolonization. This would be one of their main concerns.

9. Cleveland in reply to Spaak pointed out that the task of converting old ties between European countries and former colonial territories into new bonds could also be tackled in UN forum. This task of conversion must be done in equality with no repeat no excessive humility on the part of the Western countries.

103.

DEA/11389-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 V-338

Ottawa, August 10, 1962

SECRET. OPIMMEDIATE.

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

## SOVIET IMPERIALISM AT THE UN

Immediately following telegram† contains working draft of a resolution on this subject proposed for submission to 17th UNGA. Two methods of introducing resolution have been considered: (a) inscription of new item to be debated separately in committee or plenary; or (b) introduction of resolution during the debate of agenda item 22 concerning declaration on colonialism. In view of cool reaction during NATO Council discussions in mid-July to method (a) and of uncertainty about prospects for having new item inscribed, it has been decided to follow method (b). This would be consistent with Prime Minister's statement in general debate

at 15th Session and would link the discussion of Soviet domination with the Assembly debate on questions related to traditional colonialism.

2. We recognize that many African-Asian members might resent the injection of resolution on Soviet imperialism into the text of traditional debate on colonialism and that the administering powers might have objections of their own. At past sessions, however, Western powers have sought to expose Soviet attempts to pose as the champion of colonial independence by drawing attention to the evils of Soviet domination. The introduction of a resolution would serve to crystallize such views. Even if African-Asians tend to regard this as an attempt to divert attention from issues which are of more direct interest to them, there would be value in urging that the application of the same principles should be universal.

3. In addition to this main effort under the heading of colonialism, there may be opportunities for making subsidiary moves of a supporting character in various committees of the General Assembly. When such questions as self-determination and peaceful co-existence were under discussion, the Canadian position on them could be related to the main initiative on Soviet imperialism.

4. The Prime Minister has instructed that the text of the resolution be discussed with other governments and missions to whom this telegram is being sent should proceed with such consultation at the appropriate level. Under separate despatch,<sup>†</sup> other Canadian missions are being instructed to make representations in a selected group of capitals representing all groups at the UN, except the Soviet bloc. The countries concerned are: Sweden, Norway, Denmark, Italy, Belgium, the Netherlands, Australia, New Zealand, Ireland, Argentina, Brazil, Chile, Venezuela, Japan, Malaya, Pakistan, Lebanon, Nigeria, Tanganyika, Cameroun.

5. It has become apparent from Soviet reaction in Ottawa, Geneva and Moscow that there will be a strong counter-attack against Canada which could focus on the separatist movement in Quebec and on the position in Canada of Indians, Eskimos and Doukhobors. The Soviet bloc will seek to attract uncommitted African-Asians to its side and some may be disposed to regard the Canadian initiative as an aggravation of the Cold War. It is intended primarily however as a means of calling attention to the Soviet domination of subject peoples and to persuade all members of the UN that this situation is deserving of international concern and enquiry.

6. The views in this telegram should be used in discussing the draft resolution with appropriate officials in Washington, London and Paris. We are most anxious to have their reactions, both to the text of the resolution and to the suggested tactics.

104.

DEA/11389-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 2382

Washington, August 15, 1962

CONFIDENTIAL. LIMITED DISTRIBUTION. OPIMMEDIATE.

Reference: Your tels V338 and V339<sup>†</sup> Aug 10.

#### SOVIET IMPERIALISM AT UNGA

At a meeting with State Department officials yesterday I was given preliminary reactions to the plan to submit a draft resolution to the 17th Session of the UNGA. I left copies of the draft resolution and an explanatory memorandum based on your telegram V339.

2. *Introductory.* The attitude of the officials at the meeting was interested and constructive. I would emphasize, however that the views they expressed were of an interim nature, being subject to further study and to approval at higher levels. From an earlier conversation with Harlan Cleveland, Associate Secretary supervising UN Affairs, I know that he plans to follow this matter personally. It is likely that we shall receive considered comments in written form.

3. *USA Reaction.* There is no repeat no tendency to disagree with our general purpose. The first comment made was that the State Department sympathized with our approach "in substance," in the sense that they entirely agreed that it was desirable to focus international attention on Soviet domination of dependent peoples. Any doubts they had were on questions of form and tactics. Their experience was that even in matters where there was a good case in principle for introducing a new subject into the Assembly, it was essential to ensure that the climate was favourable in terms of timing, cosponsorship and voting support. As will be clear from the following paragraphs, they consider that a judgment on the feasibility of introducing a resolution cannot repeat not be made at this time.

4. *Procedural Questions.* Referring to our intention to introduce a resolution in the context of the Committee of Seventeen, the officials pointed out that the Committee had been acting in an extremely irresponsible manner in recent months. This had been a "disappointment" to the USA and a matter of deep concern to the other Western administrative powers (e.g. attitude with regard to Southern Rhodesia, British Guiana and Mozambique). So seriously was this matter regarded that USA, Britain and France had just completed discussions in preparation for an attempt to reconstitute the Committee of Seventeen at the forthcoming session of the Assembly. The objective would be to convince the Assembly that the first year's experience of the Committee had shown that unless it adopted a more moderate approach, it would degenerate into a sheer propaganda forum damaging to colonial evolution and to the prestige of the UN. Final British agreement to this plan had not repeat not been received but was expected shortly, and consultations would then be undertaken with other Western administering powers. It had been decided that in the interest of reconstituting the Committee, USA would be prepared to propose that both USSR and USA be dropped from membership. The officials said that they were by no repeat no means certain that this effort at reconstitution would attract enough support but they could see no repeat no alternative to drastic action if the emphasis of the Committee were to be diverted to moderation.

5. They felt that an effort to inject our proposal into the Committee of Seventeen would run contrary to the arguments which the administering powers were planning to use in their attempt to reconstitute the Committee, accordingly they could not repeat not at this stage promise support for our resolution in its present form. They would not repeat not know until some time after the opening of the session whether their plan would succeed. If it failed and Committee became an arena for verbal combat, Soviet imperialism might turn out to be a useful theme for the Western members to pursue.

6. *Timing.* The officials enquired whether we had decided how soon we might introduce our resolution. I said that I had no repeat no instructions on this point, but that presumably we would take action as soon as our preparations and the tactical situation permitted. They took the line that we should be wise to wait until the session was under way since the success of our proposal would depend on its not repeat not being submitted until cosponsorship and voting support was assured.<sup>96</sup> In this connection they enquired whether it was the Prime Minister's

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<sup>96</sup> Note marginale :/Marginal note:  
Yes [Harry Jay?]

intention to make a personal appearance in the opening debate.<sup>97</sup> If so the opportunity could be taken to lay the foundation for submitting a resolution at a later stage if conditions appeared favourable.

7. *Soviet Intentions.* Another reason for withholding our decisions on tactics was the possibility that Khrushchev might himself raise the Berlin issue at the Assembly. If so, the injection of extreme Soviet charges into the debate would improve the prospects of support for a resolution such as we were proposing.

8. *Attitude of Africans and Asians.* State Department officials at the meeting were not repeat not unanimous on the likely reaction of the African and Asian delegations. One official said that these delegations would resent an attempt to divert attention from the kind of racial, transoceanic colonialism which was of concern to them. Other officials took issue with this view and said that if we made a good enough case and avoided the appearance of pushing traditional colonialism under the rug, our chances would be fairly good. These remarks were of course not repeat not intended to detract from the procedural factors outlined in paragraphs 4 to 7 above.

9. *Suggestions re Contents of Resolution.* As the State Department officials had not repeat not previously seen our working draft they had few points to suggest. They thought that the resolution would be strengthened by the introduction of references to self-determination and also to human rights and these were themes on which the Russians were defensive and which appealed to the Afro Asians. They did not repeat not, however suggest that we should attempt to hand the whole resolution on these themes to the exclusion of colonialism or imperialism. They said they had not repeat not had much success in the past with human rights resolutions related to particular areas. With regard to the geographical areas listed in operative paragraph 2 of the resolution, they thought we had been wise to exclude the Eastern European satellites.<sup>98</sup> They were doubtful about the Ukraine but sympathized with the reasons for its inclusion. While they thought the reference to Transcaucasia was legitimate, they questioned the appeal this would have in terms of voting support in the Assembly and one official speculated that it might intensify rather than weaken the loyalty of the transcaucasian republics to Moscow.

10. *Additional Points.* In casting about for possible alternative approaches, they wondered if our proposal might be introduced under the item on information from non self-governing territories. They wanted to explore this idea before making further comments.<sup>99</sup>

11. Without committing themselves they speculated on the prospects for inscription of our proposal as a separate item.<sup>100</sup> There was some feeling that the response in the Assembly would not repeat not be as negative as some previous assessments have indicated.

12. I hope in the near future to report considered State Department reaction.

[H.B.] ROBINSON

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<sup>97</sup> Note marginale :/Marginal note:  
? Mr. Dier may get a reaction on this [Harry Jay?]

<sup>98</sup> Note marginale :/Marginal note:  
Yes [Harry Jay?]

<sup>99</sup> Note marginale :/Marginal note:  
We should as well [Harry Jay?]

<sup>100</sup> Note marginale :/Marginal note:  
We cannot do this by Aug. 18 so that [it?] would have to be under Rule [15?] [Harry Jay?]

105.

DEA/11389-A-40

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

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

TELEGRAM 1606

New York, September 28, 1962

CONFIDENTIAL. OPIMMEDIATE.

## COMMENTS ON MINISTER'S SPEECH

We have been approached by a great many delegations which have expressed favourable comments on Secretary of State for External Affairs' speech in general debate.<sup>101</sup> These included UK, France, USA, Afghanistan, Brazil, Ceylon, Chile, Costa Rica, Ghana, Italy, Japan, Libya, Norway, Philippines, Senegal, Sweden, Sudan, Turkey and UAR. We are aware that number of other delegations also spoke of the Minister personally. Most of them have commented on positive and constructive approach in the statement to the problem of disarmament and nuclear testing. They have noted that the speech gained much from the forthright and sincere presentation and was well keyed to the atmosphere of this Assembly.

2. Representatives of Poland and Romania told us they took of course strong objection to remarks in speech on subject of Soviet imperialism but restraint exercised by Secretary of State for External Affairs made it possible for them not repeat not to have to use statements they had prepared for interventions in right of reply.

3. Incidentally you will be interested in article on page one of *Christian Science Monitor* of September 26 which describes Secretary of State for External Affairs' remarks on Soviet imperialism as an answer to doctrine proclaimed by Gromyko that wars of national liberation are sacrosanct and therefore counter-revolution is immoral. New York TV news broadcasts also commented on Minister's speech in similar vein.

106.

DEA/11389-A-40

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

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

TELEGRAM V-458

Ottawa, October 15, 1962

SECRET. PRIORITY.

## SOVIET IMPERIALISM

When I visited New York October 8, we discussed this question in relation to action which Candel might take in plenary and in various committees in keeping with position enunciated in the Canadian statement in the general debate on September 25. It was agreed that, as occasions presented themselves, Candel would seek to remind UNGA members about the Soviet Union's

<sup>101</sup> Voir Nations Unies, *Documents officiels de l'Assemblée générale*, dix-septième session, 1130<sup>ème</sup> séance plénière, le 25 septembre 1962, UN Doc A/PV.1130, pp. 114 à 119, <http://documents.un.org/>. See United Nations, *Official Records of the General Assembly*, Seventeenth Session, 1130<sup>th</sup> Plenary Meeting, 25 September 1962, UN Doc A/PV.1130, pp. 105-109, <http://documents.un.org/>.

false position in posing as the champion of human rights and fundamental freedoms. This would mean, for example, that when the Fourth Committee was discussing some colonial issues and particularly if the Soviet bloc were abusively attacking the UK, the Canadian representative should appropriately remind the Committee about the USSR record of domination and in effect place its criticism in proper perspective.

2. Similar opportunities might arise in the Third Committee during any general discussion of human rights and in the Sixth Committee in response to the Soviet attack on principles of international law under the item concerning friendly relations. The main occasion for combating Soviet criticism will probably arise in plenary when the report of the Special Committee of Seventeen is being considered. We have already noted in the draft report several sections which would open the door to comment concerning Soviet imperialism. You should examine the report carefully from this point of view.

3. Much will depend on the context of debate on any particular item. The atmosphere of the committee concerned will also be important; some committees might react strongly against the introduction of this issue, others might expect it to be introduced. While it is not possible to prescribe specific courses of action, the delegation should be planning interventions in the light of possible developments in debates.

4. We hope other delegations will follow suit. You should continue to keep in touch with like-minded group to encourage them to do so. The question of submitting a resolution in appropriate circumstances should not be ruled out. We shall welcome further comments on alternative proposals to the one which we discussed in earlier consultations in New York and elsewhere.

5. The purpose of this telegram is to remind you about the discussion held on October 8 and to give you broad guidelines for delegation action in the appropriate committees. Before taking action, however, the delegation should seek approval of it from Ottawa and, if possible, should submit the text of any intervention proposed. Jay has been sent to New York specifically to assist committee advisers in planning the tactics and substance of possible interventions on this subject.

[H.C.] GREEN

107.

DEA/11389-A-40

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

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

TELEGRAM 1888

New York, October 23, 1962

CONFIDENTIAL. PRIORITY.

Reference: Your tel. V458 Oct 15.

UNGA: 3RD COMMITTEE – ITEM 12: HUMAN RIGHTS RESOLUTION

On October 22, as envisaged in our telegram 1862 October 20, † subamendments (L1001) to USSR amendments on 15th anniversary declaration draft resolution were tabled by Cameroon, Canada, France, Greece, Iran, Italy, Japan and USA, and amendments (L1000) to Ukrainian text were tabled by Canada, Denmark, Italy and New Zealand.

2. Shortly after tabling it became apparent that list of speakers was running short and that vote might be taken before Canadian intervention if we were to delay speaking. We therefore inscribed to speak afternoon meeting and Brazil followed our lead shortly thereafter. After



Miss Marsh delivered speech (text given in our telegram 1878 October 22†) Brazil, Dominican Republic, USSR, Afghanistan, United Kingdom, Saudi Arabia, Mauritania and Argentina also intervened.

3. Our statement drew favourable comment from friendly delegations including USA, New Zealand, Denmark, Australia and Ceylon (in personal capacity).

4. In right of reply, in conclusion of his main statement, USSR representative in mild terms noted that there had been yet another attack by Canada and Western world to displace question colonialism by other questions (i.e. human rights and self-determination conditions in USSR and Ukraine) and that he thought this to be a "malicious trick." Canadian attack reminded him of Russian fable in which mouse believes it is riding elephant. He warned that his delegation was prepared to meet this attack in more detailed fashion if necessary and suggested that it would be more appropriate for Canadian delegation not repeat not to raise these questions thereby distracting attention of Committee. (We shall forward summary record of USSR intervention as soon as available). We have no repeat no indication yet whether Ukraine representative will exercise right of reply. Unless he does in much stronger language than USSR representative we doubt necessity or desirability of any Canadian response.

5. Favourable conditions in Committee gave us an opportunity to follow up on Minister's lead in his speech in plenary on September 25. We now understand that Denmark, New Zealand and perhaps Italy will speak this afternoon (October 23) calling attention to situation concerning human rights in Soviet bloc, and in particular as regards right of self-determination.

108.

DEA/11389-A-40

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

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

CONFIDENTIAL

[Ottawa], November 9, 1962

ASSEMBLY ITEM 25: COLONIALISM AND SOVIET IMPERIALISM

This morning I mentioned that a draft statement had been prepared for the Canadian Delegation to the 17th session. This draft is the result of joint efforts by Mr. Parry and the appropriate officers of African and Middle Eastern Division and United Nations Division. I understand from a telephone conversation this afternoon with Mr. Barton that the Delegation is hoping to have the statement delivered by Mr. Macquarrie, who will not be available until the week after next. The debate on the item has begun but after a procedural wrangle, which has been resolved, the debate was adjourned for lack of speakers. The expectation is that the debate will last at least two weeks.

2. You will be aware of our intention that the main effort as regards Soviet imperialism should be made under this item. We understand that some other delegations are intending to take a similar line. This is particularly true of the United Kingdom. The Delegation is considering whether Mr. Ignatieff should be instructed to urge our NATO partners to join with us in this campaign of education which is not expected to be waged violently but which will be keyed to the tone of Soviet attacks on the British and others. The Delegation in New York will be discussing this possibility with representatives of NATO countries there and will recommend accordingly.

3. As regards the time of delivery for the Canadian statement, I doubt whether we should intervene early in the debate because the subject is one which primarily interests the Africans

and their Asian supporters. However, in view of our own interest in the debate, we should not delay our intervention until the end of the debate. We may be well-advised to wait until the United Kingdom has made its statement. All this suggests that the Canadian statement might be made early in the week of November 19-24.

4. The attached draft† deals both with the report of the Special Committee of Seventeen and with Soviet imperialism. The two subjects have been linked but the remarks on Soviet imperialism begin about the middle of paragraph 15 of page 6.

5. I assume that, in considering this draft, you may wish to consult with Mr. Glazebrook, who has a copy of it.<sup>102</sup>

G.S. MURRAY

109.

DEA/11389-A-40

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

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

TELEGRAM 2370

New York, November 24, 1962

CONFIDENTIAL. PRIORITY.

Reference: Our tel. 2348 Nov 23.†

Repeat for Information: London, Washington, Paris, Geneva, UNESCO Del Paris.

By Bag Capetown, Delhi, Accra, Lagos, Yaounde, Dsalam, Wellington, Canberra, Lisbon, Madrid, Cairo from London.

17TH UNGA: ITEM 25 – REPORT OF COMMITTEE OF 17

Argentina, Canada, Albania, Pakistan, Byelorussia, USSR, Nepal and Ceylon spoke in general debate yesterday afternoon.

2. Mr. Macquarrie delivered Canadian statement given in our reference telegram.<sup>103</sup> Although Canadian speech was the hardest and most direct attack ever levelled against Soviet colonialism in the UN he was not repeat not interrupted and Soviet bloc representatives did not repeat not exercise their right to demand immediate rights of reply. After some initial hesitation Soviet representatives (Foreign Minister Gren of Estonian SSR and Brykin alternate Soviet representative on Fourth Committee) walked out halfway through the speech. Other Communist delegations remained in their seats. At end of Canadian speech there was widespread applause not repeat not confined to Western members of Assembly. Albanian representative who was next speaker following Canada made no repeat no reference to Canadian speech. Later in meeting Byelorussian representative whose prepared text contained attack on USA and Australia for “slanders” against Soviet Union inserted a weak reference to Canada saying the laurels in this respect should now be given to the Canadian representative –

<sup>102</sup> Note marginale :/Marginal note:

Done – suggestions incorporated. R. C[ampbell]

<sup>103</sup> Voir Nations Unies, *Documents officiels de l'Assemblée générale*, dix-septième session, 1174<sup>ème</sup> séance plénière, le 23 novembre 1962, UN Doc A/PV.1174, pp. 867 à 871, <http://documents.un.org/>.  
See United Nations, *Official Records of the General Assembly*, Seventeenth Session, 1174<sup>th</sup> Plenary Meeting, 23 November 1962, UN Doc A/PV.1174, pp. 811-814, <http://documents.un.org/>.

did Canadian representative not repeat not realize that in speaking in this fashion he was speaking against very basis for existence of UN? This was extent of Byelorussian comment.

3. Statements of remaining speakers were uneventful. Ros (Argentina) agreed with suggestion that colonial questions be concentrated in Committee of 17 and Committee should be enlarged but said Committee on Information from Non Self-Governing Territories should continue to exist. Administration of the Falkland Islands was a crude manifestation of UK imperialism and a violation of Argentine sovereignty. He expressed hope UK would take steps in this territory similar to those it had taken in other regions under its control.

4. On the question of a date for the independence of all colonial peoples only Smirnov (Byelorussia) supported Guinean suggestion that October 24/63 be fixed as overall target date. Budo (Albania) said his government would support any measures which would bring an end to colonialism in all its forms. Nepal and Ceylon suggested that one single target date was not repeat not applicable for all cases. Instead Malalasekera (Ceylon) proposed that Special Committee should recommend a target date for each individual territory. He criticized consensus approach to work of Committee asserting that Committee could not repeat not abandon democratic principle of majority vote.

5. Over thirty speakers remain on the list for next week with UK due to speak Monday morning. At end of meeting President said plenary was falling behind schedule and evening meetings might be necessary. He also said it might be desirable to commence general debate on Angola before conclusion of general debate on colonialism.

## 2° PARTIE/PART 2

### ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE : CONFÉRENCE TARIFAIRE ET SÉRIE DILLON GENERAL AGREEMENT ON TARIFFS AND TRADE: TARIFF CONFERENCE AND DILLON ROUND

#### SECTION A

#### CONCLUSION DE LA CONFÉRENCE SUR LES DROITS DE DOUANE CONCLUSION OF TARIFF CONFERENCE

110.

DEA/14052-1-40

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

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

SECRET

[Ottawa], January 22, 1962

#### GATT TARIFF CONFERENCE – GENEVA

The United States and the European Economic Community have recently reached agreement on their negotiations in Geneva, and the Tariff Conference has entered its final stage. We attended a meeting on Friday of the Ottawa members of our Tariff Delegation to review the situation regarding Canada's negotiations at the Conference, which may be summarized as follows:

2. In December our Delegation in Geneva concluded, ad referendum, a tariff agreement with the United States within the context of the Dillon round covering about \$150 million of mutual trade. The area of this agreement is not as extensive as had earlier been hoped, mainly because of our inability to offer sufficient concessions of interest to the United States (e.g. coal), but it still covers an important range of agricultural and industrial products. Our Delegation has also concluded Dillon round agreements with Portugal, Spain and Israel in connection with the accession of these countries to GATT.

3. Our negotiations with the EEC have been carried out under GATT Article XXIV:6; i.e. they have been confined to the readjustment of Canada's contractual rights with individual members of the Community, in order to take account of the fact that the member countries are replacing their individual tariff schedules by the EEC Common External Tariff. Wheat has played an important role in these negotiations. At the beginning, the six member countries withdrew their tariff bindings on wheat and on other cereals and declined to enter into new firm commitments regarding the future common tariff on these products. Their refusal arose from the fact that the Six had not yet agreed among themselves on how cereal imports would be treated under the future common agricultural policy. Among other things, it was envisaged that under the CAP fixed tariffs would be replaced by a system of variable import levies on cereals and some other agricultural imports.

4. Accordingly, our Delegation last spring proposed a temporary settlement with the Six covering hard wheat which would: (a) preserve existing Canadian contractual rights with individual members of the Six until a more permanent settlement could be reached; (b) secure a definite commitment from the Six to negotiate as soon as the CAP had been adopted and in any case before June 30, 1963, a permanent settlement involving the binding of the maximum level of the variable levy; and (c) protect us in the meantime against any deterioration of conditions of access for Canadian wheat to markets of the Six. On this latter point, our proposal involved an undertaking by the Six not to intensify their barriers against wheat, and to take steps to rectify the situation in the event that imports of wheat showed any appreciable decline from the average in the previous three years.

5. Our proposal for a temporary settlement of this kind has been under consideration by the Six for many months, awaiting the results of parallel negotiations between the United States and the Six on wheat. The agreement now reached between the United States and the EEC evidently includes a temporary settlement on wheat along the lines of our proposal, and the way is accordingly opened for the conclusion of our negotiations on wheat with the Six. Today representatives of the EEC Commission will place before our Delegation in Geneva their proposals for a temporary settlement which, it is hoped, will be along the lines of the one we have proposed. The EEC Commission will probably also be submitting proposals covering a few other products on which agreement has not yet been reached: i.e. some coarse grains, some oil seeds, aluminum and canned salmon.

6. Apart from these products, our re-negotiations with the Six under Article XXIV have resulted in settlements which can be regarded as satisfactory. The Six have agreed to bind to us rates in the Common External Tariff for a considerable number of products on which tariff rates were previously bound to Canada by the individual member countries. In some cases reductions in the proposed Common External Tariff rates have been secured.

7. Although the negotiations at the Tariff Conference may be concluded fairly shortly, it is not expected that the detailed results of the Conference can be publicly announced and the protocol opened for signature before the end of February. The results for any particular country depend not only on the agreements it has concluded with its own negotiating partners, but also on concessions exchanged between other pairs of negotiating countries, since these are extended to all other GATT members on an MFN basis. Accordingly, the calculation of the

overall results for individual participating countries takes some time. A draft Canadian announcement is being prepared, as the final results of the Geneva negotiations become known and are analysed.<sup>104</sup>

W.F. STONE

111.

DEA/14052-1-40

*Note du président, délégation à la Conférence tarifaire du GATT,  
pour le secrétaire d'État par intérim aux Affaires extérieures*

*Memorandum from Chairman, Delegation to GATT Tariff Conference,  
to Acting Secretary of State for External Affairs*

SECRET

[Ottawa], March 26, 1962

CANADA – E.E.C. TARIFF NEGOTIATIONS

I am pleased to report, on behalf of the Canadian Delegation to the Tariff Conference of 1960-61 at Geneva, successful conclusion of the renegotiations (under Article XXIV:6 of GATT) with the European Economic Community and representatives of its six Member Countries.

As Ministers are aware, these negotiations have been complex and prolonged – far beyond the original expectations of any of the participating countries.

For your convenience of reference, and without going into details with which you are familiar, the results of the renegotiations may be summarized as follows:

1. Instructions to the Delegation of the Government were, in general terms, to secure continuance with a minimum of impairment of those tariff concessions which, in earlier GATT conferences, Canada had negotiated under bilateral agreements with the countries now constituting the E.E.C., and which, by reason of the substitution of a Common External Tariff for the individual national regimes, were inevitably to be affected.<sup>105</sup> This result the Delegation has achieved, to the extent that the concessions now being granted by the Community represent more than 80 per cent of Canada's exports to the territories of the Community. Of these scheduled and bound concessions, some will provide for free entry, as compared with duties leviable under the Common Tariff as originally formulated; others will be reductions from the Common Tariff rates; still others will be bindings (against increase) of the Common Tariff.

2. The Delegation was to negotiate the best possible terms for continuance of access of Canadian wheat to the territories of the E.E.C. The negotiations have resulted in two agreements, covering so-called Quality Wheat and Ordinary Wheat. Under these agreements, the Community and the six Member Countries *undertake*: (1) to negotiate with Canada not later than in 1963 the terms of access which, by virtue of the Common Agricultural Policy, will displace the existing national regimes; and (2), in the interim, not to intensify or otherwise adversely alter the existing terms of access for Canadian wheat; and (3) in the event that imports of Canadian wheat should fall appreciably below the datum level specified in the agreements, to take steps to rectify the situation.

<sup>104</sup> Notes marginales :/Marginal notes:

Seen. A.E. R[itchie] (Memo will be prepared for Minister by Hector McKinnon)

Noted. N.A. R[obertson] 23.1.62

<sup>105</sup> Voir/See Volume 27, documents 143, 146.

Annexed to the agreements – which will be signed not only for the Community but also for each of the six Member Governments – will be a letter embodying a precise definition of Quality Wheat in terms of grades specified in Canadian legislation and regulations thereunder. By virtue of these agreements and of the definition thereto applying, the negotiated settlement should cover Canada's normal and traditional exports of wheat to the territories of the E.E.C.

It is expected that the results of the renegotiations with the E.E.C. will be opened for signature at Geneva *this week* in so far as concerns (a) the schedule of tariff concessions bound to Canada and (b) the Wheat Agreements. The former of these will in due course be part of the Conference Protocol, which will be opened for formal signature some weeks hence.

In accordance with views expressed at a meeting on Friday last by representatives of the Departments of External Affairs, Finance, Trade and Commerce, and Agriculture, I am authorizing Mr. Rodney Grey at Geneva to sign *ad referendum* the instruments herein referred to. It is the hope and expectation of the Delegation and other senior officials concerned that, unless for last minute alterations of a minor nature, there will be now no changes in the results of these negotiations.

[H.B. MCKINNON]

## SECTION B

VINGTIÈME SESSION DES PARTIES CONTRACTANTES,  
GENÈVE, LE 23 OCTOBRE AU 16 NOVEMBRE 1962  
TWENTIETH SESSION OF THE CONTRACTING PARTIES,  
GENEVA, OCTOBER 23-NOVEMBER 16, 1962

112.

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. 337-62

[Ottawa], October 19, 1962

CONFIDENTIAL

### INSTRUCTIONS FOR CANADIAN DELEGATION TO THE TWENTIETH SESSION OF THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

1. The Twentieth Session of the Contracting Parties to the General Agreement on Tariffs and Trade opens in Geneva on October 23rd and is expected to last four weeks. Such sessions take place annually to administer the Agreement and to consider current problems of importance in international trade.

2. It is recommended:

(i) that Canada be represented at the Twentieth Session; that Mr. J.H. Warren, Assistant Deputy Minister, Department of Trade and Commerce, be Chairman of Delegation; and that Mr. J.F. Grandy, Director, International Economic Relations, Department of Finance, be Deputy Chairman; and that other members of the Delegation attending from Ottawa be:

G.J. Dobson	–	Department of Agriculture
G.W. Green	–	Department of Trade and Commerce
J.S. Rayner	–	Department of Finance

and that R. Campbell Smith, Counsellor and Special Representative to the General Agreement on Tariffs and Trade; A.R.A. Gherson, Department of Trade and Commerce – who is presently attending other GATT meetings in Geneva; and J.J. Masterson, Customs Attaché in Brussels, be included in the Delegation;

(ii) that the Canadian Delegation be guided by the following, and, with respect to other items on the agenda, previous instructions. In addition, the United States may raise the recent Canadian action on potatoes. A separate report on this subject is being prepared for Cabinet.

*Canadian Import Surcharges:*

This item is the subject of a separate Memorandum to Cabinet.

*Programme for Expansion of Trade:*

The GATT countries have, over the past several years, had before them a programme of action covering three major aspects of international trade:

1. Further progress in the reduction of tariff barriers to trade;
2. Problems of trade in agricultural products, and
3. Obstacles to the trade of less developed countries.

Progress reports on work being done in these areas will be before the Contracting Parties at this Session.

The U.S. Trade Expansion Act, signed into law on October 11th, provides the U.S. Administration with extensive and unprecedented tariff negotiating authority. In the absence of such authority, it has not been possible to take significant forward action in the programme of trade expansion. Uncertainty about the agricultural policy of the European Economic Community and about Britain's negotiations for possible accession to the Community have also impeded effective progress. Recent developments in these matters have laid the basis for a common effort to deal with trading problems in a constructive and positive manner.

This Session provides an opportunity to carry forward the Prime Minister's initiative in co-operation with the United States by proposing an early meeting of Ministers to consider how the great problems of trade can be dealt with to the mutual advantage of all. It is recommended that the Canadian Delegation be authorized to take the initiative, in co-operation with the United States Delegation, in calling for such a meeting.

A good deal of preparatory work will need to be done before the Ministerial meeting. Work has already been set in train to examine new techniques for tariff negotiation. Problems of trade in wheat and other cereals have also been under examination in a special group which is exploring the basis for the negotiation of practical measures for the creation of acceptable conditions of access to world markets for grains. The Canadian Delegation should co-operate with Australia, Argentina and the United States, in efforts to carry this work forward. In this connection, the Canadian objective should be to obtain fair opportunities of access and effective development of Canadian trade in agricultural products through commodity arrangements or otherwise. Action in the agricultural sector should be a part of the programme for the reduction of trade barriers generally.

In view of the important interests of less developed Commonwealth countries and the problems faced by other less developed countries in the free world, Canada should, in this programme of action, recognize the need for providing new export opportunities for the developing countries.

3. *Other Matters:*

(a) *Accession of the United Arab Republic:* On both political and commercial grounds the accession of the United Arab Republic is considered desirable. While there are a number of difficulties, particularly those arising out of the U.A.R.'s relations with Israel, it is anticipated there will be general support for the U.A.R.'s accession. On this assumption, and on the understanding that there will be general support, it is recommended that the Canadian delegation be authorized to agree to the accession of the U.A.R. on a provisional basis pending the conclusion of tariff negotiations.

(b) *Relations with Yugoslavia:* Yugoslavia is seeking a closer form of association. Because of Yugoslavia's present trade structure, in particular its state-trading operations, it is not likely that Yugoslavia will be able to achieve full accession at this time. However, the Canadian Delegation should be authorized to support a closer association.

(c) *United States Schedule:* The United States, over the past several years, has been engaged in a modernization and simplification of its tariff language. The changes which have now been approved by the U.S. Government generally have not involved modifications in rates of duty. On balance, Canadian exporters may be expected to benefit from these changes in their access to the U.S. market. However, Canadian officials already have identified a number of tariff problems and more may be expected to come to light when we have had some experience in the actual operation of the revised tariff classification. The United States will be seeking authority to implement these changes prior to the completion of renegotiations called for under the General Agreement. In order to have the benefit of actual experience under the revised tariff so as to identify possible areas of difficulty, the Canadian Delegation should support the U.S. request. Under the procedures envisaged, Canadian officials will be proceeding with consultations with U.S. officials.

(d) *Association of Greece with the European Economic Community:* The Greek agreement on association with the European Common Market constitutes an important precedent for other countries which may seek association with the Community. In order to avoid prejudicing Canadian trade interests which might be affected by such arrangements, the Delegation should seek to avoid any definitive findings with respect to the compatibility of the Agreement of Association with the provisions of the GATT.<sup>106</sup>

[HOWARD GREEN]  
GEORGE C. NOWLAN  
[GEORGE HEES]

113.

PCO

*Note du ministre des Finances  
pour le Cabinet*

*Memorandum from Minister of Finance  
to Cabinet*

CABINET DOCUMENT NO. 340-62  
CONFIDENTIAL

[Ottawa], October 22, 1962

<sup>106</sup> Approuvé par le Cabinet le 30 octobre 1962./Approved by Cabinet on October 30, 1962.



## TEMPORARY IMPORT SURCHARGES – CONSIDERATION IN GATT

Any trade measures taken for balance of payments reasons by a Contracting Party to the General Agreement on Tariffs and Trade are carefully scrutinized by the GATT from the point of view of their justifiability and their trade effects. In respect of our temporary import surcharges<sup>107</sup> there is the added complication that these are not technically the kind of balance of payments measures permitted in the Agreement. Accordingly, the Canadian temporary import surcharges were discussed in the GATT Council in July. At that time the Council concluded that there should be a full review of the surcharges at the 20th Session of the Contracting Parties in the light of the situation prevailing at that time. The Contracting Parties could then take whatever definitive action might be required.

The 20th Session convenes in Geneva on October 23rd and it is necessary to consider what position the Canadian delegation should adopt on this subject.

The GATT looks to the International Monetary Fund for authoritative guidance on the balance of payments and external financial position of any country invoking balance of payments difficulties in justification of exceptional trade measures. The Fund will be invited to make a statement on Canada's situation at the GATT Session. We understand the Fund will be making a statement along the following lines:

“Since the emergency measures were taken on June 24, 1962 the Canadian dollar has been strong and reserves have increased substantially. This increase has, however, been brought about largely by U.S. \$650 million of short-term borrowing and a return flow of short-term capital, apparently including substantial amounts of Canadian funds which were exported shortly before the emergency steps were taken, together with seasonal influences. The extent of the inflow of foreign capital which traditionally has covered the deficit in the current account in the coming months is uncertain, especially as concerns long-term capital. The Fund has noted the assurances of the Canadian Government that its temporary financial measures adopted for an emergency were directed to the improvement of Canada's exchange reserves and that the customs surcharges will not be kept on any longer than necessary. The Fund notes that Canada has begun removing the surcharges and believes that if the reserves and payments positions continue to improve over the coming months, Canada should be able to eliminate the remaining surcharges.”

It should be noted that this statement does not claim that Canada is yet in a position to dispense with the surcharges. The fact is that there is not yet sufficient evidence of a lasting improvement in our balance of payments and reserves. Indeed the information so far available indicates that the long-term capital inflow is not sufficient to cover the current account deficit. Therefore it would be premature at this time to give any precise indication as to when the surcharges can be removed.

In connection with the Fund statement on timing it should also be noted that our representative at the Fund has indicated to other Fund members that he interprets the phrase “the coming months” to mean not the next few months but a period that could extend up to twelve months.

It is the practice of the Contracting Parties to examine carefully any balance of payments measures affecting trade, and in past years Canadian representatives have played a leading part in the discussion of restrictive measures adopted by the European countries and others. In the normal course of events it is therefore to be expected that the effects of, and continuing need for, the Canadian import surcharges should similarly be examined by other countries in the GATT.

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<sup>107</sup> Voir/See document 761.

Since our measures differ in form from those permitted in the General Agreement for dealing with balance of payments difficulties, we are technically in breach of the Agreement unless we obtain a waiver. In order to help remove any danger of possible retaliation against our exports, it would be desirable to seek a waiver at this Session, preferably for a period of a year.

We have had clear indications that some countries, notably the United States and some European countries, will be pressing us strongly for the early removal of the remaining surcharges. We believe such pressure at this time is unreasonable in view of the lack of clear evidence of a lasting improvement in our situation. At the same time modest steps in the direction of relaxation may help us to achieve a satisfactory outcome in Geneva. One important step has now been taken in the field of industrial machinery and equipment not made in Canada and certain other products. There are a number of quantitatively less important items on which convincing representations have been received from Canadians and in some cases from other countries. A recommendation for relaxation on a further group of products will be submitted to Cabinet in time for a decision to have an impact on the GATT discussions.

As regards the duration of a waiver, it seems clear that the maximum period which might be negotiated is one year. It is more likely, however, that the Contracting Parties will think in terms of a much shorter period and may well refuse to agree to a waiver lasting beyond one year from the introduction of these measures, i.e. late June 1963. It is not certain that even this can be obtained, but it is our judgement that it would be unreasonable of the Contracting Parties not to agree to this duration for the waiver. A waiver expiring before June could do more harm than good: it would imply an earlier elimination of the surcharges than the facts as they appear at present would warrant.

It should be borne in mind that if a waiver were due to expire in June and our reserves and balance of payments situation did not warrant the elimination of the surcharges by that time it would be open to us to request an extension.

#### *Recommendations*

It is recommended that the Canadian delegation

(a) should seek a waiver extending from the 20th Session of the Contracting Parties to the beginning of the 21st Session, approximately one year;

(b) should be authorized to fall back to a period expiring in June, 1963 if advance consultation in Geneva makes it clear that the longer period cannot be obtained;

(c) should not request a waiver if it becomes clear that the Contracting Parties will insist on an expiry date earlier than June. (In this eventuality they should reiterate the policy as clearly stated by the Prime Minister of Canada that the surcharges will be removed as soon as circumstances permit, and seek to have the Contracting Parties take note of this undertaking.)

GEORGE C. NOWLAN

114.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 25, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Secretary of State for External Affairs (Mr. Green),  
The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

...

#### TEMPORARY IMPORT SURCHARGES; CONSIDERATION IN GATT

11. *The Minister of Finance* said that Canada would have to face up to a stiff situation at the 20th Session of GATT to be held in Geneva on October 23rd. A number of member countries could be expected to press strongly for the removal of the import surcharges. Since the measures taken to overcome the balance of payments emergency differed in nature from those permitted by the General Agreement, Canada would technically be in breach of the Agreement. The only way out would be to seek a waiver at this Session, preferably for a period of a year.

An explanatory memorandum had been circulated (Minister's memorandum, Oct. 22 – Cab. Doc. 340-62).

12. *During the discussion* some said that the best thing to do was to stick to the statement of the Prime Minister that the surcharges would be removed as soon as circumstances permit. It would be unwise to accept a shorter waiver than one year. It would be better to have no waiver even if this meant being in default.

13. *The Cabinet* agreed that the Delegation to the October 23rd session of the G.A.T.T. in the consideration of the Canadian import surcharges,

(a) should seek a waiver extending from the 20th Session of the Contracting Parties to the beginning of the 21st Session, approximately one year;

(b) should be authorized to agree, if necessary, to a period in June, 1963 if advance consultation in Geneva made it clear that the longer period could not be obtained; and,

(c) should not request a waiver if it became clear that the Contracting Parties would insist on an expiry date earlier than June. In this eventuality they should reiterate the policy as clearly stated by the Prime Minister of Canada that the surcharges would be removed as soon as circumstances permitted, and seek to have the Contracting Parties take note of this undertaking.

...

115.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], November 13, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge), (Mr. Watters).

. . .

20TH SESSION OF G.A.T.T.; DRAFT DECISION  
 OF CONTRACTING PARTIES ON IMPORT SURCHARGES  
 (Previous reference Oct. 25)

4. *The Prime Minister* said that the Canadian representatives at the G.A.T.T. meeting in Geneva had reported on the stand being taken by certain countries on the question of Canada's import surcharges.

5. *The Minister of Finance* said that the British and other European countries had been most helpful but the U.S. representatives had been impossible to move. A telegram from the Canadian representatives had asked for instructions, following the most recent private discussions with the U.S. representatives. A formula for a draft decision of the contracting parties had been worked out jointly by the Canadian and U.S. representatives wherein it was noted that Canada had given notice on June 25th last of the imposition of import surcharges; explanations had been given that the purpose had been to safeguard Canada's balance of payments situation; import surcharges had been used rather than quota restrictions; the International Monetary Fund had voiced its understanding and had acted accordingly.

The draft statement also noted the need for long-term measures and expressed regret that Canada had been obliged to take the steps it had. Satisfaction would be recorded over the progress made to date in removing the surcharges and Canada's expressed intention to continue in this direction. The statement would recommend the expeditious elimination of the balance of import surcharges and call for a report in early 1963. The Canadian representatives

had reported that the U.S. representatives felt there would be objection by their government to the reference to the International Monetary Fund. The final sentences of the text had been the hardest to settle, particularly the portion calling for prompt or expeditious removal of the balance of surcharges. It had been recommended that Canada accept this draft if it proved to be acceptable in Washington.

6. *During the discussion* the following points were raised,

(a) Some said that the indications were that the U.S. authorities might possibly accept as they seemed to have weakened on their original stand. However, word had it that the objections stemmed from the White House where the pressures against Canadian lumber and other imports were steady and strong.

(b) Others said that the jointly prepared draft seemed the best Canada could hope for and should be accepted if the U.S. authorities approved.

7. *The Cabinet* agreed that the Canadian representatives attending the 20th session of the G.A.T.T. be authorized to agree to a draft decision by the contracting parties to the G.A.T.T. along the lines of the draft prepared by the Canadian and U.S. delegations, provided this draft was also acceptable to U.S. authorities.

...

116.

DEA/14051-3-20-40

*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-2161

Ottawa, November 2, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 2007 Oct 31/62.†

Repeat for Information: GATT Del Geneva, London, Washington, OECD Paris, Bonn, Brussels, T&C Ottawa.

By Bag Canberra.

17TH UNGA: SECOND COMMITTEE: ITEM 36: UN TRADE CONFERENCE

It is most important that there should be no misunderstanding at Assembly regarding nature of Prime Minister's initiative in London in September<sup>108</sup> for a trade conference of likeminded countries and subsequent joint Canada-USA proposals now being made in Geneva for a GATT ministerial meeting; there should also be no misunderstanding regarding relation of these initiatives to the proposed UN conference on trade and development. We see no conflict whatsoever between the proposals now being carried forward in the Assembly and the proposals for a GATT ministerial meeting – indeed the two initiatives are in parallel especially as they relate to efforts to seek solutions to trade problems of less-developed countries.

<sup>108</sup> Voir « Réunion de 1962 des premiers ministres du Commonwealth, » *Affaires Extérieures*, vol. 14, n° 10 (octobre 1962), p. 281.

See "Commonwealth Prime Ministers' Meeting 1962," *External Affairs*, Vol. 14, No. 10 (October 1962), p. 276.

2. In reply to questions regarding Canada's initiative and in any statement on this subject you might recall that Canadian Prime Minister in London at meeting of Commonwealth Prime Ministers suggested convening of a conference of countries with similar trading interests to prepare way for prospective non-discriminatory tariff negotiations on most-favoured-nation basis; to find solutions to the special difficulties in world trade in agricultural products and to give attention to trade in tropical products and trade of developing countries generally (reference *Hansard* October 19 page 699). Subsequently it was agreed by Prime Minister and President Kennedy in an exchange of messages at time of congressional enactment of Trade Expansion Act, that two countries should take initiative at current 20th Session of GATT Contracting Parties for convening of special meeting of GATT ministers in an effort to deal with these problems in a constructive and positive manner. Action along these lines is accordingly now being taken by Canada and USA in GATT.

3. As will be evident we envisage that such a GATT ministerial meeting would have as its primary purpose laying basis for new round of tariff negotiations aimed at expanding opportunities for world trade and taking advantage of new far-reaching tariff negotiating authority of USA resulting from its new trade legislation. This new round of negotiations would be another in series of similar multilateral tariff negotiations held under GATT since 1947 which have made outstanding contribution to freeing and expansion of world trade.

4. GATT ministerial meeting along lines being proposed by Canada and USA would we hope recognize that significant progress must be made in other fields besides tariffs. Many difficult problems remain in regard to trade in agricultural products. Trade in tropical products and raw materials require special attention. There is wide recognition of urgent need for wider export markets and trading opportunities for developing countries. In recent years GATT member countries have given special attention to these trade problems. Efforts to seek solutions to these problems have also concurrently been made in other forums of UN, notably ECOSOC, CICT and FAO. Urgency attached to solutions to trade problems of this kind has resulted in present proposals being considered by the Assembly for convening of UN conference on trade and development.

5. In your discussions and in statement to Second Committee you should seek to dispel any possible misunderstanding regarding relationship of GATT efforts being made to solutions to many of same problems in wider context of UN. Importance and urgency of these problems, particularly as they relate to trading interests of developing countries, are such as to require their continued attention in UN, in GATT and in other international forums concerned with world trade. Far from there being conflict between GATT initiatives and proposed UN conference, Canadian government hopes that two approaches would be in parallel, would reinforce each other and thereby increase prospects for early solutions.

6. You can definitely inform the Committee that Canada attaches importance to UN activities in trade field, including UN conference. We also, however, attach importance to GATT, which clearly has important role to play in current search for solution to world trade problems. We are therefore opposed to any initiatives having the effect of weakening GATT machinery or subjecting it to outside interference, which might be the effect of the Brazilian amendment to Resolution L648 (your telegram 2026† of November 1/62).

[H.C.] GREEN

117.

DEA/14051-3-20-40

*Rapport de la vingtième session*  
*Report on Twentieth Session*

[Ottawa], December 14, 1962

GENERAL AGREEMENT ON TARIFFS AND TRADE  
20TH SESSION, GENEVA, 1962

The 20th Session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) was held in Geneva from October 23 to November 16, 1962. (For a report on the 19th Session, 1961, see External Affairs, Volume XIV, No. 1, March, 1962.) At this meeting, the Contracting Parties dealt with a number of broad issues, the most important of which related to the convening of a GATT Ministerial meeting.

*GATT Ministerial Meeting*

Prior to the opening of the 20th Session, Prime Minister Diefenbaker and President Kennedy, in an exchange of letters in mid-October, agreed that it would be useful if a meeting of GATT ministers were to be held to consider how the major problems of trade could be dealt with to the mutual advantage of all. (The text of the letters are reproduced at the end of this article.)<sup>109</sup> The Delegations of Canada and the United States joined in putting such a proposal before the Contracting Parties at the 20th Session.

The Contracting Parties accepted this joint Canada-United States initiative, and agreed that a Ministerial meeting should be held in the early part of 1963<sup>110</sup> to consider a programme for effective liberalization and expansion of trade in both primary and secondary products. In this connection, full weight would be attached to the importance and urgency of negotiating solutions to the problems of trade in primary products, and to the additional trade problems of less-developed countries. The GATT Council will be convened at an early date, so that it may make adequate preparation, propose an agenda, and establish the precise date for the meeting of GATT Ministers.

The Prime Minister, in announcing the decision of the GATT Contracting Parties in the House of Commons on November 15, 1962, said that:

“Arrangements will be made for Canada to be represented at this very important meeting by the Minister of Trade and Commerce, and possibly by other Ministers as well. I believe that a meeting at this time will have the most far reaching and beneficial results throughout the free world, and will open great possibilities for expanding trade, and in consequence, expansion in the Canadian economy.”

Prior to the GATT Ministerial meeting, a Working Party on Tariff Reductions will meet to give consideration to new techniques which might be followed in any future GATT tariff negotiations. The Working Party, under the chairmanship of a Canadian official, Mr. R. Y. Grey of the Department of Finance, will then report to the Ministerial meeting. (Mr. Grey formerly served with the Department of External Affairs from 1956 to 1960.)

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<sup>109</sup> Voir/See documents 269-270.

<sup>110</sup> La rencontre s'est tenue en mai 1963.  
The meeting was held in May 1963.

### *Trade Problems of Less-Developed Countries*

The standing GATT Committee (Committee III) concerned with the trade problems of less-developed countries, submitted a report to the Contracting Parties at the 20th Session. This report reviewed the progress made over the past year in the reduction of tariffs and non-tariff barriers to the expansion of trade in less-developed countries. The report indicated that the less-developed countries were not satisfied with progress to date, and were determined to ensure that their problems were brought to the attention of the industrialized countries at the 1963 GATT Ministerial meeting.

In addition, during the 20th Session, the Contracting Parties considered a proposal to explore ways and means by which less-developed countries which are not now parties to GATT, but consider that GATT is the appropriate place to deal with trade problems, may contribute to and participate in the work of GATT of particular interest to them. However, in view of the shortness of time and the importance of the matter involved, it was decided to refer this question to the GATT Council for examination. The Council will consider this matter when it turns its attention to preparations for the GATT Ministerial Meeting.

### *GATT Membership*

At the opening meeting of the 20th Session, two new members were welcomed into the General Agreement. Trinidad and Tobago and Uganda, for which the Government of the United Kingdom had been responsible, acquired independence in 1962, and gained full autonomy in the conduct of their external commercial relations. Both had applied to participate in the Agreement as full members, and became the 43rd and 44th Contracting Parties.

In addition, Yugoslavia and the United Arab Republic had made formal requests to accede to the General Agreement. Since 1959 Yugoslavia has been in close relationship with the GATT, and the General Agreement has served as a basis for the trade relations between Yugoslavia and most Contracting Parties. The Contracting Parties adopted declarations granting provisional accession to both Yugoslavia and the UAR; in the case of Yugoslavia, until December 31, 1965, and for the UAR, until December 31, 1964, or earlier for both if the necessary tariff negotiations are completed before those dates.

The Contracting Parties also extended the termination of the provisional accession of Argentina until December 31, 1964, to allow further time to complete tariff negotiations leading to full accession. The special arrangement permitting Spain to participate in the work of the Contracting Parties was also extended to July 31, 1963, by which time it is expected that Spain will have acceded to the General Agreement.

The Contracting Parties also reviewed the decision taken in 1960, under which the continuance of GATT commitments made on behalf of African states by their former metropolitan countries, was provided for after the territories became independent. The 1960 decision recognized that newly independent territories would normally require some time to consider their commercial policies and their relations with GATT. The Contracting Parties agreed at that time to continue to apply the General Agreement *de facto* in their relations with such territories, provided there was reciprocity. At the 20th Session, the Contracting Parties decided to extend this arrangement until the close of the last ordinary session in 1963, and to review the status of the GATT relationship with the states in question in 1963.

### *Examination of EEC Common Agricultural Policy*

The Contracting Parties considered a report of another of GATT's standing committees (Committee II) on the effects of trade in agricultural products which would result from the progressive implementation of the Common Market Agricultural Policy. They examined five groups of products – cereals, pig meat, eggs, poultry, and fruit and vegetables. The principal exporting countries, including Canada, expressed concern with the import system envisaged in



the EEC proposals, combined with a high level of internal price supports, would generate increased levels of production, which, in turn, would lead to a serious displacement of imports from third countries, and eventually create problems of surplus production within the EEC itself. It was pointed out that, if the EEC area were to be enlarged, it would increasingly be able to exert a predominant influence on world trade in agricultural products. The Committee stressed that the main element in determining the impact on international trade of the Common Agricultural Policy was the general price policy to be laid down by the EEC Commission. It received assurances from the representative of the EEC that the Community would be willing to discuss with third countries any difficulties arising from the implementation of the CAP regulations, and that the Community was prepared to discuss with GATT Committee II regulations on other agricultural products as they came into force.

#### *Canadian Import Surcharges*

The Contracting Parties considered the action taken by the Canadian Government in June, 1962, in imposing temporary import surcharges and the circumstances which necessitated this action. The Contracting Parties welcomed the steps already taken by Canada in the elimination of the temporary surcharges and the stated intention of Canada to eliminate the remainder as quickly as circumstances permitted. They also recommended that the remaining surcharges be eliminated expeditiously, and requested that Canada report to the Contracting Parties in the early part of 1963 on action taken to this end.

The Minister of Finance informed the House of Commons on November 15 of the decision of the GATT Contracting Parties, and said that the Canadian Delegation was instructed to support this decision, which was fully in accord with the policy of the Canadian Government.

#### *Election of Officers*

At the conclusion of the 20th Session, the Contracting Parties elected Mr. J.H. Warren as their Chairman for the 21st Session. Mr. Warren, who served in the Department of External Affairs from 1945 to 1954, and from 1957 to 1958, is Assistant Deputy Minister of the Department of Trade and Commerce.

#### *21st Session*

The Contracting Parties decided to hold the 21st Session in Geneva from October 22 to November 15, 1963.

CHAPITRE II/CHAPTER II  
ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD  
NORTH ATLANTIC TREATY ORGANIZATION

PREMIÈRE PARTIE/PART I

RÉUNION MINISTÉRIELLE À ATHÈNES, 4 AU 6 MAI, 1962  
MINISTERIAL MEETING, ATHENS, MAY 4-6, 1962

118.

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 859

Paris, March 31, 1962

SECRET. OPIMMEDIATE.

Reference: Our Tel 804 Mar 27.†

Repeat for Information: CCOS Ottawa (OpImmediate) from Ottawa, London, Washington, CJS(W), Paris, Bonn, Brussels, Hague, DisarmDel Geneva.

By Bag Berlin from Bonn.

NATO DEFENCE PLANNING – ATHENS MINISTERIAL MEETING

In a long session March 30 Council discussed the various elements of NATO's defence problems as they have been distinguished in the course of Council meetings over the past two months. We shall deal in this message only with that part of the discussion which bore directly upon the spring Ministerial Meeting. In the light of what happened it should be borne in mind that this part of the discussion came at the end of a difficult afternoon.

2. Secretary-General began this part of the meeting with a fair and objective summary of where matters stood with respect to the discussion of defence questions at Athens. There had, he thought, been considerable progress on the broad subject of guarantees (i.e. those matters covered in paragraph 7 of NDP/62/2) and on the matter of nuclear information to be provided primarily by the USA. He was now less certain however that the question of guidelines could be brought before the Ministers.<sup>1</sup> He reminded the Council that his whole approach to discussion of defence questions had been on the basis of a step by step consideration of the various interdependent elements. Until a week ago this method of approach had seemed to be achieving its purpose. As a result primarily of the USA statement of March 21 (our telegram 757 March 21†) which linked the questions of guidelines, an increase in conventional forces and a revision of NATO strategy,<sup>2</sup> we seemed once again to be turning in circles. In the

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<sup>1</sup> Voir/See document 135.

<sup>2</sup> Cette déclaration soulignait la volonté des États-Unis d'utiliser l'arme nucléaire pour défendre des membres européens de l'OTAN, mais aussi l'importance de renforcer les forces classiques.

This statement affirmed the USA's willingness to use nuclear weapons in defence of NATO's European members, but also emphasized the importance of strengthening conventional forces.

circumstances it would be very difficult for him as Secretary-General to include in his annual appraisal an outline of where we stood on the question of guidelines which would be acceptable to all members of the Council. It would also be extremely difficult for him and for the Ministers to deal with the inevitable press questions which would arise. He was convinced that real progress had been made but that progress would seem non-existent if Ministers were forced to explain the differences which had arisen with respect to guidelines. In the circumstances therefore he was not repeat not certain that it would be wise to discuss guidelines at Athens. Perhaps the discussion at Athens on defence questions should better be concentrated on the guarantees which had been forthcoming and on questions connected with the receipt of additional nuclear information. Progress in these fields could not repeat not, however, easily be communicated to the press. In the circumstances therefore the question arose as to whether it would be wise to have Ministers of National Defence attend the meeting since their attendance was bound to attract the special attention of the press. He believed it was his duty to bring these thoughts to the attention of Council at this stage and to ask for guidance as to what might be included in his annual report.

3. A number of Permanent Representatives including those of Germany, Denmark, Norway, Italy and France either directly or indirectly expressed doubts as to the desirability in the circumstances of the attendance of Defence Ministers. All who spoke in this sense however did emphasize that there should be a separate meeting of Defence Ministers, perhaps in Paris in the not repeat not too distant future.

4. The UK Permanent Representative entered a very strong dissent. He agreed with Secretary-General that a good deal of ground had been cleared in the consideration of what NATO strategy should be and a great deal of progress had been recorded on guarantees and on the question of information which would permit the Alliance to deal more systematically and more efficiently with nuclear questions in general. Some difficulties had become apparent now on the matter of guidelines. The Council should not repeat not however despair simply because it had run into these difficulties. A position on guidelines had been recorded in the April 1961 statement on behalf of President of USA. In the UK view Council should take note of this statement (at one point in his remarks he went further to suggest that Council should "accept" these USA guidelines). There seemed to be a tendency to shy away from seeking the collective advice of Ministers. This in the UK view was a very negative way of going at the problem. For the very reason that difficulties had become apparent the advice of Ministers was required or the question would go into "cold storage" until the December Ministerial Meeting. So far as public relations were concerned defence questions were in the mind of the press and if Defence Ministers were not repeat not present the press would speculate as to why they were not repeat not and as to why the Alliance was not repeat not facing up to the real problems which existed in the defence field. He went so far as to say that it would be "disastrous" to take the view that there would not repeat not be enough of substance to warrant the attendance of Defence Ministers at Athens.

5. The French Representative said that while his authorities were prepared to agree to the attendance of Defence Ministers they had done so with some reservation. He was inclined to doubt that there had been sufficient progress as yet to warrant attracting special press attention to Athens by the attendance of Defence Ministers. The press would not repeat not be particularly interested in the general guarantees or in the fact that the Alliance was to receive additional nuclear information. What the press would wish to hear about and would not repeat not hear about was the question of MRBMs and a NATO nuclear deterrent. This would be especially true in the light of the presence of Defence Ministers. USA Permanent Representative said that his authorities favoured a joint meeting but that he could always refer the contrary views of his colleagues to Washington DC if that was desired. He fully subscribed to the UK statement as to the importance of continuing discussions in the light of progress

which had been made. He thought there was a good deal of merit in the Secretary-General's suggestion for a somewhat restricted agenda on defence questions at Athens. He agreed that problems of public presentation might arise at Athens but that we would simply not be in a position to "satisfy the press by spectacular announcements." (The implication of Finletter's statement in context seemed to be that, so far as USA was concerned at least, the Athens meeting would not repeat not be seized of the question of a NATO nuclear force.)

6. At this point the Secretary-General boiled over. It was not repeat not in his view wise to go to Athens with subjects which had been insufficiently prepared. The USA statement, whatever its purpose, had really raised the basic issue of NATO strategy. As Secretary-General he no repeat no longer knew where the Council stood. It was very well to talk of progress in general terms but he had certain deadlines for the production of a report acceptable to all. He also had the traditional commitments at Athens to speak to the press and he had no repeat no idea what he could say. He had tried patiently to construct a step by step approach which would permit all members of the Alliance to move in harmony. He had tried to cover up the differences which existed and to bridge those differences slowly and carefully. Now the whole problem of NATO strategy had been dumped on the Council in one package and the slow and careful approach to the most central of all problems of the Alliance had been destroyed. If it was the intention of the USA to press European governments to go to their parliaments and ask for the increase of conventional forces to meet MC/26/4 and MC/55/1 in full, he knew as a political certainty that seven governments would fall. Was this the objective of USA policy? Secretary-General was taken with a slight seizure and had to leave the meeting.

7. In the course of the discussion which followed the Belgian Permanent Representative asked whether the USA was setting the condition of total acceptance by its European allies of the conventional requirements in MC/26/4 and MC/55/1 in return for its nuclear guarantee. USA representative admitted that perhaps the statement made on March 21 could have been better drafted. Yet the misapprehensions which it had raised were only valid if one assumed that the USA was a foolish government. USA was setting no repeat no absolute conditions. Before it would put any proposals to the Council with respect to military requirements there would be the fullest study of their implications. In all likelihood the proposals would not repeat not be based on MC/26/4. The proposals would be put "in the spirit of consultation" as well as and not repeat not as arbitrary requirements [sic]. The authoritative statement of USA thinking with respect to NATO defence policy was that made by Mr. McNamara on December 14 at the Ministerial Meeting.<sup>3</sup> He implied that perhaps it would be best to try to forget the March 21 statement.

8. The rest of the meeting was devoted to a further inconclusive discussion of the attendance of Defence Ministers. From what was said it is clear that the following members are doubtful on the subject: Denmark, France, Germany, Italy and perhaps to a lesser degree Norway and The Netherlands. All of these would accept and indeed many would urge a separate meeting of Defence Ministers at another time in the course of the year. The UK and USA favour the attendance of Defence Ministers at Athens. The rest have indicated a willingness to go along with whatever majority view developed. I put myself in the latter group against the background that the attitude of our Defence Minister would be affected by the substance or lack of it of the defence agenda for Athens. It was left that Council would come back to the subject on Tuesday morning April 3. I believe the instructions which we have are adequate for our needs at that meeting although I would welcome any additional comments you might wish to make in light of the discussion reported above.

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<sup>3</sup> Voir/See Volume 28, document 314.

9. We would draw your attention to a number of documents which have gone forward to you by bag and which are relevant to this and other topics discussed at the meeting. They are: (a) NDP/62/4 which sets out the various amendments to guidelines including our own (your telegram DL-556 March 24†); (b) NDP/62/5 which is in our view an unfortunate attempt to cost the build up of conventional forces; and (c) NDP/62/6 which is concerned with the establishment of a nuclear committee on information.

119.

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 869

Paris, April 2, 1962

SECRET. OPIMMEDIATE.

Reference: Our Tel 859 Mar 31.

Repeat for Information: London, Washington, CJS(W), Paris, Bonn, Brussels, Hague, DisarmDel Geneva.

By Bag Berlin from Bonn.

## NATO DEFENCE PLANNING – ATHENS MINISTERIAL MEETING

There have been meetings over the weekend between Stikker, Finletter and Norstad in an attempt to clear up some of the misunderstandings which led to the unfortunate developments at Council's Meeting March 30. Secretary-General has now circulated to Council draft conclusions concerning NATO defence questions which might appear in his annual political appraisal and which might be formally adopted by the Ministers at Athens. These draft conclusions and his comments thereon have just appeared in document NDP/62/8. In view of the importance of this document we are including the full text below. Preliminary consideration will be given to it at Council's meeting tomorrow April 3. We realize you will not repeat not be in a position to offer comments for use at tomorrow's meeting, but should be glad to have your comments as soon as feasible.

2. *Text of covering note begins:*

## NATO DEFENCE POLICY

## DRAFT CONCLUSIONS TO REPORT FOR ATHENS MINISTERIAL MEETING

As Permanent Representatives will be aware, I intend to record progress so far achieved in our exam of NATO defence policy, in particular the question of the control of nuclear weapons, in my annual political appraisal. I believe that the most satisfactory way of obtaining ministerial endorsement of our work would be to set out in the form of conclusions to my appraisal a summary of the main points on which we have reached agreement in the Permanent Council. These would cover the question of guarantees, the provision of information on nuclear weapons, the decision to set up a NATO nuclear committee and special security arrangements, and finally, the guidelines. Council could invite Ministers to signify their formal agreement to these conclusions.

2. The attached draft shows what I have in mind and might perhaps serve as the main basis for discussion at our meeting on April 3.

3. As regards the guidelines, you will note that I am now proposing a single text for consideration and, I hope, approval by Council. Following discussions which I have held since

Council Meeting on March 30 with a number of Permanent Representatives, I believe that the text in the enclosure, which is based very largely on the USA's proposal set out in the Annex to NDP/62/4, is likely to command general support. It incorporates the proposed UK amendment to (a) which does not repeat not seem to me in any [way] controversial, but shows the Canadian amendment to (c) as an alternative to the existing wording since Council has not repeat not yet had an opportunity for discussing the point.

4. I am also asking Council to decide in (b) between the words "if necessary" and the later, more explicit wording suggested for this passage by USA Permanent Representative.

5. The other changes I will explain orally and the only observation I would add here is that under (a) it seems to me that we ought to provide, however indirectly, for a possible contingency in which only one or two nuclear weapons were used by the USSR with no repeat no nuclear follow up and to which an automatic nuclear response would not repeat not necessarily be appropriate.

Ends.

*3. Text of draft conclusions begins:*

Against this background the Permanent Council suggested that in order to mark the progress achieved in its review of NATO defence policy, Ministers should be invited to agree as follows:

"1. That the Alliance has received the most satisfactory assurances, first that the USA will continue to place at the disposal of NATO nuclear weapons adequate in number and kind to meet the needs of NATO defence; and second, that the USA and the UK strategic forces will continue to cover as fully as possible in combination with NATO forces all key elements of Soviet nuclear striking power, including MRBM sites, giving equal priority to those threatening the mainland of Europe as to those threatening USA and UK.

2. Council welcomes intention of the USA and UK governments to furnish their NATO allies with the fullest amount of information compatible with the requirements of security on the nuclear weapons and external forces referred to in the preceding paragraph, with a view to assisting their allies in obtaining a full insight into the overall problem of the organization and control of NATO nuclear defence.

3. In order to enable the flow of information to begin, a NATO nuclear committee, consisting of the Permanent Representatives, has been established to receive and study on a permanent and systematic basis nuclear information relating to NATO defence. Committee should give consideration in the light of experience to problems of its own internal organization as well as to the possibility of defining more closely the scope and nature of the information of which it would be the recipient, and of extending its function into the consultative field.

4. Special security procedures shall be observed for the handling of all documentation of NATO nuclear committee in accordance with rules already established by the Permanent Council.

5. As regards the possible recourse by NATO to nuclear weapons in its self-defence:

(a) In the event of an unmistakable Soviet attack with nuclear weapons in the NATO area, the forces of the Alliance should respond with nuclear weapons on the scale appropriate to the circumstances. The possibilities for consultation in this context are extremely limited.

(b) In the event of a full-scale attack by the USSR with conventional forces, indicating the opening of general hostilities on any sector of the NATO area, the forces of the Alliance should (if the integrity of the forces and the territory attacked cannot repeat not be protected by other means) (if necessary) respond with nuclear weapons on the scale appropriate to the circumstances. It is anticipated that time will in this case permit consultation.

(c) In the event of a Soviet attack not repeat not fulfilling those conditions described in (a) and (b) above but which threatened the integrity of the forces and the territory attacked and which could not repeat not be successfully held with the existing conventional forces, the decision to use nuclear weapons would be subject to prior consultation (in the Council) (with NATO governments through the Council).

6. That the Council notes with deep satisfaction the intention of the President of the USA to consult in NATO on the use anywhere of the USA's external strike force if time permitted.

7. That the Permanent Council should press forward as rapidly as possible with its exam of the MRBM question and the conventional forces requirement.

Ends.

[JULES] LÉGER

120.

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-630

Ottawa, April 2, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tel 859 of Mar 31.

Repeat for Information: London, Washington, CJS(W), Paris, Bonn, Brussels, Hague, DisarmDel Geneva, CCOS, DM/DND.

DEFENCE – NATO DEFENCE POLICY

As you know Mr. Harkness and I have been from the beginning lukewarm about having a joint meeting of Defence and Foreign Ministers in Athens. Our lack of enthusiasm stemmed basically from our estimate that there appeared to be insufficient matters of substantive importance to warrant the presence of Defence Ministers. We were however prepared to accept the view of the majority in the belief that majority support for a joint meeting would reflect a satisfactory degree of progress on the main defence area of substantive importance i.e. NATO defence policy which, we understand, was to be covered under some five headings beginning with the control of nuclear weapons.

2. We also believed it was important to consider the presentational aspects. The presence of Defence Ministers for the first time at a meeting which traditionally has been devoted to non-military questions would undoubtedly lead to expectations and speculation in the press about the military questions being discussed. We felt that if in fact little of substance on the military side were ready for consideration by ministers this could create embarrassment and could serve to give a misleading emphasis to the defence aspects of the meeting.

3. Our impression from reading your report on the meeting of March 30 and earlier meetings is that members are far from agreement on the central aspect of Mr. Stikker's paper on control of nuclear weapons i.e. on the question of guidelines. While it is certainly true that some advances have been made in respect of the questions of assurances from the U.S.A. and the U.K., and information on nuclear weapons, we think it is relevant to keep in mind that little if any discussion has been devoted directly to the other readings suggested earlier by the Secretary-General e.g. NATO strategic concept, commitment of U.S.A. Polaris submarines to NATO, MRBMs and NATO requirements of conventional forces. In effect, the progress to date has been pretty well related to only a section of one part of the Secretary-General's

proposed step by step approach to NATO defence policy. The big issues raised by the USA in Finletter's statement to Council of March 21 will obviously have to be considered but could hardly be ripe for discussion by Ministers at Athens.

4. In the circumstances and in the light of our earlier preoccupations about the presentational aspects which we continue to share, we are still doubtful about the wisdom of having a joint meeting. While we would still be prepared to go along if the majority favours a joint meeting, we do not believe that sufficient progress has been made on substantive defence questions to warrant such a course.

[H.C.] GREEN

121.

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-683

Ottawa, April 6, 1962

SECRET. OPIMMEDIATE.

Reference: Your Telegram 869 of April 2 and 874 of April 3. †

Repeat for Information: London, Washington, CJS(W), Paris, Bonn, Brussels, Hague, DisarmDel Geneva, CCOS, DM/DND.

By Bag Berlin from Bonn.

NATO DEFENCE PLANNING – ATHENS MINISTERIAL MEETING

We believe the Secretary-General has prepared a good summary (document NDP/62/8) of the discussions to date and is acceptable as a basis for discussion by Ministers at Athens.

2. We also think that the section on guidelines reflects the general consensus to date and that they should be regarded as a "constructive interpretation of the political directive and the strategic concept" set out in earlier guidance papers. With regard to the alternative language set out in subparagraph 5(b), we would prefer the language "if the integrity of the forces and the territory attacked could not be protected by other means" but we would be prepared to accept the majority view.

3. Regarding subparagraph 5(c), we attach great importance to the alternative language which we submitted. We realize the general understanding is that Permanent Representatives cannot commit their governments except on the basis of formal instructions but we believe that in a matter of this importance we should employ unambiguous language. It is relevant to recall that last fall during the discussion of NATO planning for the Berlin emergency (which dealt in part with plans concerning the possible employment of nuclear weapons) the procedure agreed to in the Council emphasized the basic role and responsibility of governments: e.g. "the plans (to be drawn up by the NATO military authorities will be ... forwarded to the North Atlantic Council for approval by governments through the Permanent Representatives." "The execution of approved plans will be the subject of decisions by governments at the time" (paragraphs 7 and 8 of PO/61/808). If there continues to be a division of views on this aspect of the text I would prefer if it could be left open for Ministers to consider at Athens.

4. On the reference to the "MRBM question" in paragraph 7, we are prepared to accept the inclusion of the present wording provided it is understood it is not repeat not intended that there should be any substantive discussion of this matter at the Ministerial Meeting and that the



purpose of this draft conclusion is simply to indicate that this matter will be considered by the Permanent Council at an early date.

5. We are giving some thought to the question of the compatibility of the proposed guidelines with MC95, and, in particular, the points set out in Standing Group's letter, the text of which was contained in paragraph 4 of your telegram 870 of April 2.† We hope to be able to provide you with our views on this matter at an early date.

[H.C.] GREEN

122.

PCO

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

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

CABINET DOCUMENT NO. 153-62  
SECRET

[Ottawa], April 14, 1962

NATO MINISTERIAL MEETING – ATHENS, MAY 4-6, 1962

The spring NATO Ministerial Meeting, normally attended only by Foreign Ministers, is to be a joint meeting of Foreign and Defence Ministers this year. This is mainly because the Council will be asked to give formal approval to draft conclusions on NATO defence policy, including the question of control of nuclear weapons which have already been thoroughly discussed and generally endorsed by governments. Also, at USA and UK initiative, Defence Ministers will discuss a progress report from the Armaments Committee on 20 special projects under the NATO Research, Development and Production Programme.

No formal agenda has yet been circulated but discussions in the Permanent Council indicate that the main headings will be as follows:

- I. Review of the International Situation;
- II. Secretary-General's Annual Political Appraisal;
- III. Defence questions;
- IV. NATO Research Development and Production Programme;
- V. Economic Problems of Greece and Turkey.

It is expected that Ministers will be asked to take decisions under Items III and V and will discuss matters raised under the other headings.

In the discussions under I the following subjects are expected to come up: Germany and Berlin, with particular reference to the current negotiations on an international access authority; disarmament, with particular reference to the current problems under discussions at Geneva having a direct effect on NATO security arrangements. During the discussion of these items the Canadian Delegation will be guided by instructions approved by Ministers. There will also be the usual review of area problems which, having regard to the location of the meeting, will probably be with particular reference to the Middle East.

In connection with the discussion on Germany and Berlin the Secretary-General has given notice that he will draw attention to the absence of agreement on a total economic embargo as an appropriate response to a Soviet blockage of access to Berlin because Greece, Turkey, Norway, Iceland and Portugal have refused to accept the Secretary-General's formula unless all members of NATO accept the principle of mitigation payments. Existing Cabinet authority precludes Canadian acceptance of the mitigation proposals.

The Secretary-General's Annual Political appraisal is expected to cover a wide variety of subjects such as the "Sino-Soviet Economic Offensive" and the Killian report<sup>4</sup> recommending the establishment of an international institute of science and technology. The discussion will consist of an exchange of views; no decisions or new commitments are envisaged.

The only specific recommendation requiring ministerial decision at Athens arising under Item III will concern NATO nuclear policy. Draft conclusions are to be found in Appendix 1† which also includes appropriate guidance as set out in telegram DL-683 of April 6.<sup>5</sup> In particular the Canadian view regarding the need to consult governments through the Council on the possible use of nuclear weapons should be clearly registered at the Athens meeting.

The only other item possibly involving a new commitment which may come up would be the report on the economic problems of Greece and Turkey referred to in V. As indicated in Appendix 2,† separate guidance on this item will be sought from Ministers in the light of the preliminary discussion in the Permanent Council and after the report has been examined by the Departments concerned for its implications for Canada.

The concurrence of the Cabinet is requested on the guidance for the Canadian Delegation outlined above. The Minister of National Defence concurs.<sup>6</sup>

HOWARD GREEN

123.

DEA/50102-AE-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord  
au sous-secrétaire d'Etat adjoint aux Affaires extérieures*

*Permanent Representative to North Atlantic Council  
to Assistant Under-Secretary of State for External Affairs*

SECRET AND PERSONAL

Paris, April 16, 1962

Dear George [Ignatieff],

The following points might be worth bearing in mind in preparing the drafts for Athens:

(a) The discussion on NATO defence planning will centre on NDP/62/9 of April 13. On the guide-lines the Minister will be expected to refer to the Canadian amendment in paragraph 5(c) on the method of consultation. We do not expect much opposition to this amendment; some Ministers may take the line that it is redundant and that it would be sufficient to refer in 5(c) to consultation "in the Council";

(b) We have not been able to find out how the Americans intend to go about it in making it known that the Council will be consulted "if time permits, concerning the use of nuclear weapons, not only within the Alliance area but anywhere – within or without the territory of the Alliance." (I am quoting from NDP/62/9 of April 13 which is the latest version of this document although, as you are aware, a new draft is in the course of preparation as a result of the United Kingdom's decision to align its policy with that of the United States on this issue.) As a result of the last Council meeting on April 13 the United States now have a fairly free

<sup>4</sup> La version finale du rapport Killian, présentée au président Kennedy le 4 février 1962, se trouve dans *CIA Documents on the Cuban Missile Crisis, 1962* (History Staff, Central Intelligence Agency, 1992), pp. 361-371.

The final Killian report, submitted to President Kennedy on February 4, 1962, is in *CIA Documents on the Cuban Missile Crisis, 1962* (History Staff, Central Intelligence Agency, 1992), pp. 361-371.

<sup>5</sup> Voir le document précédent./See preceding document.

<sup>6</sup> Approuvé par le Cabinet le 24 avril 1962./Approved by Cabinet on April 24, 1962.

hand in developing this idea since no opposition of any consequence has been raised in Council. It can now be taken [sic] that Norway and Denmark have withdrawn the mild reservation they had advanced at earlier Council meetings. Whether or not the Minister will intend to refer to this matter will naturally depend on the timing and substance of any announcement. On the whole I should think that most of our European partners will publicly welcome this move by the United States. Now that the Scandinavians have fallen in line the only dissent will come from the French;

(c) It is not possible at this stage to predict what the situation will be in Athens in relation to the nuclear test ban discussions in Geneva. Whatever the outcome, however, I have been wondering if some lead could not be taken by the Minister at Athens to suggest that the resources of NATO be applied positively to the problems of disarmament and particularly to the problem of nuclear tests. Could it be suggested for example that the member countries co-operate in establishing a pilot project in the field of verification which would cover exactly within the NATO area what the United States has put forward to the Soviet Union, that is that member countries take all steps envisaged in the Western plan for verification of nuclear tests? Perhaps the Council could play some role as the centre to which reports could be made; perhaps the military authorities could be given the task of inspection. The first stage of this process would be to conduct a NATO exercise designed to test the machinery required by the Western position. A second stage might be to envisage the possibility of offering to make available to the Soviet Union, on a reciprocal basis, the information and experience gained from such exercise. This second stage would have to be left vague for some little time yet.

There are, I am sure, technical, financial, security and political difficulties involved in a scheme like this but you may think it worth pursuing in the context of what the Minister will wish to say on the subject at Athens.<sup>7</sup>

Yours sincerely,

JULES LÉGER

124.

DEA/50102-AE-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-808

Ottawa, May 7, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris, Brussels, The Hague, Bonn, Berlin.

By Bag Oslo, Moscow, Copenhagen, Ankara, Lisbon (from London), Athens (from Paris), CCOS, DM/DND.

NATO MINISTERIAL MEETING – ATHENS – MAY 3-6

The outcome of the meeting was generally satisfactory from a Canadian standpoint. The prevailing mood was one of moderation reflecting the current lull in the Cold War and there was a relative absence of open disagreement on major issues.

<sup>7</sup> Note marginale :/Marginal note:  
[Une note en marge d'Ignatieff est illisible.]  
[A marginal note by Ignatieff is illegible.]

2. During their review of the international situation Ministers devoted most of their discussion to disarmament and Germany and Berlin. There also were short statements along expected lines on regional area problems e.g. U.S.A. on Latin America and the Far East, Turkey on the Middle East, The Netherlands on New Guinea, and Portugal on Angola. There was virtually no discussion and no special U.S.A. statement on Cuba.

#### *Disarmament and Nuclear Tests*

3. In reviewing developments at Geneva there was general support for the aims of the conference and for the positions taken by the Western powers at it. Some Ministers and in particular the Greek and German Ministers mentioned the absence of progress at Geneva but were prepared to acknowledge along with their colleagues the essential importance and urgency of the Western representatives at Geneva continuing to work towards agreement.

4. It was the Canadian view which was shared by the other three Western powers attending the Geneva Conference on disarmament that the maximum support from NATO should be forthcoming for the Geneva Conference and that nothing should be said which might prejudice or complicate negotiations. The French delegation attempted without success to include in the communiqué language which would have cast doubt on the possibility of a successful outcome of the disarmament negotiations in view of the past record of the USSR on the question of control. Canada took the lead in opposing such language on the grounds that it was not for NATO to take a public position which would make more difficult the efforts of the negotiators at Geneva to reach agreement and would give the USSR an excuse to accuse the West of insincerity at Geneva.

5. *Germany and Berlin.* Mr. Rusk and Lord Home took the line in their review of the international situation that for various reasons the Soviet Union seemed to be content to have a lull. In the circumstances they were agreed on the desirability of proceeding with exploratory talks on Germany and Berlin in the hope of arriving at a *modus vivendi*. The Germans had, through private consultations with the USA, given their consent to the continuation of the exploratory talks on the lines proposed by Mr. Rusk to the Soviet Ambassador in Washington.

6. The German Foreign Minister indicated support for the USA position on the basis of the "Rusk principles" (i.e., international authority on access to Berlin, non-aggression arrangements between NATO and the Warsaw powers, and USSR-USA agreement on non-diffusion of nuclear weapons). M. Couve de Murville voiced no French objections to continued probings but warned of the dangers of their turning into actual negotiations which could lead to the compromise of essential Western interests, to the possible neutralization of West Germany and the break-up of the Alliance.

7. *NATO Defence Policy.* The Secretary-General's conclusions on the results of the discussions to date on NATO defence policy (i.e. on USA and UK undertakings re deployment of their strategic forces, USA willingness to share a greater amount of nuclear information, and guidelines re consultations and circumstances regarding possible use of nuclear weapons) were endorsed by all members except France (which had reserved earlier in the Permanent Council its position on guidelines and on taking note of USA willingness to consult with its allies on use of nuclear weapons anywhere in world) and Italy which for "constitutional reasons" was not in a position to indicate formal governmental agreement. The discussion was limited to an exchange between M. Couve de Murville who argued that the conclusions represented no change from previous position and M. Spaak who explained in a quiet but effective way the advances reflected in the Secretary-General's conclusions. In the Canadian intervention the point was made that it was our understanding that references in the guidelines to "consultation in the Council" meant consultation *with governments* through the Council and this was agreed by all.

8. Ministers also heard in restricted session a statement by USA Secretary of Defence during which he reviewed USA nuclear strategy based on an assessment of Soviet capabilities and intentions and went on to indicate the nuclear strength available for the protection of the European region of NATO. In this connection he stressed the need for coordination in targeting of all nuclear capabilities of the Alliance and formally committed to NATO five Polaris submarines indicating more would be added as they became available. He went on to underline the need for the reinforcement of NATO conventional strength in Europe as a means of reducing the danger that a Soviet conventional attack might force a nuclear response by NATO. His statement and short discussion which followed left the impression that the idea of NATO multilateral missile force would be relegated to the background.

9. *Scientific Cooperation.* In the discussion of scientific cooperation Ministers considered the need to establish an international institute for scientific cooperation but no attempt was made to reach agreement on the recommendations set out in the Killian Report. It was agreed that this matter should be pursued further in the Permanent Council. The Canadian delegation indicated that because Canada had not been represented on the working group which had dealt with this matter to date, the Canadian authorities were not yet in a position to express any views. Our understanding was that no final decisions had yet been made on the recommendations in the Killian Report and we wished to ensure that the Canadian Permanent Delegation to NATO would have an opportunity to express Canadian views before any final conclusions were arrived at.

10. *Special Economic Problems of Greece and Turkey.* On economic assistance for Greece and Turkey resolutions were adopted which recognized the need for external assistance to these two countries. Approval of these resolutions was regarded by some, and particularly by the United States, as a commitment in principle, for those countries which are in a position to do so, to examine urgently the manner of establishing consortia to coordinate the mobilization of resources needed to ensure the economic development of Greece and Turkey at a satisfactory rate. Ministers also agreed to establish a study group to consider further the special defence problems of Greece.

11. The Canadian delegation expressed general support for the resolutions but made no commitment regarding Canadian assistance or participation in any consortium which might be established. We indicated Canadian preference that the coordination of assistance for these countries should be dealt with by international organizations such as the OECD which have special competence and experience in such matters and this was generally agreed.

12. A report on the special meeting of Defence Ministers which convened on May 3 to discuss the NATO research development and production programme<sup>8</sup> was contained in a separate message.

13. The text of the final communiqué<sup>9</sup> is contained in NATO meeting Athens telegram No. 8 of May 6.†

<sup>8</sup> Voir/See Robert H. Estabrook, "Bonn in Accord with U.S. Stand on Berlin Issue," *Washington Post*, May 4, 1962, p. A10.

<sup>9</sup> Voir « Réunion ministérielle de l'OTAN à Athènes, » *Affaires Extérieures*, vol. 14, n° 6 (Juin 1962), pp. 193 à 195.  
See "NATO Ministerial Meeting – Athens," *External Affairs*, Vol. 14, No. 6 (June 1962), pp. 189-191.

2<sup>e</sup> PARTIE/PART 2PLANIFICATION DE LA DÉFENSE ET LES ARMES NUCLÉAIRES  
DEFENCE PLANNING AND NUCLEAR WEAPONS

125.

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], January 16, 1962

## LONG-TERM PLANNING – ASSESSMENT OF THE THREAT TO NATO

The NATO Council, as you know, are engaged in a review of the whole strategy of NATO in the context of its long-term planning. As part of this study (originally suggested by Mr. Herter) the NATO Standing Group have begun a paper which will attempt to assess the long-term threat to NATO over the next ten years. A copy of the draft outline of their proposed paper (S.G.M.-681-61) is attached.†

Quite properly, however, they have come to the Council for (1) guidance on their basic draft assumptions and (2) on the general framework of the paper and for (3) political, economic and demographic information relevant to any long-term study of this character.

To assist the Council in its discussion of this paper, the Secretary-General (see attached paper PO/61/951†) has made certain minor suggestions regarding the wording of the assumptions and has given his personal support to the overall approach set out in the paper. He has also suggested that the task of collecting the relevant political, economic and demographic material should be given to the Atlantic Policy Advisory Group, the terms of reference for which were approved, you will recall, last November; preliminary discussion in the Council indicates general support for this suggestion.

This matter has been referred for comment to the Chairman, Chiefs of Staff, who has had the benefit of the views of the Joint Intelligence Committee. His reply, copy of which is attached,† indicates that he approves of the general framework of the study (set out in paragraph seven of S.G.M.-681-61), that he has no comment on the assumptions suggested by the Standing Group (set out in paragraph four) and that he approves of the idea that the Atlantic Policy Advisory Group be given the task of collecting the relevant political, economic and demographic information.

For our part we do not share the Chairman's views on the acceptability of the proposed assumptions and of the general framework mainly because neither appears to make provision for possible long-term changes in the character and scope of the Soviet threat to North America. For example the only relevant assumption refers to an increasing military threat "to the Atlantic Ocean areas." The relevant part of the proposed framework for the study is described as "the Atlantic" and an examination of the enclosure (No. 3) dealing with this part indicates that the study will be concerned exclusively with the Soviet threat to sea communications in the Atlantic. Also the proposed section on "other areas" does not appear to allow for any assessment of the future role and influence of Communist China in world affairs.

The Secretary-General appears to have recognized the need to take such considerations into account and has noted in his paper (paragraph three of PO/61/951) that the three suggested assumptions "may require some amplification to allow for the various permutations of the Soviet threat with which the Alliance may be faced in an international situation that is likely to

remain fluid for some time to come." Moreover, it seems to us that in the light of some of President Kennedy's recent statements and Mr. McNamara's recent statement at NATO Ministerial meeting on the relationship between the Soviet capability to attack North America and the need for improved conventional forces in Europe, that it would be completely unrealistic not to include in any long-term assessment of the threat to NATO the problem of the probable future Soviet threat to North America.

However, since we assume you would wish any guidance sent to Mr. Léger to be agreed to with National Defence we will, if you agree, take these points up with the Chairman before preparing any instructions on these parts of the Standing Group's study for your signature. The matter, in any event, is still in the stage of preliminary discussion in the Council. In the meantime I suggest we might provide Mr. Léger with some comments on the role of the Atlantic Policy Advisory Group for tomorrow's Council meeting.

In that connection we would agree with the Chairman that the Advisory Group might be able to take on the task of collecting the relevant political, economic and demographic information. At the same time we would agree with Mr. Léger's comment, see attached NATO telegram 71 of January 10,<sup>†</sup> that a good deal more clarity is required as to what its procedures should be. While there may be some advantage in allowing for flexibility we think the important point to stress is that it should operate at all times under the continuous supervision of the Council and that it should be made clear that any reports or other information which it prepares should be at least noted by the Council before it is sent forward to the Standing Group.

A telegram setting out preliminary comments on the idea of the study and on the role of the Atlantic Policy Advisory Group is attached for your signature, if you agree.<sup>10</sup>

G. I[GNATIEFF]  
for Under-Secretary of State  
for External Affairs

126.

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-80

Ottawa, January 16, 1962

SECRET. OPIMMEDIATE.

Reference: Your Telegram No. 71 of January 10, 1962.

Repeat for Information: CCOS, DM/DND, Washington, Permis New York, Paris, London, Bonn, Brussels, Hague, Rome, Copenhagen, Oslo, Lisbon, Athens, Ankara.

## LONG-TERM PLANNING – ASSESSMENT OF THREAT

We have no objections in principle to the Standing Group undertaking a long-term study of this type provided it is clearly tied in with the Council's long-term study of NATO defence planning and strategy. We also agree that it is appropriate for the Council to provide guidance on the points outlined in the Secretary-General's memorandum.

<sup>10</sup> Note marginale :/Marginal note:

Signed by SSEA 16/1.

Sent 20:00 hrs. 16.1.62. R[oss] C[ampbell]

2. We are still considering in consultation with the Department of National Defence the general framework of the proposed paper (paragraph seven) and the proposed assumptions set out in paragraph four. We hope it will be possible to provide you with some guidance on these aspects for next week's meeting.

3. We can accept the Secretary-General's suggestion that the Atlantic Policy Advisory Group be given the task of assembling the political, economic and demographic information required for the Standing Group's study provided it is clearly understood that the Advisory Group will be working at all times under the authority of the Council and that any reports it prepares must be brought to the attention of the Council before transmittal to the Standing Group. In this connection we consider it important to keep in mind the agreed terms of reference for the Advisory Group and in particular that it "should provide the North Atlantic Council with studies on long term policy problems referred to it by the Council" and that "there is a clear understanding that the group would be subordinate to the Council."

[H.C.] GREEN

127.

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-214

Ottawa, January 23, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tels 139 Jan 17† and 71 Jan 10.

Repeat for Information: CCOS, DM/DND, London, Washington, Paris, Permis New York, Bonn, Brussels, Hague, Rome (Priority).

By Bag Copenhagen, Oslo, Lisbon from London, Ankara, Athens from Paris.

LONG-TERM PLANNING – ASSESSMENT OF THREAT

In consultation with National Defence we have considered the proposed general assumptions set out in paragraph 4 of S.G.M.-681-61 and the framework outlined in paragraph (7), taking into account the national comments expressed to date (as reported in your reference telegrams) and in particular the view that the greatest flexibility should be permitted to the Standing Group in the military field and to an "expert group" which might assist with the study in the civilian field. We also appreciate the point made by the USA Permanent Representative that it is the normal task of the military authorities to study the long-term military trends and that what the Standing Group is asking for is assistance in fields in which it is not competent. However, from our study of the Standing Group paper, we are still not clear as to the procedure the Standing Group intends to pursue in actually writing their paper based on the assumptions. Any clarification you may be able to obtain as to how the Standing Group intends to proceed in this regard would be appreciated. In the meantime we are setting out below our preliminary comments.

2. The Standing Group, by inviting the Council to make comments on the general assumptions and on the proposed framework for the paper, within which both military and political trends will be examined, has opened the way for members to indicate any obvious omissions. We could regard both the general assumptions and the framework of an assessment of the long-term threat to NATO as incomplete and misleading if they were not to include North America in an assessment of the possible long-term changes in the character and scope



of the Soviet threat. For example, the main relevant assumption (listed as (c)) refers only to an increasing military threat in "the Atlantic Ocean areas." What presumably is intended as the corresponding part of the proposed framework (listed as 3) is described as "the Atlantic" and an examination of the relevant enclosure (3) implies that the study will be concerned exclusively with the Soviet threat to sea communications in the Atlantic.

3. While we would agree (pending clarification of the point raised at end of paragraph 1 above) that it would not be advisable to attempt to establish priorities as between the various assumptions, or to concentrate on one and exclude the rest, we believe that some suitable language should be found to remedy what we would regard as a significant omission. Especially when we recall that the main themes of Mr. McNamara's statement at the December Ministerial Meeting were the indivisibility of the defence of Europe and North America and the new emphasis on the build-up of conventional forces in the interest of more flexible strategy in Europe, it would seem to us to be unrealistic not to make provision for the inclusion in any long-term study of an assessment of the probable future Soviet threat to North America.

4. In the circumstances we would favour a revision of assumption c(2) to read along the following lines: "A Soviet missile and long-range bomber threat to North America as well as a military threat in the Atlantic Ocean areas."

5. On paragraph 7 we would recommend that a new sub-heading (a)4 be added which for section a(3) should read as follows: "the Canada-United States region of NATO and the Atlantic area"; and re-numbering "other areas" as (a)5.

6. A second important omission in our view is that no provision has been made in the general framework for any assessment of the future role and influence of Communist China in world affairs or for an assessment of its future military capabilities. In view of signs of a growing difference of views between Communist China and the Soviet Union on their relations with the West and on their attitudes to world problems and bearing in mind the possibility that China may have in a few years a nuclear capability of its own, we think some provision should be made for an assessment of such considerations in the section dealing with "other areas." While no specific amendment to paragraph 7 would seem necessary and the Council is not being asked to amend the enclosures, we think it would be sufficient if a general understanding could be reached that the Standing Group will take these points into account when it turns its attention to the study of "other areas."

7. Our intention is that you should speak along the above lines and circulate the text of our proposed amendments with an explanatory note. However, because of our special arrangement with the U.S. under NORAD and the fact that such defensive arrangements involve joint Canada-USA intelligence appreciations of the Soviet threat to North America, you should consult first with your U.S. colleague before raising the points contained in paragraphs 2-5 above. In the event he has strong objections to introducing the points you should defer raising this aspect of the long-term study in Council and report back on your discussions with Mr. Finletter. You may however at your discretion raise the second point about Communist China.

*For Washington.* You might let the State Department know of our views.

[H.C.] GREEN

128.

DEA/50030-E-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 259

Washington, January 30, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: NATO Paris, Paris, London (Priority), Bonn (Priority) from Ottawa.

NATO – MILITARY PLANNING

Bearing in mind the reports we have received on discussions at the NATO Ministerial Meeting in December I took the opportunity yesterday morning to ask Kohler (Assistant Secretary European Affairs) for an outline of the views and hopes of the Administration particularly in the field of NATO military planning. He described the general USA approach to long-term military planning in this way: from a military viewpoint the fact was that USA had sufficient nuclear weapons and means of delivery for every need of the Alliance. Also, USA had the will to use these weapons in the proper circumstances. It would be “simpler” if the situation could remain thus. However there was the real political problem of reassuring and satisfying the Europeans that the situation was as represented. To this end there had been the commitment of Polaris submarines. For the use of these, and other NATO nuclear weapons as well, the President was prepared to have NATO “guidelines” govern, if the Alliance could work them out. The President was also prepared to see a NATO multilateral MRBM force come into existence, in which NATO would own the weapons and for which NATO would determine the targets. While USA authorities were studying these problems, they had adopted the view that the Europeans should take the initiative in indicating what they would consider to be adequate reassurance for use and control.

2. At the same time, in USA view, Kohler continued, any plans regarding NATO nuclear weapons had to be related to the changed situation, in particular to the serious existing imbalance between conventional and nuclear forces. The Alliance depended excessively on nuclear weapons. It was fundamental that the West should not repeat not deprive itself of a choice between some lesser degree of military response and nuclear holocaust. For this reason the conventional build up should have clear priority over the nuclear weapons problem.

3. Parenthetically, Kohler thought the British failure to maintain the levels of their conventional forces a serious problem here. He pointed out that the British had even fallen below their WEU treaty commitment which had been revised downward to 55,000. This, in his view, was not repeat not for reasons of balance of payments since the Germans were sharing the costs of maintaining the British divisions; the real difficulty was the unavailability of British reserves for an emergency; these could not repeat not be provided without conscription, he thought.

4. Returning to military planning, Kohler said that the NATO MRBM force was less urgent. Norstad’s requirements for MRBMs were not repeat not intended to take effect until 1963. Furthermore, Polaris submarines were already getting on station. The commitment of Polaris submarines to NATO could be worked out with facility once their targeting had been coordinated. In any event an independent European nuclear war was unthinkable. Essentially the nuclear problem was political and psychological.

5. USA, Kohler told us, was preparing to go into the question of NATO control of nuclear weapons. This was important largely in trying to head off tendencies toward independent national forces (first of all, frankly, France) and increased spread of nuclear weapons. If NATO discussion of this subject were to be meaningful it would be necessary to ensure that individuals of competence and experience were available in Paris for the job. USA therefore proposed to send to Paris a high ranking officer from the Pentagon (yet to be designated) and Gerard Smith, formerly Special Assistant to Secretary of State on Atomic Energy matters. Kohler understood that the British foreign representative would be Ramsbotham. He expressed the hope that we too should be able to provide senior experts for these studies.

6. Kohler told us that discussions would be held with Stikker in Washington next week on how to move forward with military planning. USA did not repeat not agree that there should be a "frontal attack" on existing strategic doctrine. On the other hand, after the various questions of nuclear and conventional armament had been studied, some alteration in the political directive was likely to be indicated, he thought. USA however preferred to approach the problem pragmatically rather than by seeking now an agreed revision of the political directive and the strategic concept.

[A.D.P.] HEENEY

129.

DEA/50030-E-1-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures,  
pour l'adjoint spécial au premier ministre*

*Memorandum by Special Assistant, Office of Secretary of State for External Affairs,  
to Special Assistant to Prime Minister*

SECRET

[Ottawa], January 31, 1962

The Minister has asked that you make a point of showing to the Prime Minister Washington telegram 259 dated January 30 (Secret – Canadian Eyes Only) which the Minister regards as an extremely important statement of the U.S.A. position having a direct bearing on Canadian defence policy.<sup>11</sup>

R. C[AMPBELL]

130.

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], February 2, 1962

NATO DEFENCE POLICY – CONTROL OF NUCLEAR WEAPONS

In accordance with the decision reached at the recent NATO Ministerial meeting, the Permanent Representatives have resumed their discussion of NATO defence policy. Among the various aspects to be considered are NATO strategy, control of nuclear weapons, MRBMs, commitment of U.S. Polaris submarines to NATO and conventional forces. It now seems clear

<sup>11</sup> Note marginale :/Marginal note:  
Done Feb. 1. H.B. R[obinson]

that the majority of NATO members favour having a joint meeting of Foreign and Defence Ministers in Athens in May and plan to discuss at that time some or all of these aspects of NATO defence policy.

2. Background papers are being prepared by the Secretary-General. The first one up for discussion by the Permanent Representatives deals with the control of nuclear weapons (copy attached†). Mr. Léger has asked for our comments.

3. Three central ideas are developed in Mr. Stikker's paper:

(1) Formal assurances on the part of the United States Government that an agreed level of nuclear weapons would continue to be deployed in support of the Alliance; and assurances on the part of the United States and the United Kingdom that their strategic air and naval forces intend to cover all Soviet missile launching bases that are beyond the capacity of NATO strike forces.

(2) Four possible arrangements for political control, the first of which involves a delegation of authority to a select group of countries; the second an automatic commitment by the United States to release nuclear weapons in response to a request from a country attacked and from SACEUR; and the last two involving schemes for arriving at decisions by weighted voting.

(3) Agreed guide-lines to govern any decision to be taken by the President of the United States in regard to the use of nuclear weapons by NATO forces.

#### *Possible Canadian Position*

4. The assurances referred to under (1) above are, we believe, chiefly of interest to the European members of the Alliance whose confidence in U.S.A. long-term intentions would probably be reinforced if the U.S.A. were to give such an undertaking. As Mr. Stikker points out in his paper, the statements of Mr. McNamara and Mr. Rusk at the recent NATO Ministerial meeting clearly imply U.S.A. willingness to give such assurances. No Canadian comment would therefore appear to be called for.

#### *Political Control Arrangements*

5. The delegation of authority to a select group of countries which would include the United States, the United Kingdom and France as permanent members and other members on a rotational basis would undoubtedly be unacceptable to Canada and many other NATO members. Not only would it set up two classes of NATO members, but it would involve delegating to a small group the right to make a decision which would be of vital consequence to the Alliance as a whole. The second concept involves an undertaking by the United States to grant or order the release of nuclear weapons at the disposal of SACEUR when the government of the country attacked so requests and the request is supported by SACEUR. This could in fact be considered as a retrograde step insofar as it would remove to a considerable extent the discretionary power of the President of the United States and leave it up to the government of the country attacked and SACEUR to decide whether nuclear weapons should be used. Under the present bilateral arrangements (agreements between the United States and national governments whose forces have means of delivery) decisions by the two governments are required before NATO tactical nuclear weapons could be used. However under existing arrangements, the main decision rests with the President of the U.S.A. Short of an amendment to the relevant U.S.A. legislation, we would doubt whether any dilution of Presidential authority, as envisaged under the second concept, would be possible assuming it were considered advisable.

6. The main assumption underlying the system of weighted voting is that it would be unacceptable to the larger powers concerned and impracticable to apply the accepted basic NATO principles of equality of membership and unanimity to decisions involving use of nuclear weapons. The purpose is to broaden the area of responsibility and to offset some of the

disadvantages of the present system of bilateral arrangements whereby a decision to use tactical nuclear weapons could be taken by the United States and the country (having a bilateral agreement with the U.S.A.) with forces equipped with the means of delivery.

7. Some of the main difficulties inherent in the system of weighted voting are:

(a) An affirmative decision by the four major powers, the U.S.A., the U.K., France and the Federal Republic, would still have the effect of committing the Alliance as a whole.

(b) By giving voting weights equivalent to size or strength, it cuts right across the long established principle of equality in NATO and could lead to the actual establishment of a big power directorate.

(c) With a decision of this magnitude, involving not only war or peace, but the likely destruction of major European cities, it is possible that the governments of the smaller countries would not wish to put themselves formally in the position of exercising virtually negligible control in respect of such a decision. While it can be pointed out that those countries without weapons don't have any control now, if they were to agree to such a system such action could be regarded as recording formally their willingness to put their fate in the hands of their partners, especially the larger powers.

(d) A serious problem could arise in attempting to decide on the criteria to be applied in determining the weight to be accorded each country's vote. Why, for example, should Canada, which is recognized as having a small but highly efficient force in Europe and naval forces which are essential to the defence of the Atlantic sea lanes, have a vote less than Italy which has often in the past not fulfilled its agreed NATO commitments? (In an earlier paper on weighted voting Mr. Stikker suggested that out of a total of 61 votes, the U.S.A. would have 14; the U.K. and France 7 each; West Germany and Italy 5 each; Canada 4; of the remainder 3 each would be allotted to Turkey, Belgium and Holland down to 1 for Iceland.) While some solution might be possible, the discussions would probably not only prove to be highly complicated but extremely delicate in terms of national pride and sensitivity. It is conceivable that the Alliance might emerge weaker rather than stronger in terms of unity as a result.

8. On the other hand, as there are grave risks in any use of nuclear weapons in Europe, each country is entitled to a voice in any decision to use a weapon which would likely lead to an all-out nuclear war. At the moment, the countries with bilateral agreements with the United States (Italy, Turkey, the Federal Republic, the Netherlands, Greece, Belgium and France) each have a veto in respect of the use of the weapons by their own national forces. They have, however, no control over the use of weapons by any of their partners, except possibly under the general understanding whereby SACEUR has indicated he would consult the NATO Council "if there is time." The present situation is obviously unsatisfactory.

#### *Agreed Guide-Lines*

9. You will recall that during a meeting of the Canadian Delegation at the recent NATO Ministerial meeting in Paris Mr. Harkness expressed interest in devising "rules of engagement" to facilitate agreement on an acceptable means of political control over nuclear weapons in NATO. The Secretary-General's suggestions (see Section 13 of attached paper) in this respect appear to be close to what Mr. Harkness had in mind. The Secretary-General's idea is that consideration might be given to such guide-lines in the event that his four suggestions, including his scheme for weighted voting, do not obtain general support.

10. One of the main advantages of having agreed guide-lines would be that the governments of NATO would know with greater certainty the conditions under which the President of the United States would agree to the release of nuclear weapons for use by NATO forces. Under the present NATO guidance directives the problems of when and on what scale nuclear

weapons could be used are dealt with only indirectly and in very general terms. For example, the relevant portion of the military directive reads as follows:

“If the Soviets were involved in a local hostile action and sought to broaden the scope of such an incident or to prolong it, the situation would call for the utilization of all weapons and forces at NATO disposal.”

11. This directive, drawn at a time when the Soviet Union lacked the power to strike directly at the source of nuclear weapons and at the bases of the deterrent in the U.S.A., obviously needs to be recast or replaced. Secondly, the suggestions put forward by the Secretary-General involve an element of “automaticity” only in respect of the specific situations described, i.e. (a) first use of nuclear weapons by Soviet forces and (b) full-scale Soviet conventional attack which clearly cannot be contained by NATO conventional forces. In the case of either (a) or (b) the President would “wherever time and circumstances permitted” consult the NATO Council before implementing his decision. In the event of a Soviet attack not fulfilling the conditions described in (a) or (b), the President would be obliged to consult the NATO Council before authorizing the use of nuclear weapons. It is because of the greater likelihood of contingency (b) facing the Alliance that the emphasis in U.S.A. defence thinking has been on giving first priority to the strengthening of conventional forces in Europe to the point where they could contain a massive Soviet conventional attack without recourse to nuclear weapons.

12. Finally, agreed guide-lines would constitute a check on the U.S.A. in the existing situation where the United States is not only the sole supplier and custodian of the nuclear warheads but has in fact the final authority in deciding on whether or not they should be used.

13. A disadvantage of relying on agreed “guide-lines” is that it might not meet adequately the growing demands of certain European countries, and particularly West Germany, for a greater voice in any decision to use nuclear weapons. If these demands continue and are not adequately satisfied, it is conceivable that the West German Government may in the long run be encouraged to follow the French example or form a consortium with the French Government in the development of an independent nuclear force.

14. On balance there is a case for at least going along with an exploration of the guide-line approach as a means of underlining (a) that nuclear weapons should be used only as a last resort and (b) then only under direct political authority.

15. If you agree,<sup>12</sup> we will work out with the Department of National Defence instructions for Mr. Léger on Mr. Stikker’s paper as a whole examining in particular some of the possible advantages of having guide-lines. From Mr. Léger’s report on yesterday’s discussions which has just been received (see attached telegram 270 from NATO†), the majority seem to favour concentrating on the guide-lines concept. We must recognize however that it will be difficult to arrive at any conclusion in NATO on control of nuclear weapons until more progress has been made in obtaining agreement on NATO strategy. To date U.S.A. views on the role of conventional forces have not been fully discussed, nor has the limited discussion to date revealed unmixed support for the U.S.A. position. Also, we shall probably know more about U.S.A. views on the points raised in Mr. Stikker’s paper following his visit to Washington next week.

N.A. R[OBERTSON]

<sup>12</sup> Note marginale :/Marginal note:

SSEA agrees, but see my memo 3/2 [Non retrouvé/Not found]. R[oss] C[ampbell]

131.

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-330

Ottawa, February 13, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tels 270 and 271† Feb 1.

Repeat for Information: CCOS, DM/DND, Washington, Permis New York, London, Paris, CJS(W).

## NATO DEFENCE POLICY

While it is certainly true that the role of the NATO Council in the nuclear field has never been defined, the central fact underlying the present arrangement as we see it is that the United States retains custody and ownership of the warheads and has the final controlling decision regarding their use. Countries with bilateral agreements, of course, exercise an element of joint control but in the final analysis the crucial decision rests with the U.S. The question is whether and to what extent existing U.S.A. authority can or should be shared on a wider basis.

2. President Kennedy's Ottawa speech<sup>13</sup> and other U.S.A. statements indicate a willingness to join with other NATO members in working out "suitable arrangements" for political control provided a practicable sharing can be devised within an acceptable strategic pattern. The U.S. is evidently now prepared to consider NATO guide-lines to govern the use of both strategic weapons (e.g. MRBMs) and other NATO nuclear weapons as well. At the same time, they consider that the main onus is on the Europeans to take the initiative in indicating what they would consider to be adequate reassurances for use and control (see Washington telegram 259 January 30).

3. The problem for consideration is whether it is in the interests of the Alliance to make radical changes in the present arrangements for political control. From our preliminary examination we can see advantages from a Canadian point of view in maintaining existing procedures. However if, as would appear to be the case, pressure is developing from the European members of the Alliance for a wider sharing of control, we would agree with you that it would be advisable to move slowly and to avoid all-embracing schemes. In our view such an approach is advisable not only because of practical considerations but also because of the need to relate any new control arrangements to Western policy on disarmament and particularly to the dissemination of nuclear weapons.

4. We are not attracted by the four suggestions set out in paragraph 12 of the Secretary-General's paper. We would therefore agree with the idea of focussing the discussion in the first instance on the suggestions for guide-lines set out in paragraph 13. These obviously can be linked to the proposals in paragraph 7 for assurances from the U.S. and the U.K. regarding the agreed level of nuclear weapons and the targets which would be covered by the U.S. and the U.K. strategic air and naval forces. We are setting out below our preliminary comments on these two sections:

<sup>13</sup> Voir/See "Address Before the Canadian Parliament in Ottawa, May 17, 1961," in *Public Papers of the Presidents of the United States: John F. Kennedy, 1961* (Washington: United States Government Printing Office, 1962), pp. 382-387.

*Paragraph 7*

5. The assurances referred to in this paragraph are mainly of interest to the European members of the Alliance whose confidence in the U.S. long-term intentions would probably be reinforced if the U.S.A. were to give such an undertaking regarding an agreed level of nuclear weapons which would remain assigned to NATO. A similar purpose would be served if the U.S. and the U.K. were able to give the assurances set out in 7(b) regarding the operational plans of their strategic air and naval forces and the priorities to be assigned certain categories of targets. No Canadian comment would therefore appear to be necessary.

*Paragraph 13*

6. In accordance with the view expressed in paragraph 3 (i.e. that we are not convinced of the need for radical changes in the present arrangements) we can see some advantage in the Council seeking the formal agreement of the U.S. Government that the President's decision would be governed by certain understandings or "guide-lines" governing the release of nuclear weapons to NATO forces.

7. As regards the circumstances outlined in subparagraph (a) the main problem would be to identify an "unmistakable" Soviet attack with nuclear weapons. In the confusion likely to surround the opening of hostilities it would be essential to avoid any possible errors or misjudgement as to the first use of nuclear weapons by the other side.

8. In considering the circumstances set out in subparagraph (b) account should be taken of the importance attached by the U.S. (and General Norstad) to the "pause concept" whereby NATO needs to be able to respond to any conventional attack with conventional resistance which will be effective at least long enough to force a pause for a period sufficient to cause the Soviet Union to realize the gravity of the course upon which it has embarked and for Western counter moves as to level of response to be deliberated. In his statement to the December Ministerial Meeting Mr. McNamara stressed that it is [not] within the capability of the Alliance "during the course of the present tensions" to provide sufficient conventional strength for this purpose and that highest priority should be given to acquiring this capability. Related to this concept is the concern that the use of tactical nuclear weapons by NATO shield forces could lead to full-scale nuclear war. In the circumstances we would recommend that in considering the formula set out in subparagraph (b) account should be taken of the need to arrive at an agreed understanding of NATO strategy.

9. Assuming acceptance of the concept of "guide-lines" we attach importance to the proposed arrangements for the U.S.A. to consult other NATO governments. In principle the arrangements for consultation suggested by the Secretary-General are acceptable. There are however two main points which you may wish to bring up in the discussion:

(1) From an examination of existing political and military guidance papers it is apparent that the role of the NATO Council in respect of the employment of NATO conventional forces has also never been defined. Therefore before attempting to deal with the much more complex problem of political control over nuclear weapons it may be worth considering whether any advantage would be served in clarifying what would be the role of the NATO Council, if any, in exercising a degree of political control or guidance in respect of the employment of NATO conventional forces in dealing with some of the situations envisaged in paragraph 6 of the political directive (e.g. local conventional attacks mentioned in paragraph 6(b) of C-M(56)138 Final). For example, in the event of a limited local Soviet or satellite conventional attack on the periphery of the NATO area, would SACEUR be obligated to consult the Council and/or governments, assuming there were time for such consultation, before sending any reinforcements which he might consider necessary.



(2) In view of the importance of the time factor in any emergency, as brought out in previous discussions in the Council, are the Permanent Delegations equipped (e.g. communications with national governments) to permit the Council to be the effective forum for the intergovernmental consultations envisaged by the Secretary-General?

Clarification of these points would, we feel, assist considerably in furthering a useful discussion of possible arrangements for consultation regarding the use of nuclear weapons.

10. It would seem sensible to start with possible Council control (through "guide-lines") over nuclear systems designed to serve fundamentally tactical purposes currently available to forces assigned to or earmarked for NATO under SACEUR.

[H.C.] GREEN

132.

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-343

Ottawa, February 15, 1962

SECRET. PRIORITY.

Reference: Para 3 Your Tel 382 Feb 13.†

Repeat for Information: CCOS, DM/DND, Athens, Copenhagen, Oslo.

By Bag Lisbon.

NATO DEFENCE POLICY – STIKKER'S VISIT TO WASHINGTON

Please do what you can, preferably by having a private word with Mr. Stikker, to halt apparent trend towards using shorthand of "Ottawa Force" to describe concept of NATO multilateral MRBM force referred to in President Kennedy's Ottawa speech last May.

[H.C.] GREEN

133.

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 423

Paris, February 16, 1962

SECRET. PRIORITY.

Reference: Your Tel DL-343 Feb 15.

Repeat for Information: CCOS (Priority), DM/DND (Priority) from CCOS.

By Bag Athens from Paris, Copenhagen, Oslo, Lisbon from London.

NATO DEFENCE POLICY

As Mr. Stikker is away today on a visit to Amsterdam I spoke to George Vest, Director of Secretary-General's Office, about halting the trend towards using shorthand of "Ottawa Force." He told me that he fully expected this approach and that he realized how misleading such a term might be. He would immediately bring it to Secretary-General's attention and he

thought that nothing more would need to be said (2 groups corrupt) discussion in private Council meeting on NATO defence policy on Monday, Vest said that approach was very timely. If Secretary-General uses the term again I will of course speak to him personally.

2. Later today I had opportunity of a brief talk with Ambassador Finletter and told him of my talk with Vest reported above. He fully agreed and went on to explain that USA Government had an open mind on an MRBM force in Europe, whether it be along lines suggested by President Kennedy at Ottawa or in response to SACEUR's "requirement" for MRBMs in Europe. In considering both issues in NATO they would wish to have political and other non-military factors taken into account, as well as military. It was primarily because of likelihood that if MRBMs were land-based at present time they would be concentrated in Germany that USA had put emphasis on concept of a seaborne missile force. He emphasized however that it was for others to take up and develop the idea but that US would not repeat not press it. He expressed some surprise that no repeat no one had taken up President Kennedy's proposals and he hoped that current discussions on NATO military policy would serve to clarify issue.

3. As you know, Mr. Lange has come out publicly questioning the practicality of NATO multilateral force.<sup>14</sup> I was informed today by Boyesen that Secretary-General was so disturbed by what seemed to him a public rejection of proposed force before it was examined in NATO, that he has asked for a private meeting with Messrs Lange and Krag. This has now been arranged to take place in Copenhagen next weekend. Boyesen tells me that Stikker will mainly outline discussions he had in Washington stressing that neither he nor USA are committed to a multilateral NATO force but that he believes its possibilities should be examined on their merits.

[GEORGE] IGNATIEFF

134.

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 607

Paris, March 5, 1962

SECRET. OPIMMEDIATE.

Reference: Our Tel 518 Feb 26.†

Repeat for Information: CCOS (OpImmediate).

NATO DEFENCE POLICY FORWARD DEFENCE STRATEGY

I had an hour's conversation with General Norstad on March 2 which provided him with an opportunity to elaborate on his comments to Council with respect to Forward Defence Strategy (our reference telegram).

2. I said that I was interested in the relationship between what he had said on February 23 with respect to Forward Strategy and what Mr. Rusk had said at the Ministerial Meeting on December 14 (page 19 of CVR(61)69). Norstad said that there was no repeat no direct

<sup>14</sup> Cela fait référence à l'intervention de Lange faite au Parlement norvégien (ou « Storting »), le 8 février. Pour consulter les passages pertinents de cette intervention, voir le télégramme 40 d'Oslo aux Affaires extérieures, en date du 9 février 1962, † MAE/50219-AL-2-40.

This is a reference to comments Lange made in the Norwegian Storting (parliament) on February 8. For the relevant portion of the speech, see Oslo to External telegram 40, February 9, 1962, † DEA/50219-AL-2-40.

relationship between his comments and any new USA policy. He had been somewhat embarrassed at the appearance that as Allied Commander he had “cooked up” something with USA Government. In fact as an Allied Commander he had been urging a build up of conventional forces in terms of MC-70 at least since 1957. It was in his headquarters that the words “pause” and “threshold” had been coined. The concepts could not repeat not be too wrong in that they had been tested against the comments of many experts. The forward strategy had been agreed NATO policy for many years and its stated purpose was to defend the integrity of the NATO area and the peoples in that area. In the early stages a real forward strategy had been impossible because of the lack of forces. He and his predecessors had however continued to move the line of defence as Far East as the forces provided permitted. It was now within sight over the next year or 18 months to implement fully the forward strategy which supreme commanders had been directed for many years to implement.

3. He said that *Izvestia* had already referred to the subject as a “new Speidel Plan<sup>15</sup> dictated by Strauss” and would probably continue to condemn it. The fact of the matter was that there was nothing new. The strategy continued to be purely defensive. The main change would be in orders given to troops rather than in their physical disposition, if an attack developed the main forces would be ordered to move up to the covering forces in the vicinity of the Iron Curtain rather than the covering forces moving back to the Weser. There would be, over the next few months, a gradual deployment of forces forward but it would not repeat not be a mass movement nor repeat nor would there be deployment to a new solid line on the Iron Curtain. An essential attribute of defensive deployment in the light of nuclear weapons was that there should be depth dispersal and mobility. This he could plan to achieve in the area between the Weser and the Iron Curtain.

4. The further implementation of the Forward Strategy had been affected by two recent developments. The first was that as a result of the Berlin crisis new strength had been put at the disposal of the Alliance which made planning for a move forward in the face of an attack reasonable in military terms, at least within the next year or so. The second factor was the experience gained with Live Oak planning. Live Oak planning was essentially directed to the possibility of selected operations designed to prevent a major conflict. It had become apparent however what could happen if these limited operations were carried out under present planning. The Soviets could take action against an uncovered portion of the defences which would result in the loss of “up to 100 cities” while our gains might be to clear “a few kilometres on the road to Berlin.” This made no repeat no military sense and he doubted that it could be accepted in political terms. He corrected the impression left in his presentation to Council (paragraph 3 of our reference telegram) that he might ask for a new directive to plan for a different deployment of troops. He said that he had, like his predecessors, all the necessary directives. All he needed was the cooperation of countries in providing for new deployments and some additional strength. In Norstad’s view the only change which would be involved in terms of policy would come if the Alliance were to tell him not repeat not to take advantage of increased strength to implement the forward strategy.

5. I asked Norstad what assurances existed from a military point of view that the new deployments which he proposed would not repeat not be used by the Soviet Union to justify similar action on their side of the Iron Curtain. Norstad said that from the military point of view he saw no repeat no advantage for the Soviet Union in doing anything. They already were deployed in depth in East Germany and in a position to reinforce their forward troops within a matter of days. He emphasised that the new deployments which he had in mind would

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<sup>15</sup> Voir/See Hanson W. Baldwin, “Where Defend Europe?: Strategic, Coordinating and Build-Up Problems Illuminated at Start of 1952,” *New York Times*, January 8, 1952, p. 16.

not repeat not bring NATO forces physically into closer contact with Soviet forces than they were at the present since already covering forces were stationed along the Iron Curtain.

6. I then asked him to relate his presentation to what he himself had said in the past about the necessity of being able to force a pause after the outset of any military action. Would it be his intention that the initial shock as far as possible should be taken by conventional weapons? Norstad in response said that he retained military command over any use of nuclear weapons in NATO. In military terms nuclear weapons could be used only if he ordered them to be used. He went over ground which he had covered in previous briefings to Council last year. It will be sufficient in this report to summarize the main points which he made. There were two systems of military control, one arising from the chain of military command of operations itself, and the other through logistics channels, i.e. the marrying up of warheads after their release from stockpiles with carriers. It was his view that, physically, subordinate forces and subordinate commanders should not repeat not be in a position to take any decision to use nuclear weapons. He said that if there was a battalion commander in charge of troops which were being destroyed who had the ability to use nuclear weapons he would not repeat not be worth his salt if he did not repeat not use them. It was therefore essential that such field commanders should physically be deprived from being able to take that decision. He had assured to the best of his ability that this was the case. Hundreds of experts from USA had examined his military control system and their only criticism had been that it might be too stringent. The control system could be changed in time of war but not repeat not at any prior stage, i.e. there was a flexibility in the system which could be introduced but change certainly would not repeat not be introduced in the event of an incident prior to general war. (This explanation is consistent with earlier explanations given by Norstad to Council, e.g. our letter 142 January 30/61.) Norstad went on to say that so far as the use of nuclear weapons was concerned after their release by political authority, he had himself issued instructions that his instructions to field commanders should be issued only in the presence of one of four other officers at SHAPE. (Incidentally he said he would not repeat not have accepted an order from anyone to make these arrangements since they impinged upon his military responsibilities, but he had made these precautionary arrangements voluntarily.) In addition throughout the system of military control two or three people were involved at every stage in carrying out instructions. Finally there was a requirement for "positive action" on the part of responsible officers which would ensure that those receiving the instructions would be aware that the particular officer was not repeat not under duress of local circumstances in issuing his instructions. (Prior to our meeting I had lunch with a Canadian officer in SHAPE whose responsibility it is to test the military control system; he confirmed the tightness of the control which Norstad later outlined.)

7. Turning then to the control questions being considered in Council, I suggested that the present discussions were important in that they were clarifying for the first time the implications of directives given by member governments in 1954 and in 1957. It seemed to me that the problem of control was related directly to the strategy which was to be followed and [we] should try to eliminate elements of automaticity in that strategy. In this context Norstad's stated desire to be able to force a pause in a developing military situation was of considerable interest. Was it militarily possible to have a pause? Norstad replied that the control problem had always existed and had become more vital with the introduction of the first atomic weapon into the shield forces. It was only more apparent and complex since his command was the "third greatest atomic power in the world." These weapons had been provided for the defence of the treaty area. Up to now governments had not repeat not shown any willingness to take a share in control. Control could not repeat not exist simply on a piece of paper. It meant nothing if governments did not accept responsibility and provide a mechanism for exercising that responsibility. It seemed to him that if a decision to assume control were taken through

Council it could only mean that some authority would be taken away from SACEUR. He would heartily welcome such a development. It was his view that the problem should be met in the first instance at least by way of guidelines or of rules of engagement. He said that paragraph 13 of NDP/62/2 was in effect his proposal which he had convinced the Secretary-General to include. He did not repeat not believe that the various systems of control outlined in paragraph 12 could be accepted. He reemphasised that in his view the important thing was for governments to decide to accept responsibility for some measure of political control and their first step in this direction could be in extremely general terms such as guidelines. (He said that perhaps he might illustrate his own convictions facetiously: even if governments were to decide on the use of nuclear weapons in some such context as "never on Sunday" the situation would be an advance from his point of view for at least governments would then be sharing some of his responsibilities.) He thought it most likely that in the first instance if governments were to decide that some delegation of responsibility were required they would choose what he called the source of the greatest political and power responsibilities to act on their behalf. This pointed to the President of USA. However as an Allied Commander he would hope that the respective governments of the Alliance would be prepared to assume greater responsibility than at present.

8. Finally the conversation moved to the idea of a NATO multilateral force. Norstad said it was his view that "some people" might be confusing three separate subjects for reasons which seemed sensible to them but did not repeat not make SACEUR's job easier. The first of these was the question of control itself. As he had indicated before, the control problem existed no repeat no matter what new weapons were introduced; or conversely, even if the present nuclear weapons were reduced to one tenth of one percent of what they were, the problem of control remained. The second question had to do with the modernization of existing forces. At present he was being asked to carry out tasks with obsolescent weapons. These had to be replaced by modern weapons systems to do the tasks which he had been given. It was in this category that his request for MRBMs was made to substitute missiles for aircraft. He was not repeat not asking for any new functions or any new role. Finally the third question was that of a strategic force under multilateral command. This was not repeat not a suggestion which he as SACEUR had made. In his view it presented serious difficulties and it involved essentially a reorganization of NATO forces. Some people were attempting to kill the modernization programme which was a necessity by mixing it with the concept of a NATO strategic force which was something entirely different. So far as the strategic force was concerned he was relatively neutral. The essential [thing] with respect to this force in his mind was whether or not repeat not NATO countries wished to take the political decision to exercise a new role. If that decision were taken he would have military views as to what the force should consist of. If it were to be developed it was essential in his view that it be a mixture of land and sea based weapons. He held the view that positive control was far easier to exercise from land than from sea. The political implications of the weapon would have to be considered as well as the military characteristics. It would have to be mobile, remotely controlled and operated by small crews who had no repeat no knowledge of the targets at which they were directing their fire. It would require weapons capable of being precisely controlled at the highest level. In fact he used much of the same argumentation as he had used a year ago on this subject (our letter 171 January 31/61). (You may in this context wish to review Norstad's briefing to Council in January of last year which was reported in a series of messages including our telegram 196 January 27 and our letters 142, 143 and 171, all in January.)

9. Our interview ended with Norstad's critical comments on UK suggestions concerning a NATO nuclear committee which have already been reported to you in our telegram 591 March 3.†

135.

DEA/50219-AL-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*

SECRET

[Ottawa], March 8, 1962

NATO DEFENCE POLICY – CONTROL OF NUCLEAR WEAPONS

The discussion of NATO defence policy in the NATO Council, starting with the problem of the control of nuclear weapons, is now well underway. For the past month the NATO Permanent Representatives have been engaged in a round of discussions on various aspects of the problem of control of nuclear weapons. Because of the complexity and delicate nature of the problem, and to avoid rigidity in the discussion, it was agreed earlier that these discussions should be regarded as informal with the remarks of the Permanent Representatives not to be construed as representing the official views of their governments, unless the speaker were to make it clear to the contrary. At the same time it is taken for granted that when speaking on these questions most, if not all, of the Permanent Representatives are aware of at least the preliminary views of their national authorities.

It is now expected that a preliminary progress report on this question will be submitted for the consideration of Ministers at the forthcoming meeting in Athens, May 3-5. The majority view in the Council now favours the idea of a joint meeting of Defence and Foreign Ministers in Athens in order that consideration can be given to NATO defence policy. The United States, in particular, wants to have a joint meeting mainly so that the present momentum behind the review of NATO defence policy can be maintained.

There have been a number of detailed reports from our NATO delegation on the discussions to date which have been centred mainly on a paper prepared by the Secretary-General. The Acting Canadian Permanent Representative, Mr. Ignatieff, participated in the discussion on the basis of preliminary guidance prepared in this Department in consultation with the Department of National Defence.

The attached memorandum attempts to summarize for your information the main points in the Secretary-General's Paper and the highlights of the discussion to date.<sup>16</sup>

H.C. G[REEN]

[PIÈCE JOINTE/ENCLOSURE]

*Note*

*Memorandum*

SECRET

[Ottawa], March 8, 1962

In accordance with the decision reached at the December NATO Ministerial meeting, the Permanent Representatives have resumed their discussion of NATO defence policy. Among the various aspects to be considered are NATO strategy, control of nuclear weapons, MRBMs, commitment of U.S. Polaris submarines to NATO and conventional forces. Depending on the amount of progress achieved during these discussions it is possible that a report on some

<sup>16</sup> Note marginale :/Marginal note:  
Returned Mar. 26/62. [H.B. Robinson]

aspects of NATO defence policy will be submitted for the consideration of Ministers at the spring meeting scheduled to be held in Athens from May 3-5.

2. Background papers are being prepared by the Secretary-General. The first deals with the control of nuclear weapons (copy attached†). This has been the basis for a series of meetings of the Permanent Representatives which were held during the past month.

3. Three central ideas are developed in Mr. Stikker's paper:

(a) Formal assurances on the part of the United States Government that an agreed level of nuclear weapons would continue to be deployed in support of the Alliance; and assurances on the part of the United States and the United Kingdom that their strategic air and naval forces intend to cover all Soviet missile launching bases that are beyond the capacity of NATO strike forces.

(b) Four possible arrangements for political control, the first of which involves a delegation of authority to a select group of countries; the second an automatic commitment by the United States to release nuclear weapons in response to a request from a country attacked and from SACEUR; and the last two involving schemes for arriving at decisions by weighted voting.

(c) Agreed guide-lines to govern any decision to be taken by the President of the United States in regard to the use of nuclear weapons by NATO forces.

#### *Formal Assurances*

4. On (a) above, the *United States Permanent Representative* said during one of his first interventions that he would not envisage any difficulty in providing the assurances mentioned. At the same time he indicated that it would be a mistake to attempt to establish a fixed agreed level of nuclear weapons since the primary purpose was to have the right number for the job at hand. In response to requests for clarification he said that the U.S.A. envisaged a level of nuclear weapons "adequate for the execution of approved NATO plans." Two additional points which he made were (i) all bases from which Soviet nuclear strength might be launched against NATO Europe were included in the strategic forces; (ii) no concept existed in U.S.A. thinking for delaying the strikes against these targets until the U.S.A. itself was under attack.

5. At a later stage in the discussion he made, on instructions, a long statement which constituted, in effect, assurances that the operational plans of U.S.A. strategic strike forces specifically provided for striking Soviet missile launching bases which directly threatened NATO Europe. Related points which he made were:

(i) Soviet MRBM sites were included in the top priority class of targets. There was no concept in U.S.A. thinking of delaying their destruction until Soviet installations directly threatening North America had been destroyed,

(ii) The operational plans of SACEUR, SACLANT and strike forces external to NATO Europe were coordinated in one targeting operation,

(iii) Strategic retaliatory forces (external to NATO Europe) were fully capable of attacking the Soviet target system as a whole, even after absorbing an initial Soviet surprise attack. These forces could carry about 1,300 weapons with a combined yield of more than 100,000 Hiroshima-sized explosions.

(iv) In the U.S.A. view, despite the growth of Soviet power, we would expect to maintain a Western preponderance of strategic striking power even if it had to survive a first attack. It was true, nevertheless, that even under the most favourable military circumstances, the destruction of all elements of Soviet striking power could not be assured. It must be recognized that even a small surviving Soviet force could accomplish massive destruction.

*Arrangements for Political Control Through Restricted Groups or Weighted Voting.*

6. The discussion on (b) above revealed that no member of the Council favoured either restricted groups or weighted voting for the purpose of exercising political control over nuclear weapons. It was apparent that members of the Council supported the idea of restricted groups only so long as they were part of the groups. It was also pointed out that a limited group would be subject to many of the same drawbacks which were involved in attempting to exercise control through the Council itself e.g., the possibility of physical destruction or problems of communication in times of crisis. Similarly on the concept of unanimity versus weighted voting, there was the possibility of disagreement to be faced no matter how small the group might be. In addition, the discussion showed that no matter what groups might be established, all member governments of the Alliance would wish to be in a position to make their own judgments with respect to the use of nuclear weapons.

7. In summing up the discussion, the Secretary-General said he hoped that as far as methods of political control were concerned, the matter of restricted membership and weighted voting had been disposed of once and for all. He thought that if there was a problem of "fifteen fingers on the trigger" it was clearly going to have to be solved by some other method.

*Guidelines*

8. The majority of Council members have expressed support for the principle of establishing guidelines (point (c) above). None, however, committed themselves to any exact language. There was also little evidence of support for the concept of formally delegating responsibility to the President of the United States to act for the NATO nations; the French definitely opposed it. Also there were further appeals for the provision by the U.S.A. of further information concerning nuclear weapons at the disposal of the Alliance and an obvious desire on the part of many members to make improvements in the matter of consultation between the U.S.A. and member countries concerning the possible use of nuclear weapons. It was also generally agreed:

- (i) That the draft guidelines set out in paragraph 13 of the Secretary-General's paper were intended to apply to existing nuclear weapons which were earmarked for NATO forces and not to further weapons which might be provided (e.g. any multilateral MRBM force) and
- (ii) That the situation at the present time was that the President of the U.S.A. must take the first action with respect to the use of nuclear weapons by way of a decision to release them.

9. The highlight of the discussion on guidelines was contained in two interventions by the U.S.A. *Permanent Representative* dealing with the guidelines themselves and the "external forces" of the Alliance (i.e. SAC, ICBMs, etc.). Since the language of the guidelines was acknowledged to be of considerable importance and would take considerable time to draft, Mr. Finletter said his authorities hoped that pending completion of this drafting process, the Alliance would be satisfied with the points made by Mr. Rusk at the 1961 December Ministerial Meeting and by himself at a Council meeting in April 1961. These points, which had been approved by the President, were:

"Until some such North Atlantic Council agreement (on guidelines) was reached, the President wishes to make clear his intention to direct or to authorize as appropriate the use of nuclear weapons in the event that the Alliance is subject to an unmistakable nuclear attack, or that NATO forces are subjected to a non-nuclear attack with which they cannot cope."

Mr. Finletter suggested it should be part of the process of elaborating guidelines for agreement to be reached in the Council on the exact meaning of the phrase "with which they cannot cope."



10. The *U.S.A. Permanent Representative* said he thought those countries in direct contact with the Soviet Union (Norway, Germany, Greece and Turkey) had a special interest in the language of the guidelines, since they were all more subject to conventional attack than other members of the Alliance. The United States, he said, still believed the Alliance should give renewed attention to developing its forward conventional strategy. There was a balance of judgment involved. In the U.S.A. view, a build-up in conventional forces would help in establishing this balance. Two elements made up the balance:

- (i) in the event of a limited attack the process of consultation could not be allowed to be so protracted as to allow that attack to succeed;
- (ii) the U.S.A., however, desired to consult its allies and to have an opportunity to use all non-military resources which might affect the situation before deciding to use nuclear weapons.

Mr. Finletter said there was deep concern on the part of the U.S.A. Government for the more exposed members of the Alliance and for the integrity of their forces and their territories. The means had to exist, however, which would allow for a best judgment to be made at the critical time. The importance of conventional forces in this context was apparent to the U.S.A. authorities.

11. On U.S.A. intentions regarding the use of its "external forces" (SAC, ICBMs etc.) Mr. Finletter referred again to his statement of last April and the indication therein of the indivisibility of the defence of Europe and North America and of the U.S.A. intention to continue to provide for the nuclear defence of Europe with weapons and forces stationed outside the European Theatre. He said he felt certain the President would agree that he would consult members of the Alliance through the Council, if time permitted, concerning the use of U.S.A. strategic forces external to the Treaty area. He thought that at some stage in the Council's discussion it might be possible to develop a "more perfect guideline" in this respect.

12. A number of Permanent Representatives welcomed Mr. Finletter's interventions as a great step forward towards a real sharing of responsibility on the part of the Alliance with the President of the U.S.A. for the use of nuclear weapons. Those who spoke admitted that the facts of the case were that only the President had the ability to release nuclear weapons; they seemed anxious to underline the fact that the President should not be so hamstrung that he could not make the necessary decisions. On the other hand, the offer by the U.S.A. to share additional information and to commit themselves to certain guidelines would to a degree involve all members in the exercise of ultimate responsibility.

13. In response to a number of questions, the *United Kingdom Permanent Representative* indicated that his authorities were in favour of the principle of guidelines and would prefer the more general language used in Mr. Finletter's statement. On the other hand, his authorities would be prepared to accept any alternative wording "which would not involve automatic nuclear response before the degree of attack had been determined."

#### *Canadian Position*

14. The Acting *Canadian Permanent Representative* Mr. Ignatieff took part in the discussions and expressed in three interventions (Feb. 19, 27 and Mar. 2) preliminary Canadian comments on the Secretary-General's paper. He based his remarks on general guidance furnished by the Department of External Affairs in consultation with the Department of National Defence and approved by the Secretary of State for External Affairs. The main points he made were:

- (i) Problem of control of nuclear weapons is primarily and essentially a political problem involving the exercise of responsibility by governments over the use of force and the use of

a type of force which must inevitably increase the dangers of escalation towards all-out nuclear war.

(ii) We can see the need for careful study of the problem and welcome the Secretary-General's step by step approach.

(iii) We seriously question the feasibility of any advance delegation of responsibility for decisions to multilateral authority and of concept of decision by weighted voting.

(iv) The question of political control should be related to other considerations affecting the security equation, i.e., build-up of NATO conventional strength; peace-keeping operations; the importance of preventing further dissemination of nuclear weapons; and control arrangements being considered as part of Western policy on disarmament.

(v) The questions of political control and adequate conventional strength are inter-related. Political control is required in order to prevent the premature use of nuclear weapons. Conventional forces in sufficient strength are required so that the decision to use nuclear weapons is not forced on the Alliance because it does not have other means of coping with a given situation. All members of the Alliance have a common interest in trying to ensure that governments have as much opportunity as possible to exercise judgment, control and diplomacy before having to consider resorting to nuclear weapons.

(vi) Assuming acceptance of the concept of guidelines we attach a good deal of importance to the proposed arrangement for consultation by the U.S.A. government with other governments. While, in principle, the arrangements for consultation described in the Secretary-General's paper seem reasonable, further clarification is required as to what the role of the NATO Council would be.

#### *Future Meetings*

15. It appears to be generally agreed that the Permanent Representatives have gone about as far as they can usefully go at this stage in considering the Secretary-General's paper. Consequently, the next one or two meetings will be concerned with a United Kingdom proposal for a NATO committee which would act as a clearing house for information on nuclear matters, share in the peacetime administration of nuclear weapons committed to NATO, and be consulted on aspects of nuclear deployment and policy in Europe. Also, the Permanent Representatives may turn their attention soon to a suggestion by General Norstad to implement more fully than has been possible heretofore the agreed NATO concept of a "forward strategy" in Allied Command Europe taking into account the increased amount of forces now available as a result of the recent build-up, and the need to do whatever is possible to avoid an all-or-nothing response to Soviet pressures. These proposals will be dealt with in separate papers.

136.

DEA/50219-AL-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], March 12, 1962

NATO DEFENCE POLICY – CONTROL OF NUCLEAR WEAPONS

In a memorandum of March 8 we attempted to summarize for your information the highlights of the discussion in the NATO Council up to March 6 on the complex question of

control of nuclear weapons. The discussion centred mainly on a paper prepared by the Secretary-General (document NDP(62)2) paragraph 13 of which set out suggested language for guidelines designed to govern any decision to be taken by the President of the United States in regard to the use of nuclear weapons by NATO forces.

2. During the course of the discussion it became clear that the majority of the Permanent Representatives supported the principle of establishing guidelines. None, however, committed themselves to any exact language. As part of the drafting process, the Secretary-General submitted last Thursday a redraft of paragraph 13 (text contained in NATO Tel. 649 of March 9, copy attached†). As we understand them these paragraphs mean that:

(a) the countries having possession of nuclear weapons (U.S.A., U.K. and France) will release them for use without necessarily consulting other governments in the event of

(i) an unmistakable Soviet attack with nuclear weapons on the NATO area,

(ii) a full-scale Soviet conventional attack indicating the opening of general hostilities on any sector of the NATO area;

(b) in all other cases, and where the Soviet attack could not be successfully held with existing conventional forces, the decision to use nuclear weapons would be subject to prior consultation in the Council;

(c) in cases (a) and (b) governments having possession of the weapons have an obligation to consult the other governments, where time and circumstances permit, before releasing the weapons for use.

In our view the new paragraph 13 is more acceptable than the original because (i) the old wording appeared to envisage a decision by the U.S.A. to release nuclear weapons for use, without prior NATO consultation, in the event of a Soviet conventional attack which could not be contained by NATO conventional forces and (ii) the original wording did not appear to include the U.K. and France who as possessors of nuclear weapons, should also be covered by these guidelines. For these reasons we think the new wording represents an improvement and appears to be generally acceptable subject to certain changes which we have suggested in the proposed telegram of guidance referred to below.

3. Since the language of the guidelines is acknowledged to be of considerable importance and considerable time will be required before agreement is reached, the United States Permanent Representative confirmed at the meeting of Permanent Representatives on March 8 that his authorities hoped that the Alliance would be satisfied with the following interim arrangement on the adoption of agreed guidelines. He indicated that the following points were regarded as "existing guidelines" so far as the President of the United States was concerned:

(a) It is the President's intention to direct or to authorize as appropriate the use of nuclear weapons in the event that (i) the Alliance is subject to an unmistakable nuclear attack or (ii) NATO forces are subjected to a non-nuclear attack with which they cannot cope;

(b) If time permitted, the President would consult members of the Alliance through the Council on "the use of nuclear weapons anywhere within or without the territory of the Alliance."

4. *Mr. Finletter* specifically asked if reaffirmation on an interim basis of these guidelines, and the President's commitments with respect to consultation concerning the use of U.S.A. strategic forces, would be acceptable to the Council.

5. The Secretary-General's redraft is up for discussion at a private meeting of the Permanent Representatives tomorrow, Tuesday, March 13. The Delegation has asked for an indication of our preliminary views. The attached telegram of guidance,† prepared in consultation with the Department of National Defence, is submitted for your consideration and approval, if you agree.

6. You will observe that it does not deal with Mr. Finletter's suggestion that governments might be willing to accept on an interim basis the guidelines by which the President is currently operating. In view of the short time which we have had to consider this question (the telegram came in over the weekend) and the importance of the subject, especially the idea of the President consulting the Council, where time permits, on the use by the U.S.A. of nuclear weapons anywhere in the world, we thought it would be advisable to indicate to our Delegation that we would like to have more time to consider this matter.

N.A. R[OBERTSON]

137.

DEA/50219-AL-2-40

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

TELEGRAM DL-554

Ottawa, March 21, 1962

SECRET. OPIMMEDIATE.

Reference: NATO Paris Telegrams 723 of March 16<sup>†</sup> and 704 of March 14.<sup>†</sup>

Repeat for Information: NATO, Paris, Disarmament Delegation, Geneva.

NATO DEFENCE PLANNING – GUIDELINES

In the light of the information contained in NATO Paris telegram 723, we would be grateful if you would make informal enquiries at the State Department with a view to determining

(1) The motives underlying U.S.A. offer to consult in NATO on use of nuclear weapons anywhere in the world.

(2) U.S.A. intentions regarding future action in the light of apparent reluctance in the Council (see NATO telegram 704) to sidetrack current discussion of Secretary-General's draft guidelines to consider U.S.A. suggestion.

2. We are inclined to share Delegation's worries about the need to avoid premature decisions or announcements on a matter of this importance. It would seem advisable to concentrate on guidelines relating to use of nuclear weapons by forces assigned to or earmarked for NATO with a view to having a draft available for consideration by Ministers at Athens meeting. With relatively short time remaining before the Ministerial meeting, we can see considerable advantages in not complicating the issue by attempting to consider the U.S.A. proposal.

[N.A.] ROBERTSON

138.

DEA/50219-AL-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], March 22, 1962

NATO DEFENCE POLICY – CONTROL OF NUCLEAR WEAPONS

The Permanent Representatives are continuing their round of informal private meetings on various aspects of the problem of control of nuclear weapons. Progress to date has been slow. The intention is to try to have available for the consideration of Foreign and Defence Ministers in Athens in May draft guidelines designed to govern a decision taken by the President of the United States relating to the use of nuclear weapons in the defence of the NATO area, and to describe the circumstances where consultation with other governments through the Council would be required before resorting to the use of nuclear weapons.

2. During the discussion the United States Permanent Representative described the guidelines on the basis of which the President is currently operating. Mr. Finletter's explanation of these guidelines made clear not only the President's intention in respect of weapons to be used by NATO forces but also the President's intention to consult, if time permitted, members of the Alliance through the Council on "the use of nuclear weapons anywhere within or without the territory of the Alliance."

3. The United States Permanent Representative also expressed his government's intention to supply, provided effective security procedures can be devised, the other members with a good deal of detailed and important information relating to the disposition and plans for nuclear weapons in the NATO area as well as information concerning U.S.A. strategic forces and their targets.

4. In view of this U.S.A. willingness to share a greater amount of nuclear information with their partners and in the light of the evident desire of certain members (particularly Germany) for a greater amount of influence in the formulation of NATO nuclear policy, the United Kingdom has suggested the idea of establishing a special committee to receive the information on a systematic basis and possibly to exercise certain advisory functions. The Secretary-General has put forward some refinements of this U.K. proposal. These matters and the question of adequate security procedures are currently under examination.

5. The attached memorandum<sup>17</sup> attempts to summarize the discussion of these questions for your background information.

N.A. R[OBERTSON]

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<sup>17</sup> Note marginale :/Marginal note:  
Returned Mar. 26/62. [H.B. Robinson]

139.

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], April 6, 1962

NATO NUCLEAR POLICY – CONTROL OF NUCLEAR WEAPONS

I attach for your signature, if you agree:

(i) A memorandum to the Prime Minister summarising as briefly as possible the main points put forward by Mr. Stikker which will be considered by Ministers at Athens and the reasons why it would be in the Canadian interest to accept the Secretary-General's proposals as a basis for discussion. A more detailed memorandum is attached to explain the argumentation more fully.

(ii) A telegram of guidance to Mr. Léger for use when the Secretary-General's proposals are discussed next Friday. To date Mr. Léger has had no official guidance on the Secretary-General's paper, text of which was set out in attached NATO telegram 869 of April 2.† The attached telegram to NATO has the support of Mr. Harkness.

G. IGNATIEFF  
for Under-Secretary of State  
for External Affairs

[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*

SECRET

[Ottawa], April 6, 1962

NATO DEFENCE POLICY – CONTROL OF NUCLEAR WEAPONS

Agreement was reached this week in the NATO Council that the meeting in Athens should be a joint meeting of Defence and Foreign Ministers and that one of the main subjects for discussion should be NATO defence policy with particular reference to the problem of control of nuclear weapons.

To prepare the ground for the discussion of this question, the Secretary-General has suggested that Ministers at Athens be asked to:

(1) note with satisfaction the assurances received from the U.S.A. regarding the availability of nuclear weapons for the defence of the NATO area and by the U.S.A. and the United Kingdom regarding the targeting of their strategic forces;

(2) welcome the intention of the U.S.A. and U.K. Governments to furnish the NATO allies with the fullest amount of nuclear information compatible with security in order to assist their allies in obtaining a full insight into the overall problem of NATO nuclear defence;

(3) agree to the establishment of a NATO nuclear committee, consisting of all the Permanent Representatives, to receive and study on a permanent and systematic basis nuclear information relating to NATO defence;

(4) agree to the establishment of special security procedures;

(5) accept general guidelines outlining the circumstances under which nuclear weapons would be used and the extent to which there would be prior consultation with governments through the Council. The general sense of these guidelines might be summarized as follows:

A NATO nuclear response on a scale appropriate to the circumstances would be made:

(i) in the event of unmistakable Soviet nuclear attack; in such circumstances the possibilities for consultation would be extremely limited;

(ii) in the event of a full-scale conventional attack indicating the opening of general hostilities; in such circumstances it is anticipated there would be time for consultation.

In the event of a Soviet attack not fulfilling the conditions described in (i) and (ii) the decision to use nuclear weapons would be subject to prior consultation in the Council. We have proposed an amendment which would make it clear that the prior consultation would be *with governments* through the Council; however, no agreement has yet been reached on the wording of this section.

(6) note with satisfaction U.S.A. intention to consult, if time permitted, in NATO on the use of their strategic forces anywhere in the world;

(7) instruct the Permanent Council to press forward as rapidly as possible with the examination of the conventional forces requirements of NATO and of the "MRBM question."

After consultation with the Department of National Defence we have come to the conclusion that we can accept the above proposals as a basis for discussion by Ministers at Athens. We intend, however, to continue to press for language in the guidelines relating to consultation which will make it perfectly clear that any decision to use nuclear weapons in situations which are not either an unmistakable Soviet nuclear attack or a full-scale conventional attack would be subject to prior consultation *with governments* through the Council.

We also intend to make it clear that our acceptance of the reference to the "MRBM question" is on the understanding that there will be no substantive discussion of this question by Ministers at Athens since the preparatory work on this has not progressed far enough. In our view the purpose of this draft conclusion is simply to indicate that this matter will be considered by the Council at an early date along with the question of the NATO requirement for conventional forces, which is being stressed by the U.S.A. Government.

A more detailed outline of the argumentation is contained in the attached memorandum.† I believe, and Mr. Harkness concurs, that it is in the Canadian interest to accept the proposals as a basis for discussions at Athens.

H.C. G[REEN]

140.

DEA/50219-AL-2-40

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

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

SECRET

[Ottawa], April 11, 1962

NATO DEFENCE POLICY – CONTROL OF NUCLEAR WEAPONS

As part of its consideration of "guidelines" the Council will discuss at its meeting on Friday, April 13, the compatibility between the guidelines set out in the latest paper prepared

by the Secretary-General (text contained in paragraph 5 of attached NATO telegram 869 of April 2) and the main points raised in the Military Committee's report on the military aspects of the control of nuclear weapons in NATO. The Standing Group has expressed its concern that this question of compatibility be examined in the Council and has summarized in a letter to the Secretary-General the main aspects of MC95 which require consideration (see attached NATO telegram 870 of April 2†).

2. The Standing Group's summary reads as follows:

“MC95 visualises four broad categories of military action: A nuclear surprise attack; a nuclear attack after strategic warning; a conventional attack and a hostile local action. In the case of the nuclear surprise attack the compression of time will place a severe restriction on decision-making. In the other three cases there will be time for consultation in varying degrees. Therefore, the Standing Group considers that any guidelines developed by the NAC must on the one hand take account of the nuclear surprise attack wherein compression of time places a most severe restriction on any decision-making, and on the other hand permit consultation with varying degrees of available time for the other categories.”

3. We have examined MC95 in consultation with the Department of National Defence and we are generally satisfied that its main conclusions are compatible with the proposed guidelines. There are, however, two additional points which we feel should be included in any instructions for Mr. Léger.

4. The first is that the NATO military authorities should keep in mind the overriding authority of the Council as the channel for expression of views of member Governments and therefore should not go too far in reaching firm conclusions on the military side until the discussion in the Council on guidelines is completed.

5. Second, the political directive of 1956 and the existing military guidance papers clearly imply that NATO military planning should proceed on the basis of the possibility of using nuclear weapons in the event of an attack greater than a local hostile incursion or small scale attack. For example, the military guidance paper (MC14/2) states that if the Soviets were involved in a local hostile action and sought to broaden the scope of such an incident, or to prolong it, the situation would call for the utilization of all weapons and forces at NATO's disposal. Since the Military Committee's report is predicated on these existing guidance papers and refers to them in the section entitled “strategic concept” we think that importance should be attached to the Secretary-General's proposal that when agreement is reached on guidelines in the Council they should be regarded as a “constructive interpretation of the political directive and the strategic concept” which form the basis for current NATO planning.

6. These points are included in the attached telegram of instructions to Mr. Léger† which is submitted for your signature, if you agree. The Department of National Defence has expressed its concurrence.<sup>18</sup>

G. I.[GNATIEFF]

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<sup>18</sup> Notes marginales :/Marginal notes:  
Signed by SSEA 11/4. R[oss] C[ampbell]  
Tel DL-696.† Sent 20:30 11/4. R[oss] C[ampbell]



141.

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], April 12, 1962

NATO DEFENCE POLICY – CONTROL OF NUCLEAR WEAPONS

Our NATO Delegation has been informed (see attached NATO telegram 941 of April 11<sup>†</sup>) that the Secretary-General intends to seek agreement at the meeting of the Permanent Council tomorrow, April 13, on his draft decision (document NDP/62/6) on the establishment of a NATO nuclear committee to receive and study on a permanent and systematic basis nuclear information relating to defence. The substantive part of this draft decision has already been summarized in the Secretary-General's proposed draft conclusions for Athens (document NDP/62/8 – text contained in NATO telegram 869 of April 2) which were dealt with in your memorandum to the Prime Minister of April 6 and in the longer memorandum attached.

2. The proposed committee referred to in the attached draft decision<sup>†</sup> (as amended) represents a major improvement over the original U.K. idea which was to have a restricted committee composed of the Standing Group countries and to give it certain advisory functions. There was however strong opposition from Canada and other members to the concept of restricting the membership to certain countries. As a result, the present formula of a committee of the whole would appear to be acceptable from a Canadian point of view.

3. Also, the present formula appears satisfactory insofar as it leaves open for further consideration the setting up of regional subcommittees and the question of the committee of the whole exercising advisory functions. This is in line with the position we adopted during the discussions in the Council. It seemed to us advisable to wait and see how the committee of the whole worked in practice before giving it any consultative or advisory functions or setting up any regional subcommittees.

4. The proposed security procedures cover the communication, classification of information, and filing arrangements. They prohibit the transmission of nuclear information by cipher, or any electronic means, and request countries to restrict to an absolute minimum the number of persons who may have access to this information. These procedures have been examined in the Department and in the Department of National Defence and are considered to be generally acceptable from a Canadian point of view.

5. We have discussed the above points and the draft decision NDP/62/6 with National Defence who agree with us that its acceptance should raise no difficulties from a Canadian point of view.

6. If you agree, a telegram advising Mr. Léger to this effect is attached.<sup>19</sup>

G[EOERGE] IGNATIEFF  
for Under-Secretary of State  
for External Affairs

<sup>19</sup> Voir le document suivant./See the following document.

142.

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-698

Ottawa, April 12, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris, Bonn, Brussels, Hague, DisarmDel  
Geneva, CJS(W).

By Bag Berlin from Bonn.

## NATO DEFENCE POLICY – NUCLEAR COMMITTEE

The draft decision NDP/62/6 (as amended by points outlined in paragraph 6 of your telegram 865†) concerning the establishment of a NATO nuclear committee is acceptable from a Canadian point of view.

[H.C.] GREEN

143.

DEA/50030-AG-2-40

*Note de l'adjoint spécial au premier ministre  
pour le premier ministre*  
*Memorandum by Special Assistant to Prime Minister  
for Prime Minister*

TOP SECRET

[Ottawa], June 20, 1962

The attached telegram describes an important statement of United States views on the provision of medium range ballistic missiles for NATO. The United States considers there is no urgent military requirement for such a force but it could be important politically. The United States is therefore willing to join her allies in creating a multilaterally-owned, financed, controlled and manned seaborne Medium Range Ballistic Missile force. The cost of 200-250 missiles is estimated at two billion dollars.

O.W. D[IER]

[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 1439

Paris, June 15, 1962

TOP SECRET. PRIORITY.

Repeat for Information: London, Washington, CCOS, CJS(W), Paris, Bonn, Brussels,  
Hague, DisarmDel Geneva.

By Bag Berlin from Bonn.

## NATO DEFENCE POLICY – MRBMs

After a hiatus since the Athens Ministerial Meeting this subject was reopened in restricted session at Council's meeting on June 15 with a most substantial statement of USA position on the creation of MRBM forces. The concluding paragraphs of a long USA statement are included at the end of this message. They summarize the more detailed arguments advanced in the rest of the statement, the full text of which will be sent to you by the next bag.

2. The Secretary-General led off the discussion with a reference to the task set by Ministers at Athens for the continuation of study by the Permanent Council of NATO defence problems. He said in the interim he had been trying to develop primarily procedural suggestions as to how the Permanent Council should tackle the task. He had concluded that the "step by step" approach used in the development of the guidelines which had formed the basis of the discussions in Athens offered once again the best procedural approach. The priority problem was consideration of the MRBM requirement put forward by the military authorities. It seemed to him that [a] problem which was as complex as that presented by this stated requirement should be discussed in stages if progress was to be made. His thoughts had led him to suggest a three-stage approach to the problem consisting of

(a) a detailed study of the military requirement presented, including the numbers and kind of MRBM which might be needed;

(b) a study of the estimated cost of meeting the military requirement; and

(c) a study of the consequences of a political decision –

(a) to accept the military requirement as stated in whole or in part,

(b) to reject the requirement, or

(c) to consider alternative methods of meeting the requirement.

He had a rough draft paper on this subject which he proposed to provide to members of the Council as a basis for discussion if this procedural approach recommended itself. He had discussed his approach with USA delegation and wished to discuss it further with SACEUR before producing a paper for Council's consideration. He hoped that he could produce that paper for consideration at a further meeting of Council on June 21. In the meantime USA delegation had requested that an opportunity be provided for a statement of USA views.

3. Finletter introduced his formal statement with an indication that the procedural suggestions made by the Secretary-General seemed reasonable insofar as USA was concerned. He referred to the past history of the MRBM question and specifically to the reservation entered last fall by USA<sup>20</sup> with respect to SACEUR's stated requirement for MRBMs. He linked his statement therefore directly to Council's decision of October 31/61, the text of which is included in document CM(61)102. The effect of that resolution was to defer for further study action on the proposals of the NATO Commanders for the provision of MRBMs and SSNBs. USA Government position had now been developed and he wished therefore to present "carefully considered USA governmental views" on the subject. In oversimplified terms the burden of the statement was that in USA view there was no repeat no urgent military requirement for the MRBMs proposed by the Military Commanders but that the building up of a multilateral MRBM force could have considerable importance politically. USA was therefore prepared, if her allies wished to participate in an MRBM force, to join them in creating a multilaterally owned, financed, controlled and manned seaborne MRBM force.

4. After Finletter had made his statement the Secretary-General said that it was his understanding that USA was willing to consult further with its allies with respect to what had

<sup>20</sup> Aucun document faisant état des réserves exprimées par les États-Unis n'a été trouvé.  
No document discussing this USA reservation has been found.

been set out as a national point of view. He understood as well that consultation on the procedural basis which he the Secretary-General would be suggesting was acceptable to USA. He hoped therefore that discussion on June 21 could be mainly of a procedural nature and he undertook at that time to make his thoughts available in writing. He expressed the hope that firm national positions would not repeat not be taken with respect to the whole subject too early in the discussions since this made correlation of national views so difficult. He believed that the experience gained from discussion leading up to Athens guide lines suggested the desirability of breaking these very complex subjects into manageable elements for a discussion.

5. Belgian representative emphasised the importance of two elements of USA statement. First was the recognition of the political importance which might be attached by other members of the Alliance to the matter of a multilateral MRBM force. The statement implied recognition of the argument that Europe could no longer exist as a "protected state" but would be granted an opportunity to take part in the production, control and targeting of an MRBM force. The second element was the emphasis in the statement on the seaborne nature of any multilateral force. Speaking for his own country he said that the seaborne concept was the only one which would be acceptable to Belgian Government. Turning then to the procedural suggestions made by the Secretary-General, he believed that intellectually they were sound. He warned however that the separation of elements in this complex [matter] could lead to difficulties. It was for example difficult to talk about the military requirements *per se* without giving consideration to the political consequences of whether or not repeat not such weapons would be land or sea based.

6. I agreed with my Belgian colleague as to the importance of USA statement and suggested that two priorities should be borne in mind in our future consideration of this topic. The first was the overriding importance of political factors in the consideration of the MRBM problem and the desirability therefore of setting such individual elements as costing, location, etc., in their proper political framework. The second priority which struck me was USA paper itself. While it could be said to be a national viewpoint it was at the same time a paper which only USA Government among the Alliance could produce. In that sense it could be considered at least in part as a draft charter for the atomic policy of the Alliance as a whole. Other national papers were not repeat not likely to be comparable in scope.

7. A number of other Permanent Representatives, including those of Italy and Denmark, welcomed the reopening of the discussion on NATO defence planning and emphasised the high importance which they attached to the statement of USA views. They recognized the advantage of the step by step approach but emphasised as well the need for general instructions from governments on principles which would guide the detailed discussions because of the extreme political importance of the subject matter.

8. It was agreed then that Council would meet on June 21 to hear the more detailed views of the Secretary-General with respect to procedure. It is not repeat not impossible however that the clear expression of USA views may lead some other governments to put forward views of substance even at that early date.

9. The classification given to this message is that given to USA statement by its authors.

10. The following is the text of the concluding paragraphs of USA statement:  
Begins:

*To Sum up our View on the Military Requirement.* The Alliance position on the MRBM should be viewed in the context of global nuclear war. In this context, USA believes that already programmed, rapidly growing, nuclear forces are adequate to meet Alliance needs, and USA is willing to continue to bear the responsibility of dealing with targets which its forces

plan to cover, if the other members of the Alliance do not repeat not wish to take part in the building of a NATO force to deal with some of these targets.

We believe that these programmed forces are sufficient to deter any rational Soviet initial resort to nuclear weapons or all-out non-nuclear attack.

If deterrence fails, these programmed forces have the capability to destroy the greater part of Soviet nuclear forces, albeit at high cost in terms of possible resultant damage to the West.

We believe that such a devastating nuclear exchange would bring any advance of Soviet ground forces toward Western Europe to a halt. If not repeat not, the capability of programmed forces of varying kinds and ranges to master their Soviet counterparts and to attack Soviet ground forces and supply lines would meet the Alliance's tactical needs.

Therefore, the coverage of Soviet targets, including SACEUR's threat list, will remain effective, despite the fact that Europe-based strike aircraft will be declining in utility during this period as a means of delivering nuclear weapons.

And we believe that the Alliance forces which can accomplish these tasks represent about the right mix of different systems. USA does not repeat not believe, therefore, that MRBMs are urgently needed for military reasons.

#### *The Multilateral Force*

We realize that our views may not repeat not be wholly shared by all members of the Alliance. This difference need not repeat not prevent the Alliance from taking useful action in the MRBM field, if a sufficient desire for such action exists in the Alliance. Such a program for expanding our nuclear striking power would, of course, have military utility; and it could have considerable importance politically.

If our allies wish to add MRBMs to NATO forces and to participate in an MRBM force, USA is prepared to join them in creating a multilaterally owned, financed, controlled, and manned seaborne MRBM force. USA would be prepared to facilitate procurement of MRBMs only under multilateral ownership, control, and manning.

Any such multilateral force should be seaborne to avoid the political problems associated with land-based deployment, to minimize vulnerability and collateral damage, and to permit genuinely multilateral control and manning. When we say a multilaterally manned force, we mean that the manning of each vessel, and of the missiles aboard each vessel, should be genuinely mixed; obviously, this does not repeat not mean that each vessel need have fifteen nationalities aboard – three nationalities should suffice to create a balanced crew in which no repeat not single nationality is predominant.

If such a force were established, presently programmed Alliance nuclear forces should, of course, be reviewed from the standpoint of possible resultant reduction in those programmed forces.

Planning for the use of any such MRBM force could be worked out by the Alliance in the light of its continuing consideration of strategy, the role of the force in that strategy, and other relevant factors. In this process the views of SACEUR – especially concerning targeting – would naturally be taken carefully into account.

It would be essential that construction of such an MRBM force, if it should take place, be undertaken parallel to a continuing vigorous build-up of NATO non-nuclear forces. Establishment of such an MRBM force would be contra-productive if it diverted resources from that build-up. There would, of course, be substantial costs to NATO associated with an MRBM program, even if we cannot repeat not now estimate this magnitude with precision. Because of these substantial costs and the availability of other forces which I have mentioned, we do not repeat not believe that an initial sea-based MRBM force should be larger than about 200 missiles. Whether further steps might eventually be useful is a question which the Alliance

need not repeat not decide now. We currently estimate that the cost of 200-250 MRBMs would be about \$2 billion. These cost estimates are tentative and preliminary. USA would pay an appropriate share of this cost, but the bulk of this expense would necessarily fall upon European participants in such a force. North Atlantic Council will need to consider how this cost should be met, and how to insure that this undertaking does not repeat not interfere with the necessary appropriations for conventional forces. Ends.

144.

DEA/50219-AL-2-40

*Note du président du Comité des chefs d'état-major  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Chairman, Chiefs of Staff,  
to Under-Secretary of State for External Affairs*

TOP SECRET

[Ottawa], June 28, 1962

## NATO DEFENCE PLANNING – MRBMs

In my judgement, the statements recently made by Mr. Finletter in the Council are completely consistent with those previously made by Messrs Rusk and McNamara at the Paris and Athens meetings. Mr. Finletter's statements are a continuation of the strong American initiative which began in Paris. This initiative reflects the appreciation of the Kennedy Administration concerning the political and military necessities of NATO. The principal American objective seems to be the achievement of MC 70 force goals in quality and quantity. At the same time the USA is going to considerable lengths in order to demonstrate that nuclear forces under US control are and will remain sufficient to satisfy all military requirements of the alliance, and that, if necessary, the USA is prepared to use these forces.

From the American point of view the MRBM seems clearly to be a subordinate issue, but one which, for political reasons, the USA cannot brush aside. The US position also appears to be quite clear. There is no purely military requirement for a NATO MRBM force since the necessary military capability is provided by US forces based outside of Europe. The USA has stated its willingness to assist in the establishment of such a force, subject to certain conditions, of which the most important is "multilateral control." However, the NATO MRBM is, from the American point of view, essentially a political requirement.

In undertaking the present initiative the USA seems to have three specific aims in view:

- (a) To relieve the USA of the charge of failing to take account of the legitimate preoccupations of its allies;
- (b) To place pressure upon the European members of NATO to face up to the problems involved in the control of nuclear weapons, and more specifically to accept the fact of US control or to propose some feasible alternative; and
- (c) As a maximum objective, to provide an alternative to the development of "independent national" deterrents, and to provide a face-saving line of retreat, if not for General de Gaulle, then for some future French government.

In addition, there is the more general aim of maintaining momentum in the Council discussions.

The Secretary-General has proposed that the MRBM be considered in three stages:

- (a) A detailed study of the military requirement, including the numbers and type of MRBM required;
- (b) A study of the estimated cost of meeting the military requirement;

- (c) A study of the political consequences of a political decision:
  - (i) to accept the military requirement as stated in whole or in part;
  - (ii) to reject the requirement; or
  - (iii) to consider alternative methods of meeting the requirement.

The conspicuous omission is the problem of political control of the MRBM force. This might or might not be comprehended under Mr. Stikker's final heading. The ambiguity maintained with regard to this complex and contentious point seems to be deliberate. However, this problem can scarcely be overlooked. The United States has made a condition that the force must be under "multilateral control." The meaning of this condition is, of course, very far from clear, and will presumably at some point require considerable elucidation.

#### *The Canadian Position*

The principals in this debate seem to be the USA, the major European nations, especially Britain, France and Germany, and SACEUR. Canada is to some extent a bystander. At any rate it is not yet clear that any unique and distinctive Canadian national interest is involved. Our principal national concern, therefore, lies in the political solidarity and military effectiveness of the alliance.

The specific question confronting us seems to be the course of the debate and the extent to which we are able to influence it in one direction or another. There is no question about whether or not the discussion is going to take place because it is underway. We may, however, possess a certain ability to turn the discussion in directions which from our point of view would be more rather than less desirable.

Generally speaking, the principal aims of the USA seem to be consistent with our major national interests. The situation which would suit us best is that within NATO all nuclear weapons should be wholly and exclusively under the control of the United States. However, we, like the United States, must take account of the preoccupations of the Europeans. Almost any formula or device which would halt the pressures towards the creation of so-called "independent" national deterrents would deserve our support. In this respect, the discussion itself offers certain opportunities, and principally that of encouraging the European members of the alliance to recognize more frankly the mutual advantages involved in American control.

From the point of view of this Department it does not seem appropriate to suggest any particular line to be followed by the Canadian Representative in the Council. However, there are three topics which can be suggested and which you may feel the Canadian Representative could usefully undertake to explore at some stage in the discussion. These are:

- (a) political control over the MRBM force;
- (b) the contradictions between the US National Representative and SACEUR;
- (c) the apparent contradiction in the statement of the US Representative with regard to the adequacy of US nuclear forces to deter conventional attack or if need be defeat it, and the need stated by Mr. Finletter for stronger conventional forces.

#### *Control over MRBM*

Political control over the MRBM force represents an intractable and quite possibly insoluble problem. If this were to be the first topic considered, it is likely that the discussion would come to a halt or would bog down in generalities. However, the problem must be considered at some point, and it is most particularly in Canada's interests that it should not be passed over lightly.

It might therefore be advisable for the Canadian Representative to propose that "Political Control of the MRBM Force" should be added as item (d) to the Secretary-General's list. This place on the list can be justified on the grounds that the problem cannot usefully be considered

in the abstract; it must be considered in the light of all relevant circumstances including characteristics of the weapon and operational plans for the employment of the force.

The USA might be invited to explain its views with respect to "multilateral control." However, it would seem more advantageous from a Canadian point of view, not to ask this question of the Americans prematurely. We might perhaps hold off until such time as similar questions can be asked of the Europeans. Our basic position might be: those who want something must say what they want.

#### *Differences between the USA and SACEUR*

As matters stand there seems to be a flat contradiction between the US National Representative and SACEUR. SACEUR says that he has a valid military requirement for the MRBM. The US National Representative says that he has not. My general impression is that there is no great difference with regard to the military capability required. However, SACEUR says that he must have this capability under his control, while the USA says that this capability can, without military disadvantage, be provided by forces under US national control and based outside of Europe.

When SACEUR appears before the Council it may be worthwhile for the Canadian Representative to bear in mind the following general questions with a view to defining the differences between SACEUR and Mr. Finletter more precisely:

(a) Does SACEUR believe that the present US capability is in some respect inadequate? At present? In the future?

(b) Does SACEUR consider that there is some military disadvantage in relying upon externally based forces under US control? Coverage of targets? Time?

(c) Are SACEUR's reasons primarily political although expressed in the form of a military requirement?

It is possible that the differences between SACEUR and the US National Representative may involve fairly subtle differences in emphasis. It is also possible that SACEUR may shift his ground. In these respects DND has nothing to suggest, but we shall be most interested in the impressions gained by the Canadian Representative.

#### *Conventional Forces*

There is an apparent contradiction between certain of the statements made by the US Representative:

.... USA believes that already programmed, rapidly growing, nuclear forces are adequate to meet alliance needs, and USA is willing to continue to bear the responsibility of dealing with targets which its forces plan to cover ....

We believe that these programmed forces are sufficient to deter any rational Soviet initial resort to nuclear weapons or all-out non-nuclear attack.

It would be essential that construction of such an MRBM force, if it should take place, be undertaken parallel to a continuing vigorous build-up of NATO non-nuclear forces ....

The US Representative might be invited to clarify this apparent contradiction. His reply is likely to be along the following lines:

(a) Although the USA has a pronounced advantage in nuclear forces, it must be extremely reluctant to rely upon this superiority in all foreseeable circumstances, such as a renewed Berlin crisis; and

(b) With the passage of time the relative Soviet position will improve.

The aim of the question would be to place the US position on the record, and to develop some pressure upon the European members of the alliance to agree or disagree.



*Summary*

So far as can be seen Mr. Finletter's statement involves nothing not said by Messrs Rusk and McNamara at the Paris and Athens meetings. In general, although we may disagree with American tactics, there is, from the Canadian point of view, no reason to disagree with American objectives. It now seems clear that the Americans are determined to press forward and that Mr. Finletter is thoroughly briefed. On the latter point there was previously some doubt. The "coming attraction" is likely to be the reaction of the French.

F.R. MILLER

145.

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-1130

Ottawa, July 23, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: London, Washington, CCOS, CJS(W), Paris, Bonn, Brussels, Hague, DisarmDel Geneva.

By Bag Berlin from Bonn.

NATO DEFENCE PLANNING – MRBMs

We agree that you may support any consensus in Council to base the next stage of the discussion on the MRBM problem on the U.S. statement of June 15 rather than on the military requirements set forth in MC/4 by General Norstad.

2. For your own information, some of the reasons for supporting the U.S. statement as a basis for a discussion are:

(1) It is in the Canadian interest to encourage any development that will limit the tendency towards national nuclear forces. Since one aim of the U.S. statement is to provide the Europeans with an alternative to national nuclear forces, it would appear advisable to go along with any consensus in Council to use the U.S. statement as a basis for discussion.

(2) The U.S. statement of June 15 emphasizes that first priority is still to be given to the build-up of NATO non-nuclear weapons, an approach which we have supported in the past.

(3) The United States is the senior partner of the Alliance and is the power which will provide the missiles for any eventual NATO MRBM force.

4. We would not wish at this stage to offer detailed comments on the U.S. statement of June 15.

[N.A.] ROBERTSON

146.

DEA/50219-AL-2-40

*Le sous-secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Under-Secretary of State for External Affairs  
to Permanent Representative to North Atlantic Council*

SECRET AND PERSONAL

Ottawa, July 25, 1962

Dear George [Ignatieff],

You will recall that during a meeting of the Panel on Economic Aspects of Defence Questions last April at which you were present, the Chairman, Chiefs of Staff, made the statement that the CF-104 to be supplied to the Air Division was capable of using conventional as well as nuclear bombs. Later on this statement was deleted from the minutes of the meeting.

On June 4 we wrote the Chairman, Chiefs of Staff, to ask for information on the proposed armament systems for the CF-104. The Chairman, Chiefs of Staff, was asked whether the aircraft as they come off the production line will be capable of employing conventional weapons and, if so, what types? If not, he was asked what change in the aircraft or its armament system would be required so that the aircraft could use conventional weapons. The Chairman, Chiefs of Staff, was also asked if the NATO forces were required to contain something short of the large scale Soviet conventional attack in Europe without resorting to nuclear weapons, could the CF-104 be used? There has been no reply to our letter.

Other questions that occur to us are related to the storage of nuclear weapons to be used for the CF-104. On the assumption that the Canadian Cabinet agrees to the Air Division training for a possible nuclear role (with the reservation that the Air Division could not use nuclear weapons without specific Canadian Government authority after consultation) where would NATO/US planners expect to store these weapons and what would be the physical and security conditions of storage? In view of the Canadian policy of requiring consultation through Council with the Canadian Government before the Air Division could be used in a tactical nuclear strike role, do NATO planners believe that the Air Division is vulnerable because of its forward redeployment and do they wish it to be redeployed from the forward areas so that it could still be used if and when Canadian Government approval is received? Would the time lag necessary for a Canadian Government decision (whether the Air Division is redeployed or not), require a change in the operational role of the Air Division and, if so, could the CF-104 be used in any other role than as a tactical strike aircraft? There is also the question of the protection of the CF-104 against surprise attack.

Similar questions have occurred to us with respect to the use by the Canadian Brigade of Honest John surface-to-surface missiles with nuclear warheads. It has been argued in the past that these weapons are not strictly necessary for the Brigade (they are heavy support weapons and the Brigade is highly mobile). As you are aware, however, the Brigade is both logistically and operationally tied to the British Army of the Rhine which itself is heavily dependent on tactical nuclear weapons. Could the Canadian Brigade fight as part of the BAOR without nuclear weapons or could the Brigade be separated from BAOR and used in a conventional role elsewhere? If so, on whom would it depend for logistic support and under whose command would it be?

I thought it might be useful for you in any talks which you or your military adviser might have with SACEUR or other senior SHAPE officers, to have an idea of the kind of questions to which in the coming months we will need the answers. We appreciate that factual information will be difficult to come by but will appreciate anything you can gather.

Yours sincerely,

N.A. ROBERTSON

P.S. I am aware from conversations with Ross Campbell since his return from Geneva that additional problems are posed with respect to the CF-104 by virtue of the practice of rotating units on alert duty and having such units armed when that occurs. This practice would seem to rule out any standby arrangement not backed by an agreement sanctioned by the Government. An additional complicating factor would appear to be the location in France of the Canadian CF-104 bases so long as the French Government refuses to allow on its soil nuclear weapons not under its control.

N.A. R[OBERTSON]

147.

DEA/50219-AL-2-40

*Note du chef de la 1<sup>ère</sup> 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], September 12, 1962

NATO DEFENCE STRATEGY

Last July Mr. Ignatieff informed us that he had the impression that most members of the Council would wish to base the next stage of the discussion on nuclear strategy on the U.S. statement of June 15 rather than on the military requirements as set forth in MC26/4 by General Norstad.

2. At that time our NATO Delegation was instructed (see flagged telegram DL-1130 of July 23) to support any consensus in Council to base the next stage of the NATO MRBM discussion on the U.S. statement.

3. During the summer recess the Secretary-General took it upon himself to prepare a paper which he now proposes should be the basis for the next stage of the discussion on this subject. For the reasons outlined to Mr. Ignatieff in our DL-1130 of July 23, we would prefer to support any move to base discussion on the U.S. statement of June 15.<sup>21</sup>

4. Now that the Secretary-General has prepared a paper on his own which he will presumably introduce in Council, it would be awkward to try to exclude his paper and to concentrate only on the U.S. statement of June 15 as the basis for the next stage of the discussion on defence strategy. We have, therefore, somewhat revised Mr. Ignatieff's suggested statement (see Telegram 2063 of September 5†) to take the Secretary-General's paper into account.

<sup>21</sup> Note marginale :/Marginal note:  
I agree. [N.A.] R[obertson]

5. Attached for your signature, if you agree, is a letter to the CCOS† asking for his comments on the attached draft telegram to the NATO Delegation† outlining the Canadian statement to be used in the Council discussion of September 18.<sup>22</sup>

6. We have not asked for the CCOS's detailed views on either the U.S. statement of June 15 or the Secretary-General's paper. Since many of the issues involved are of an international political character rather than strictly military, we should prefer that the responsibility for the first draft of any comments that may eventually be required for the discussion on NATO defence strategy remain in this Division.

7. Attached for your information and reference are flagged telegrams:

DL-1130 of July 23 – Instructions to NATO Delegation for next stage of the discussion of MRBM problem

NATO Telegram 2030† of August 30 – Finletter's views on NATO Secretary-General's attitude to MRBM problem

NATO Telegram 2059† of September 5 – Background forthcoming special meeting to discuss NATO defence strategy on September 18

NATO NDP/6210 September 3 – Copy of Secretary-General's recent paper on NATO defence policy

NATO Telegram 2063 – September 5 – Suggested comments by Mr. Ignatieff for use at Council Meeting September 18.

A.R. MENZIES

148.

DEA/50219-AL-2-40

*Note du président du Comité des chefs d'état-major  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Chairman, Chiefs of Staff,  
to Under-Secretary of State for External Affairs*

TOP SECRET

[Ottawa], September 12, 1962

ARMAMENT SYSTEMS – CF104

1. Reference is made to your letter of 4 June, 1962,† in which you requested clarification with respect to the proposed armament system or systems for the CF104.

2. This aircraft in its original configuration was designed as an interceptor to be armed with a 20 mm gun and the Sidewinder air-to-air missile. In anticipation of a requirement for an aircraft to fulfill a ground attack role, the F104 was further engineered to enable it to carry Center Line and Wing Pylon stores. These included many varieties of general purpose and Napalm bombs. Later, complicated electronic equipment, such as special computers, was added to give the aircraft a nuclear carrying capability. This is the version of the F104 being procured for the RCAF. Technically and financially it was more feasible to leave the previously engineered weapons capability in the aircraft and this was done. However, no provision has been made for conventional weapons and associated support equipment, nor the training of technicians and aircrew in their use. Thus, while it is correct to say that the CF104 has an engineered capability to carry conventional weapons after some modification of the

<sup>22</sup> Note marginale :/Marginal note:

Signed by USSEA & sent by hand 13/9. R[oss] C[ampbell]

aircraft equipment, the Air Division CF104 squadrons, for the reasons stated, will not have this capability.

3. You also asked for my views as to whether or not the CF104 could be used to assist in the containment, without resorting to nuclear weapons, of something short of a large-scale Soviet conventional attack in Europe. In that event the force, as presently planned, could fulfil a very limited reconnaissance role only. To enable the force to take on a wider conventional role it would be necessary to provide support equipment and weapons and train technicians and aircrew in the use of conventional weapons in addition to their primary role.

4. It is perhaps not generally appreciated that, today, given the types of weapons that are available, as well as the very sophisticated delivery systems and techniques required, the effective delivery of one type of weapon on target requires quite different tactics and skills from those required for delivery of another type of weapon. These differences are particularly significant in the case of nuclear versus non-nuclear weapons. In fact, after a pilot has been initially trained in a particular set of techniques during an intensive course at an Operational Training Unit and is assigned to an operational squadron, there is barely sufficient time available for him to both stand his share of the required alerts and to perform the real and simulated flying exercises necessary to maintain proficiency in the delivery techniques previously learned and their application to his several pre-assigned targets. In the case of the RCAF Air Division, which has a secondary role of reconnaissance, the problem will be particularly acute.

5. Your reference to the use of the above information by our NATO Delegation in discussing the re-equipment of the Air Division at the forthcoming Triennial Review is not understood. As far as NATO and the Triennial Review is concerned, Canada has agreed to provide this force as a part of SACEUR's nuclear strike force. This has been stated in former annual reviews. Any change in this commitment is a matter of high policy and not one that should be discussed in the Triennial Review process unless the Canadian Government decides to withdraw its commitment. I do not see that the Canadian Delegation should discuss alternative armament for the CF104 with the International Staff on the Triennial Review at this time.

F.R. MILLER

149.

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 2273

Paris, October 1, 1962

TOP SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 2249 Sep 28.†

Repeat for Information: London, Washington, Paris, CCOS, CJS(W) (Priority).

NATO DEFENCE STRATEGY

Finletter came to see me privately over weekend about handling further discussions on NATO defence strategy.

2. He said that USA concept of effective nuclear defence as put forward by President Kennedy at Ottawa in 1961 and subsequently, represented in USA view an offer to bring European allies of NATO into the fullest possible participation in a centralized and multilaterally controlled nuclear force which was as important in the defence field as the

Marshall Plan had been in the economic. This was prompted mainly by political considerations including USA concern about the proliferation of nuclear weapons through independent nuclear deterrent systems which would ultimately weaken and destroy the Alliance. They also recognized that Germany could not repeat not be excluded indefinitely from an appropriate share in nuclear defence.

3. Most disappointing development had been British reaction. Thorneycroft had made it clear in Washington that he would not repeat not favour a multilaterally controlled seaborne force and denied that there was any urgency in trying to meet German pressures to acquire nuclear capability.<sup>23</sup>

4. Finletter said that Germans were willing to go along with an exploration of possibilities of a MRBM seaborne force along the lines suggested by USA. He also claimed that French would at least go along with study without committing themselves. Other European allies were definitely interested in the idea but there was nobody who could pick up the ball and run with it as there had been when the Marshall Plan was launched.

5. Elements in USA paper could be broken down under following heads:

- (a) question of strategic MRBM weapons for Europe;
- (b) question of replacement of obsolescent missiles and aircraft now available to SACEUR by MRBMs;
- (c) question of increasing conventional forces and decreasing reliance on tactical nuclear weapons.

6. Finletter indicated that USA was inclined at present to shelve discussion on (c) to avoid confrontation of strongly differing views particularly between USA and Germans while they tried to find a solution to problem of nuclear defence on the strategic scale by means of a multilateral seaborne force. Finletter stressed that USA views were by no repeat no means fixed and that they were prepared to consider any reasonable solution in an attempt to accommodate British, French and German interests even including an amendment to the McMahon Act. Specifically they would not repeat not even insist on an American veto if sharing of control were worked out on a sensible basis insofar as the multilateral force was concerned.

7. As regards (b) Finletter's thought was to follow up Italian suggestion that question of whether or not repeat not the obsolescence of missiles and aircraft under SACEUR's command required substitution might be remitted for advice to military committee. Obviously Council would have to discuss the political implications in the light of military committee's recommendations.

8. As to (a) Finletter's concern narrowed down to the problem of how to proceed with a discussion of USA concept of effective nuclear defence on the strategic scale in the face of UK opposition as well as the differing views of the other allies. He expected de Staercke to press his demand that USA concept should be the basis for further discussion but he was not repeat not too happy about having the discussion proceed in Council where he thought it would quickly bog down as the result of allied differences. USA he repeated was not repeat not anxious to get early decisions but on the other hand expected some constructive responses to the President's proposals having regard to the important political implications which the absence of a solution would have in terms of proliferation of nuclear weapons and the strains on allied solidarity. The only procedural idea which he came up with was that he might invite

<sup>23</sup> Voir/See *Foreign Relations of the United States 1961–1963*, Volume XIII (Washington: United States Government Printing Office, 1994), document 397.

some Permanent Representatives to an informal consultation with him to explore USA proposal but frankly asked if we had any ideas to suggest as to how to proceed with the study.

[GEORGE] IGNATIEFF

150.

H.C.G. Vol. 11

*Le représentant permanent auprès du Conseil de l'Atlantique Nord  
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council  
to Under-Secretary of State for External Affairs*

SECRET AND PERSONAL

Paris, October 3, 1962

Dear Norman [Robertson],

In my letter to you of September 12,<sup>†</sup> I said I would be visiting the Air Division to discuss the CF-104 problem. I did so on October 1. Through discussions with Larry Wray and the Air Division staff at Metz, and through visiting one of the wings of the Division at Grostenquin, I am in a better position to discuss some of the points you raised in your letter of July 25.

2. The picture I have received is this: the Air Division are clearly going ahead on the assumption that all the necessary decisions which would permit them to serve in an offensive role with the CF-104 will somehow be taken. So far as I could see, they have no alternative plans of any kind. The first aircraft is due to arrive this month. Co-operation with the USAF is excellent. Within the limits imposed by United States legislation and the absence of a weapons agreement between Canada and the United States, practical preparations to convert the Division to nuclear-armed CF-104s are going forward. Pilots are undergoing conversion courses at Cold Lake, runways are being repaired and improved to take the faster, more delicate aircraft, and weapons storage bays are being constructed on the German fields used by the Air Division. The staff say that by mid-summer the first squadrons would be able to pass the rigorous U.S. inspections which are required if weapons are actually to be stored on their bases, assuming that a storage agreement had been signed three or four months earlier.

3. Whatever is decided, the air defence rôle of the Division will be dwindling throughout this period. It would disappear entirely by November, 1963. If no new rôle for the Division were agreed to in the meantime, the staff fear that a serious morale problem could arise, because the Division would feel its existence was pointless. At the moment, no such problem exists – rather to the surprise of the senior officers, I think – and none seems likely to arise for half a year or so.

4. However that may be, certain other problems seem inevitable. One is space. The Division at the moment is deployed at two airfields in France and two in Germany, with provision for alternative deployment in an emergency at one other airfield in France and two in Belgium. Since the French Government will not allow nuclear weapons to be stored on their territory, the usefulness of the three French airfields will be sharply reduced once the CF-104 comes into service. The wings will have to be rotated through the two German fields – where nuclear weapons storage is now under construction – in order to fulfill the rôle assigned to them. Because of the general shortage of airfield space in the central area, the Air Division staff consider that they might come under pressure to vacate the German airfields if they were not using them to fulfill their assigned rôle. As to the Belgian airfields, they may possibly be of use in the new rôle, but this is uncertain.

5. Presumably the rotation through the German airfields would of itself add an element of cost, inconvenience and complication to the Division's activities. What is more disturbing, it

would increase the Division's vulnerability. As you know, SHAPE has already raised the question of the vulnerability of these fields. With nuclear weapons, it seems that this vulnerability increases in two respects: because weapons will only be available at two fields rather than four or more, and because the nature of the weapons themselves located at an "unhardened" site constitutes temptation to an enemy to attract first. In the event of warning of an attack, the aircraft would presumably have to be got off the ground quickly or risk destruction. The alternative seems to be some elaborate and expensive system for sheltering them.

6. There is also the problem of control. At the moment, the Air Division is assigned to SACEUR. While Air Division headquarters provides administrative control, and has some say in tactical control of the aircraft, they are for all practical purposes a part of the Fourth Tactical Air Force, under command and control of a U.S. general who wears his NATO hat part-time. His headquarters in his NATO capacity are at Ramstein in Germany. If the CF-104 is to have nuclear weapons which cannot be used unless the Canadian government has specifically consented, then the present control system will obviously have to be modified to provide some practical way for this consent to be given.

7. All these, I need hardly say, are extremely difficult and potentially troublesome problems. I hope to have opportunities to discuss them with you personally at some stage, and I hope that opportunities will be taken to obtain Norstad's and Lemnitzer's views when they visit Ottawa. Briefly, my impression is that time is running out on us and that a decision by the Government cannot be long delayed. The choices seem to be to scrap the Air Division, which the cancellation of the conversion to the CF-104 would seem to me to involve; to postpone conversion to gain further time – perhaps no more than a few months – to study the possibility of converting the CF-104 to some other rôle; or to go ahead with a weapons storage agreement with the United States.<sup>24</sup>

Yours sincerely,

GEORGE [IGNATIEFF]

151.

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-1435

Ottawa, October 5, 1962

TOP SECRET. OPIMMEDIATE.

Reference: Your Tels 2249 of Sep 28, † 2273 of Oct 1 and 2287 of Oct 3. †

Repeat for Information: CCOS, CJS(W), Paris, London, Washington.

NATO DEFENCE STRATEGY

Pending the resumption of Council consideration of this question, we assume you will be discussing the problem informally with your NATO colleagues. You may wish to use the views expressed in this telegram in these discussions.

<sup>24</sup> Note marginale :/Marginal note:

Mr. Campbell: we might discuss. [N.A.] R[obertson]



2. We do not believe it would be appropriate for Canada at this stage to make any comments regarding requirement either for land based or seaborne MRBMs during preliminary discussion on NATO defence strategy. For your information, DND is undertaking a preliminary study of relative merits from strictly military point of view of two weapons systems which we hope we shall be able to send you later in year.

3. It appears quite clear that in view of differences amongst Europeans and in view of uncertainty which will continue in Europe until it is known whether or not Britain will join EEC, there will be no decision on a NATO MRBM force for some time to come. Meanwhile discussion of the problem should continue and since Council is to hear the views of General Norstad on October 17 we believe that an opportunity should be provided for the new SACEUR, General Lemnitzer, to address Council on the same subject.

4. At this stage question resolves itself into a procedural one of how to have a full and frank discussion while avoiding a confrontation of differing governmental views. We would wish to see the text of the Belgian procedural proposal before expressing an opinion but the initiative of the Belgian Permanent Representative in attempting to find a procedural basis for consideration of the MRBM problem should be encouraged. You might wish to remind your Belgian colleague that consensus in Council appears to favour an arrangement under which Council itself meeting informally in restricted session would constitute a working group to consider the MRBM problem (see telegram 2168 of September 18†). If this is indeed the case the Belgians might propose that Council establish an open ended working group of those Permanent Representatives who would wish to discuss the problem. If such a working group was established it would have to be on the clear understanding that the views expressed in the group would not commit governments and that the meetings would be restricted.

[N.A.] ROBERTSON

152.

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 2317

Paris, October 8, 1962

TOP SECRET. PRIORITY.

Reference: Your Tel DL-1435 Oct 5.

Repeat for Information: CCOS, CJS(W), Paris, London, Washington (Priority).

#### NATO DEFENCE STRATEGY

Using your useful telegram I had an informal talk with Finletter before he left for Washington today about procedures.

2. I found him entirely in agreement with the ideas in your paragraph 4. The aim he said should be to devise a procedure at this stage which would allow informal exploration of MRBM problem among delegations without commitment of governments. He would prefer in fact that the Working Group of Council should if possible exclude representation from Secretary-General not repeat not only because of the known bias of Secretary-General's views on the subject but also to stress the informality of the discussions. He thought this would not repeat not be acceptable to de Staercke however, whose proposal speaks of the Council constituted as a working group setting up sub-committees as may prove necessary.

3. I will be sending Belgian proposal by bag. In the meantime will discuss the question of procedure in the light of Finletter's comments with de Staercke.

[GEORGE] IGNATIEFF

153.

DEA/50030-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], October 16, 1962

VISIT OF GENERAL NORSTAD TO OTTAWA

We have been informed by Mr. Ignatieff that he has learned that General Norstad is planning a 1-day visit to Ottawa on his way back to the U.S.A. from Paris on November 1. This visit has been arranged by the Department of National Defence and this Department has not been consulted. Attached is a copy of the latest message from Air Chief Marshal Miller to General Norstad† outlining a suggested program for the visit.

At the time of the announcement of General Norstad's resignation, there was an exchange of telegrams with the Prime Minister† in which the General, in thanking Mr. Diefenbaker for his message, stated that, "I hope to see you before I turn over my duties so that I can thank you personally and directly."

We should be grateful to know whether there is any further action you would wish us to take in this matter.<sup>25</sup>

N.A. R[OBERTSON]

154.

DEA/50219-AL-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 3351

Washington, November 12, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Permis New York, NATO Paris, Paris, London, Bonn, Brussels, Rome, Hague, Disarmdel Geneva (Priority).

By Bag Copenhagen, Athens, Oslo, Lisbon, Ankara from London.

USA PRESENTATION ON SEA-BASED MRBM FORCE

Schaetzel, Deputy Assistant Secretary for Atlantic Affairs, invited me to call November 10 to discuss USA studies on the feasibility of establishing a sea-based multilateral MRBM force. As you are aware a USA briefing team headed by Gerard Smith of State Department and

<sup>25</sup> Notes marginales :/Marginal notes:

Seen by P.M. 18/10/62. No comment. O.W. D[jer]

No further action unless Prime Minister expresses a wish to do so. M.N. B[ow]

Admiral Lee of Department of Defence will go to Ottawa November 15 to make a presentation similar to the one given the NATO Council on October 22.

2. Schaetzel said that although the presentation in NATO had been "upstaged" by the arrival of Mr. Acheson shortly after with his statement on Cuban situation, the briefing had gone off remarkably well and had served the purpose which USA had intended. Germans and Belgians in particular have shown considerable interest. French attitude was pretty much as they had expected and, if anything, was less negative than they had anticipated. He said they derived some satisfaction from the fact that French were at least willing to listen and had not repeat not attempted any blocking tactics. The Italians have shown some interest but British attitude, according to Schaetzel, was distinctly puzzling. Smith, who was present during our conversation, said British were more than cool during the briefing in Paris and seemed to go out of their way to point out defects in USA presentation. (The State Department do however appreciate and have respected the British wish to avoid substantive discussions in NATO while EEC negotiations are underway.)

3. Schaetzel said that Turks have shown the most immediate interest in USA proposal particularly insofar as it might be applied to the problem of replacing the Jupiter missiles in Turkey which are becoming increasingly obsolescent as well as of course a subject of Soviet attention. He spoke as if USA authorities were genuinely interested in the possible political advantages of such an arrangement. He said that discussions are underway with the Turks on the possibility of setting up small scale multilateral sea based missile force in the Mediterranean which could serve both as a pilot project for a larger NATO force and provide a means of replacing the missiles in Turkey with a less vulnerable and more modern deterrent force for the defence of the area. Schaetzel said they estimated it would take about two years to set up such a smaller "experimental" Mediterranean force, once agreement were reached. The time required for a larger NATO force would probably be considerably longer mainly because of organizational and training problems.

4. Schaetzel said USA hoped that recent developments in Cuba had brought home to the Europeans the fact that USA possesses enormous deterrent power. Beginning with President Kennedy's Ottawa speech in the spring of 1961, USA had been endeavouring to demonstrate its willingness to participate with its allies in the establishment of a powerful NATO deterrent force which could avoid the necessity of the Europeans attempting to develop a force of their own and which would also greatly increase Atlantic solidarity. They felt it was extremely important however before coming to any decisions that all NATO members should be aware of the facts of USA strategic power and particularly of the complexity and cost of strategic deterrent forces. At the same time USA continued to attach first priority to the build up of adequate conventional forces in NATO and considered that any developments on the strategic side should not repeat not be at the expense of adequate conventional strength in Europe.

5. We asked Schaetzel how he thought the Europeans might be able to cope with both the requirement for increased conventional forces and the heavy expenditures which would seem to be involved in any multilaterally owned and financed missile force. Schaetzel said there appeared to be two possible courses open. The first was for things to remain pretty much as they are with the bulk of strategic deterrent power remaining in USA hands and with the other allies concentrating their efforts more on a mixture of tactical nuclear weapons and conventional forces. Such a course did not repeat not however take into account the facts of life in Europe – the enormously expensive and uneconomical French efforts to develop their own nuclear deterrent which, according to USA calculations, would not repeat not, when completed some years hence, exceed the striking power of one USA strategic aircraft; and the rapid movement towards integration in Europe which in a few years may represent a new third force of some proportions.

6. The second course (which the State Department clearly favours) is designed to take into account the trend of current developments while attempting to preserve and strengthen transatlantic solidarity. In terms of costs Schaetzel thought that it was difficult to envisage a more expensive way of proceeding than to continue on the present course and by way of example he cited General Norstad as saying that French nuclear deterrent would probably cost ten times as much as originally expected. USA hoped that by providing all the facts to the NATO countries on USA strategic forces and detailed studies on a multilateral missile force such information would enable the Europeans to judge whether it was in their interests to proceed along present lines or whether some combined effort on the strategic side was to their long term advantage. Moreover Schaetzel expressed the view that if the European countries were willing to merge their efforts in a combined deterrent force it would be within their economic capabilities to do so concurrently with the necessary build up of conventional forces. The latter were becoming increasingly important in terms of deterring any Soviet threats or adventures in Europe and in terms of preventing the early escalation of any limited hostilities into a nuclear war.

7. Incidentally Dean Acheson whom I saw the other day said that Cuban crisis had shown how in the final analysis USSR was not repeat not prepared to cross the dividing line to nuclear war and he said that this underlined the importance of building up conventional forces in Europe and elsewhere. Acheson attached the highest priority to the build up of conventional forces and clearly questioned the advisability of USA trying to interest its European allies in a joint missile build up involving expenditures possibly so heavy as to limit their capacity to support larger conventional forces. I do not repeat not know however to what extent Acheson's views are shared in the administration.

8. Throughout our conversation Schaetzel and Smith underlined the importance USA attached to the transatlantic aspects of their suggestions for a multilateral force and it seems likely that this consideration will be given considerable weight in Smith's presentation in Ottawa. They felt, however, that governments would require some time to consider the information they have received and thought it would be premature to attempt any substantive discussion at the December Ministerial Meeting on the possibilities of establishing an MRBM force. At the same time, they recognized that some reference may be made to the problem during any discussion of NATO strategy.

9. Judging by this conversation, I would say that there is considerable State Department interest in this project. While its primary purpose at the moment is educational, it looks as if a school of thought is developing which sees some real political advantages in the establishment of a sea-based multilateral force, if only on a pilot basis, now that its technical feasibility has become accepted by USA defence authorities.

10. State Department clearly attaches importance to Canadian reactions and Smith and Lee would like to have opportunity for discussion with responsible senior officials in External (the Under-Secretary in particular) and on the civilian side in National Defence, in addition to the main meeting with Chiefs of Staff.

155.

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-1561

Ottawa, November 15, 1962

SECRET. PRIORITY.

Reference: Your Tel 2459 of Oct 23.†

Repeat for Information: CCOS, Washington, London, Paris.

## DOCUMENTS REGARDING A MULTILATERAL SEA-BASED MRBM FORCE

We were surprised on receiving these documents to discover that they are entitled "data regarding an 'Ottawa' multilateral sea-based MRBM force." You will recall that in DL-343 of February 15/62 the Minister asked that the delegation do what it could to halt the trend towards using the shorthand of "Ottawa force" to describe the concept of the NATO multilateral sea-based MRBM force referred to in President Kennedy's Ottawa speech of May 1961. You reported in your telegram 423 of February 16 that you had spoken to both the Executive Secretary, to the Secretary-General, and the USA Permanent Representative and that they agreed that the term "Ottawa force" could be misleading.

2. Neither the Secretariat nor the US Delegation appear to have taken the necessary action to stop the use of the term "Ottawa force." In the circumstances, would you bring this matter to the attention of the Secretary-General's Office and suggest again that this project in future be described in some more appropriate way such as "data regarding a NATO multilateral sea-based MRBM force." You should also have an informal word with Finletter to remind him of the background of this question and explain why we have taken steps to have corrective action taken. We hope this action will make unnecessary any formal statement in Council.

[N.A.] ROBERTSON

156.

DEA/50219-AL-2-40

*Note**Memorandum*

SECRET

[Ottawa], November 19, 1962

BRIEFING BY U.S. EXPERTS ON A MULTILATERAL  
SEABORNE MRBM FORCE – NOVEMBER 15, 1962

The U.S. team, headed by Gerard Smith of the State Department and Admiral Lee of the Department of Defence, gave a briefing on November 15, 1962, to the Chiefs of Staff Committee and a group of senior service officers and officials from the Department of External Affairs. The team also had an informal meeting with the Under-Secretary of State for External Affairs, the Secretary to the Cabinet and the Chairman, Chiefs of Staff. The team covered much the same ground as in the briefing to the NATO Council and this account confines itself to those points on which the U.S. team laid particular stress and to the answers to questions put by Canadian officials.

*Reasons for U.S. Policy with Regard to a Multilateral Seaborne MRBM Force*

Gerard Smith made clear that the U.S. Government would still prefer to confine the control of nuclear weapons to as few powers as possible and that, ideally, control within the Western Alliance should remain in the hands of the U.S. The U.S. Government realized, however, that with the revival of Europe, the Europeans wished to have a say in their own fate and wished to exercise some control over the use of the nuclear deterrent. In order to meet the pressure from its Allies and, at the same time, stop the proliferation of national nuclear forces and in the absence of international control arrangements with the Soviet Union, the U.S. Government considered that some form of multilateral force as a part of the Western nuclear deterrent was the most responsible method of devolving U.S. nuclear power while keeping control over by far the largest segment of the Western deterrent. At the same time, it was firm U.S. Government policy to insist that the conventional forces of the Alliance be built up sufficiently so that the West would not be as dependent as it now was on tactical nuclear weapons. The U.S. Department of Defence had been ordered to look into the feasibility of creating a multilateral seaborne MRBM force as a first class fighting unit given the will of the Alliance to take part in, to pay for and to supply the continuing logistic support for the force. The answer was that the creation of such a force was practical given the necessary will of the Alliance.

In answer to a question, Smith said that there was no firm U.S. proposal to create the seaborne force but rather that this was one method of having a NATO MRBM force. Smith went on to say that it was his understanding that the type of force outlined by the team was the only way the U.S. Government was willing to support an MRBM force for NATO. The U.S. Government was not prepared to support MRBMs for national forces nor was it prepared to meet SACEUR's request for 400 MRBM missiles as proposed in MC26/4. When asked if the British and French national nuclear forces would be required to form part of this new force as a condition of its formation, Smith said – No, the U.S. realized that this would not be possible and American policy was designed to ensure that no further national nuclear forces (i.e. German) would be created.

Mr. Smith was asked whether it was not a condition of U.S. participation in this force that NATO first complete its build-up of non-nuclear weapons. Mr. Smith said that, while this appeared to have been a prior condition in President Kennedy's speech in Ottawa in May 1961, it was his understanding that the build-up of conventional forces was not a pre-condition for the formation of a multilateral seaborne force and that the U.S. Government envisaged the non-conventional build-up and the creation of the seaborne force going ahead in parallel.

With regard to timing, the U.S. team thought that, in view of the British negotiations with the European Six and the heavy financial commitments necessary to form a seaborne force, it would be premature to reach a decision now. Meanwhile, conversations within the Alliance should continue in order to educate the Alliance as to the commitments necessary to form such a force. Smith said that the more time the Alliance had to experiment with the multilateral aspects of such a force and to deploy the MRBMs in the most rational method possible the better, as the West must try to avoid the problems that arose from the "hurried and irrational deployment of IRBMs in Europe in 1957-58."

*Pilot Multilateral MRBM Force in the Mediterranean*

The U.S. team confirmed that they were thinking of a small MRBM force in the Mediterranean in the relatively near future (possibly armed in the first instance with Polaris missiles) which would serve as a pilot project for the larger NATO force. Smith said that no policy decision had been taken in Washington though there was serious interest in this project in the Pentagon. Preliminary talks had taken place with the Turks and this pilot force would presumably include the Greeks and the Italians and any other member of the Alliance who wished to take part. One advantage of a pilot MRBM force in the Mediterranean would be that

the land-based IRBMs in Turkey and Italy could gradually be phased out. Another advantage would be that this force would be designed to be as similar as possible to the eventual full NATO force so that the various international concepts of the multilateral force could be tested. The Americans expected that the Headquarters for this force would be in the Western Mediterranean (this Headquarters would eventually become the main Headquarters for the NATO force), that the missiles would be provided by the U.S. and that the ships, manpower and real estate would be provided by the European countries.

The U.S. team expected that if it was decided to go ahead with the pilot force there would be no objection on the part of the Mediterranean countries who would indeed welcome such a move. The team thought it likely that the U.S. would maintain control (with the consent of its Mediterranean allies) over the nuclear components of this force but that this would not prejudice the working out of a genuinely multilateral system of control for the nuclear component of the full NATO force, if and when it was created.

#### *Control of the Nuclear Component of a Multilateral Force*

In dealing with the problem of political control over the use of the nuclear component of the MRBM force, the U.S. considered the two situations in which this problem could arise:

- (a) A full scale nuclear surprise attack
- (b) A period of limited war leading up to a nuclear conflict.

In case (a) where reaction time is of the essence, the U.S. expects the Alliance to agree that advance authorization to determine the use of the force be given to an individual (presumably the President of the U.S.) or a very small group. In case (b) when the non-nuclear shield should provide time for an Alliance decision to use the force there would be no advance authorization and the decision to use the force would be one of the many decisions facing the Alliance after it was already at war and would be, in effect, an Alliance decision on the conduct of the war.

The problem of military control of the nuclear key to the force would be dealt with in the following manner: The force itself would be controlled for everything other than its nuclear component by a civilian/military NATO MRBM agency with a director and international staff rather like a national ministry of the marine. Targeting for the force would be the responsibility of SACEUR/SACLANT and would be phased into the overall targeting of the Western deterrent. The actual order to fire would be given by the political control authority and would come to the various ships of the force from SACEUR. On the ship itself there would be a nuclear control element made up of a number of personnel which would operate under a system that ensured that no one man could fire the missiles. The Americans evidently have this system on their Polaris submarines and are satisfied that it is foolproof. (Comment: Unfortunately, we were given no details as to how the system works but, if the U.S. is willing, as it has stated, to not share in the manning of the MRBM force if its allies so wish, this is a fair indication that the U.S. authorities consider that this system is satisfactory.)

#### *Vulnerability*

The MRBM force would consist of 25 ships (20 operational at any one time) which would be classified as war ships and would not be camouflaged. They would operate in the busy sea lanes of the North Sea, Eastern Atlantic and Mediterranean. The U.S. team were of the opinion that the force would be relatively invulnerable and that, while the Soviet Union had the capability to trail and destroy the force, this would be an extremely difficult operation and bound to compound the Soviet defence problem. The Soviet Union could use nuclear submarines to track the ships (conventional subs would be too slow) but this was an extremely difficult and expensive operation, and the Soviet nuclear submarines had a strike role of their own. The Soviet Union could use planes (the U.S. team said at least 10 per ship would be required) but the problem of overflying NATO territory thus compromising surprise would

have to be overcome. Probably the best method would be a fleet of fast fishing trawlers with mother ships but this would require a new Soviet fishing fleet as the present trawlers are not sufficiently fast. The U.S. team appeared to agree that a combination of the above elements could be used against the MRBM force but pointed out that the NATO force itself would only be a small part of the overall Western deterrent and that the Soviet Union probably did not have the forces to deal with the whole deterrent including this new element of it. (Comment: These arguments do not entirely hold water as the Soviet Union has built up a combined air, surface and undersea force to counter the Western carrier strike forces and this force might be expanded to deal with the NATO MRBM ships).

The most convincing argument for the relative invulnerability of this force is that the Soviet Union is in a very difficult position to deal with Western surface forces which have a large numerical advantage and which control the main straits which give access to the North Sea, the Mediterranean and the Western Atlantic. This means that in a period of limited war Western countermeasures could render ineffective any shadowing of the NATO force and in the case of an all out nuclear attack where surprise is essential, it is very unlikely that the Soviet Union could undertake a surprise attack against the force and be sure of destroying more than a segment of it.

*Reaction of the Western Allies to the NATO Force and Trans-Atlantic Aspects of the Force*

Gerard Smith recognized that the British did not wish to face up to the problem of a multilateral NATO force until their negotiations with the Six were concluded. The British were also not very enthusiastic about such a force and would prefer to maintain their present special relationship with Washington with regard to nuclear weapons, even if this meant including the French. Smith did not think, however, that the British would object to the establishment of a pilot Mediterranean force and he thought that with a sufficiently long period for education and once the EEC negotiations were concluded, the British might be convinced to take part in a NATO force. (Comment: Since the British V-bombers and, therefore, the British nuclear force, will depend on the U.S. Skybolt air-to-ground missile for a prolongation of its life until 1970 and since there does not appear to be any future for the V-bomber force after that date, the U.S. appear to be in a strong position to convince their British allies that they should take part in a NATO force.)

The Mediterranean countries and the Belgians have expressed interest in the NATO force and the Germans also appear to realize that this approach could meet their desire for a European say in the use of the nuclear deterrent without creating concern that the Germans had nuclear weapons and without upsetting the Brussels Treaty which does not permit the manufacture of nuclear weapons by Germany. The U.S. had been pleasantly surprised that the French were at least willing to listen to American suggestions with regard to this force and the U.S. had some hope that, despite the French and British national nuclear deterrents, in time both countries could be persuaded to play a leading part in a multilateral force.

The U.S. Government evidently consider that the minimum membership necessary for U.S. support of a multilateral seaborne force would be all of the Six European nations, though the U.S. hoped the force would be manned by the Six and the U.K. and would prefer manning by all members of the NATO Alliance.



In answer to a question concerning the trans-Atlantic character of the force, the U.S. team said that it was hoped that the NATO force would be manned by U.S. and Canadian personnel as well as European. There were obvious advantages to this politically and it would mean that the force could be co-ordinated as part of the overall Western deterrent rather than being a separate European force. Gerard Smith said that, unfortunately, in the light of present policies in Europe (and by implication in Canada) he thought it much more likely that the multilateral MRBM force would be a European one and the Western deterrent would, therefore, consist of separate European and North American parts.

157.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], November 27, 1962

*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 Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. J.S. Hodgson) (Mr. Labarge).

. . .

## EQUIPMENT FOR CANADIAN FORCES IN EUROPE

20. *The Minister of National Defence* said that he, the Secretary of State for External Affairs and Mr. Churchill had held discussions in Ottawa with U.S. government representatives on the possible equipping of the Canadian Air Division in Europe and the Honest John battery with nuclear warheads. The U.S. representatives had given a draft bilateral agreement to the Canadian Ministers, and this agreement appeared to raise no major difficulties. A number of N.A.T.O. allies had previously signed agreements with the United States for the supply of nuclear warheads. Some of these countries had not yet announced the fact that they had entered into such agreements.

21. *During the discussion* the following points were raised,

(a) More precise information was needed on the terms of the agreements between the U.S. and other N.A.T.O. countries. In some cases the agreements merely permitted the storage of

the weapons on the soil of the country, and did not also cover the use of such weapons by the armed forces of that country.

(b) Some said that the government's policy on nuclear equipment for the Canadian forces in Europe should not be detached from the policy on nuclear weapons within Canada. The two questions might be discussed separately, but any future announcement on the subject should cover both aspects.

(c) Most Ministers said that the Canadian forces in Europe should be equipped with nuclear weapons on the same basis as other N.A.T.O. countries. If the U.K. forces were on a better basis than the others, then Canada should follow the U.K. pattern.

22. *The Cabinet* approved in principle entry by Canada into an agreement with the United States to make nuclear warheads available for the R.C.A.F. Air Division and the Honest John battery in Europe on terms similar to those in agreements between the U.S. and other countries having forces in Europe, subject to further study of the terms and conditions of those agreements.

...

158.

DEA/11381-40

*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*

TOP SECRET AND PERSONAL.

Bonn, December 20, 1962

Dear Norman [Robertson],

As you may know I recently paid my first visit to the 4th Canadian Infantry Brigade Group. In addition to obtaining a broad view of the Brigade's activities and problems I also received from Brigadier Dare an excellent account of the strategic and tactical situation facing him.

From my conversations with Brigadier Dare and with Major General Allard, who was there for part of the time, I obtained various impressions and certain information which I have decided it might be useful to communicate to you personally. I am aware, of course, that George Ignatieff, who preceded me by a few days in a visit to the Brigade, may have discussed with you many of the points which I will try and set out in this letter. On the other hand George did not have an opportunity of speaking to Jean Allard and some of the things Allard said help greatly to fill in the picture.

I would like at the outset to make clear that Mike Dare is an old friend of twenty years' standing. I have hesitated, therefore, to set out on paper things which he may have told me because of our friendship. Certainly in writing to you I would not wish to complicate his already difficult tasks and I would hope that you will regard this letter as being for your background information only. Moreover, not unnaturally, I am leery of my ability completely to have grasped some of the fine points. I should add that Mike Dare told me that until recently (he did not specify but I would judge he was speaking of two or three years ago) the Brigade Commander was forbidden by the Corps Commander (a British general) from giving the Canadian Ambassador in Bonn or indeed even the Chief of the Canadian General Staff any clear idea of the Brigade's role in war.

4. I propose to make my comments under three headings: nuclear capability, intelligence reports and alert procedures, and Berlin contingency planning.

*Nuclear Capability*

5. I was given a demonstration of the Honest John being hoisted on to its launcher; a very mobile<sup>26</sup> beast. As you may know the Brigade is equipped with four of these launchers. The commander of the unit told me that they had recently completed a firing practice at a relatively nearby range. If I remember correctly they had fired about four rounds with an empty warhead at a range of about 14,000 metres achieving on one shot a strike within 35 yards of the target. The Brigade has not any 8-inch howitzers, which is the other weapon capable of firing tactical nuclear warheads. I gather, although this was not said, that these guns and warheads would be reserved for use at army level.

6. The Brigade's present role is to take up a defensive position well forward of its present barracks area. They would require a good deal of advance notice to reach their positions and adequately to prepare their defences. For example, the engineers would require 90 hours in which to prepare the demolitions which are called for in the advance defensive positions. The front the Brigade group must defend is about 27 kilometres wide; a tremendous area for such a small group.

7. At the moment the plans place the British on their left flank and the Belgians on their right. The British units are seriously under strength and the Belgians are a skeleton force. The plans call for a most complicated manoeuvre to be executed by the Belgians to bring their formations up to battle strength. Units despatched from Belgium would "pass through" the Canadians at the time the Canadian units were advancing to their defensive positions! On the roads available I suspect the chaos would be unbelievable.

8. Given the width of the front assigned to them and the Russian and East German forces known to be opposing them, the Canadian Brigade, to have any hope of fulfilling their assigned role against even a conventional attack if it were all-out, would require nuclear support at the outset, and particularly as their present conventional fire power is deemed too low (their heaviest weapons are 109 mm. guns).

9. Incidentally, Jean Allard, who presently commands the 4th British Infantry Division, and under whose operational command the 4th Canadian Infantry Brigade Group would come, said that if the Canadians did not have their own nuclear support they would get it immediately, as required, from his division and from other higher commands.

10. While I was being shown the Honest John, Mike Dare drew my attention to a building near the parade ground which is nearing completion. He told me it will house members of the United States armed forces and will be occupied by them in January. This is to be the headquarters of the United States group having custody of the nuclear warheads for the Honest John. I understand they have their own communications and separate channels of command. The actual warheads are to be stored in buildings set into the hills nearby. I understand these are completed and ready to receive the warheads.

11. Thus it would seem that the Canadian troops are familiar with the nuclear delivery vehicle they have, the nuclear warheads could be available very soon (in case they are required), and in any event they probably can count on nuclear support from one flank at least.

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<sup>26</sup> Note marginale :/Marginal note:  
? [Auteur inconnu/Author unknown]

12. Notwithstanding, the Canadians are in a vulnerable position. They do not themselves have the nuclear weapons or adequate conventional firepower necessary to protect their very long front in the event of an all-out attack. The troops on one flank are virtually non-existent and their other flank is protected by formations some units of which are only at half strength. In some way, although I realize the differences, one is reminded of the words "Hong Kong," and particularly in considering the new Canadian role in the "forward strategy" concept which only recently has been adopted.

13. I think there might be a disposition in looking at the Brigade and its general capabilities to consider it a more flexible force than the Air Division. On the face of it this is so. Certainly the Army with its modern means of reconnaissance (e.g. helicopters), its amphibious capability, and its conventional or nuclear fire power capability can be made a more versatile force than the RCAF units in Europe which are restricted by their aircraft to only one or two roles requiring a nuclear capability. However, the important point is that the 4 CIBG in its present role has very little flexibility, and in some circumstances will have to use nuclear weapons to survive even a conventional attack.

14. These points relating to the equipment and role of the Canadian Brigade and its neighbours in the NATO battle order are as far as I can judge typical of the situation throughout the NATO forces in Western Europe. The general picture seems to be that the forces available are insufficient for the task, and in many cases are below strength in numbers, equipment and effectiveness. Partly because of this situation military authorities concerned in the various national and international headquarters involved are pressing ahead as rapidly as possible with the implementation of agreed NATO plans for the deployment of nuclear weapons to the combat forces, to be held in United States custody but available for immediate use. We have touched on this in recent telegrams concerning the role of the German Air Force; the same situation holds true for the German Army, I believe for the 1st Canadian Air Division, and, as my recent visit has confirmed, for the Canadian Brigade.

#### *Intelligence Reports and Alert Procedures*

15. As you may know, the Brigade Commander in Europe has been given the powers of an officer commanding a command. He also enjoys direct communications with Canadian Army Headquarters, no limitation being placed by the Canadian authorities upon his direct channel of communication on any matter with the Chief of the General Staff. While his force is under command of the Commander, Northern Army Group, he also has been instructed "to inform the Chief of the General Staff by the most expeditious means possible of the occurrence of any incident or event involving your force with those of the Soviet bloc. Your report will also include information on any counteraction taken or contemplated by your immediate superior."

16. The Cuban crisis put some of these arrangements to a test and pointed up the unusually difficult and delicate tasks of the Brigade Commander in a period of "tension." Because his Command is relatively junior he does not receive quickly enough through any regular channel the information from higher formations which Army Headquarters expects him to provide. He showed me copies of the situation reports he was able to provide to Army Headquarters. These were good reports but the material in them was obtained by sending his intelligence officer to Northern Army Group Headquarters where he was able through personal connections to find out informally what was going on. At the same time the Brigade Commander has not available to him (in the same way as has the Air Division Commander) the periodic all-source intelligence reports which emanate from Ottawa.

17. The Brigade Commander's official sources of information both from senior formations in Northern Army Group and from Ottawa are almost non-existent. This makes it extremely difficult for the Commander to decide when to take the myriad and important preparatory steps which can and should be carried out short of a declared alert. His ability to take these decisions

on the basis of adequate information becomes all the more important in a situation where the different stages of alert are very likely quickly to become telescoped and disorderly.

18. An aspect of these problems which I might mention is the position of dependents. About 12,000 in all, they represent a heavy responsibility and a liability which, in theory at least, should not worry the Brigade Commander as such whose principal concern is operational command of his troops. In practice, of course, in a situation such as that created by the Cuban crisis he is intimately concerned with the problem. At the moment Mike Dare tells me there are no plans for the removal of dependents to Canada. That is to say no procedures have been worked out with the RCAF or the commercial airlines for their emergency evacuation. Given the situation where an all-out nuclear exchange were to take place perhaps it does not matter much where they are. Indeed given the difficulties of reaching the political decision to evacuate dependents possibly the idea ought to be abandoned in any situation which develops rapidly, e.g., Cuba. However, clearly it would be helpful if some agreed policy existed concerning evacuation of dependents from Europe.

#### *Berlin Contingency Planning*

19. As far as I could understand it, Jean Allard's task in the event of military action to "defend" Berlin would be to support, virtually in corps strength, other elements of the Northern Army Group, which would advance up the axis of the autobahn. His present command, the 4th British Infantry Brigade,<sup>27</sup> would be expanded for these purposes. The Canadian forces involved would not be engaged at the outset but would form part of his reserve force with the task of striking at a Russian force which it is expected would attempt to hit the British right flank.

20. All this, of course, is predicated on some Russian or East German action to cut the autobahn or to "probe" into West Germany in strength. The German forces, according to Allard, are to form a panzer army which, if hostilities are sustained and broadened, would punch towards Berlin from the left flank between Helmstedt and Lubeck. Allard made it quite clear that present plans do not provide for the use of German forces at the outset.

21. I am aware, of course, that all or part of the matters set out in this letter already may be known to you. However, as some of this information was new to me I thought it possible that it might also be new to you. Moreover, I thought you might find it useful, as I did, to view the various pieces against the background provided by the comments made by Dare and Allard. Needless to say I have kept only one copy of this letter and I have not referred it elsewhere or, indeed, discussed its contents with anyone here other than Kirkwood.<sup>28</sup>

Yours as ever,

JOHN STARNES

<sup>27</sup> Note marginale :/Marginal note:  
Division [Auteur inconnu/Author unknown]

<sup>28</sup> Note marginale :/Marginal note:  
Mr. Campbell to see. We might discuss. [N.A.] R[obertson]

159.

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 3007

Paris, December 28, 1962

SECRET. PRIORITY.

Repeat for Information: CCOS (Priority), DM/DND (Priority) from CCOS, Washington, London, Paris, Rome, Bonn.

NATO DEFENCE PLANNING – NASSAU AGREEMENT

Nassau Agreement has obvious very important implications for NATO which are considered in a preliminary way in this message. In a talk with Colonna the Acting Secretary-General today I gathered that provided USA can count on a something better than a negative [sic] response from French as well as British, USA intend to report on Nassau to the NATO Council at its first meeting in the new year now scheduled for January 9 or on January 11.

2. Colonna noted that Nassau Agreement and the public airing of UK-USA differences over Skybolt would have serious repercussions on the further discussion of NATO defence planning and that there were bound to be complaints about lack of consultation. On the other hand President Kennedy had in effect offered de Gaulle a special relationship in nuclear matters on a platter and he thought that it was unlikely that French would lose the opportunity to make the most out of this USA offer (a) in the direction of establishing a triumvirate in the control of nuclear weapons; (b) in trying to obtain the information French have been seeking on nuclear warheads. French reaction as well as British would have to be at least in the direction of some degree of cooperation with the Nassau Agreement if NATO discussion were not repeat not to become stalled in recriminations from the start even assuming that the response from other members of NATO were sufficiently favourable to enable the agreement to be studied objectively. In any case Colonna after speaking to Stikker said that the discussion on the Nassau Agreement should not repeat not be "catapulted" into the Council without prior preparation and the discussion may be postponed until January 11 to give more time for tripartite consultation and to allow senior officials to come to Paris from Washington and London.

3. It seems to me that NATO is concerned with two interrelated matters raised at Nassau. In addition to the question of special relationship already claimed by Britain and France on atomic information and in relation to the control of nuclear weapons (and potentially by Germany) there is the important question of the strategic doctrine adopted by Kennedy Administration and aimed at minimizing the risks of having recourse to nuclear weapons. This doctrine which was developed most notably by McNamara at Athens and by Rusk and McNamara at the recent Ministerial Meeting in Paris involves

(a) concentration of control of the strategic nuclear deterrent as far as possible in the hands of USA rather than its dispersion in national deterrent forces;

(b) as a partial alternative or second-best the creation of a multilateral sea-borne MRBM force designed to reassure European allies that they would have an influential voice in the nuclear deterrent, thus avoiding growth of the notion that USA would not repeat not risk nuclear devastation in defence of European interests and

(c) as a necessary adjunct the build-up of conventional forces in Europe in order to enable at least the initial response to Soviet aggression if circumstances permit to be made with non-nuclear weapons.

4. Reaction to USA strategic doctrine on the part of the Europeans has been cool since it seems to involve European governments in providing additional ground forces or the non-nuclear sword, while USA continues to concentrate on the nuclear shield. Moreover the debate over increasing conventional forces tends to bring to the fore European concern that USA would be reluctant to risk nuclear devastation over the defence of a threatened European interest. Europeans tend to argue that only the prospect of an immediate response with nuclear weapons would be effective in deterring Soviet threats of aggression in Europe. It is because of this concern that Europeans and the Germans in particular have also pressed for a land-based MRBM force the control of which would be centered in Europe, i.e. in SACEUR. This concept has the support of Stikker who returns to office at the beginning of the new year.

5. Nassau Agreement was clearly important in that at least one of the opponents of the strategic doctrine of USA may have been brought around to share to some extent USA approach. Much however remains to be clarified in UK position. The most important question of course is in precisely what circumstances British would retain control of separate national nuclear deterrent force particularly since they are now acquiring a more credible form of the deterrent in the form of Polaris. It would be equally interesting to know how far Macmillan has accepted the current USA concept about the importance of "a non-nuclear sword." This striking figure of speech by standing the traditional NATO metaphor on its head is bound to cause controversy. It will be important to see whether in fact British conventional forces in NATO, now below requirements, are going to be strengthened; and whether Britain can within the present level of defence expenditure both acquire a costly form of deterrent and improve its conventional forces. In other words when UK reaction to the Nassau agreement is made known to the NATO Council it will be most important to the further discussion of NATO defence planning whether UK accepts it with significant qualifications or reservations.

6. Although January 9 or January 11 have been tentatively suggested for Council discussion of Nassau Agreement and no repeat no date has yet been fixed, the Council can hardly avoid at least taking note of the Nassau Agreement. Any further discussion of NATO defence planning will depend to a large extent on the kind of reactions which will be forthcoming by that time from UK, France and also Germany. The latter will naturally watch anxiously for any signs of the special relationship previously enjoyed by UK with USA in relation to nuclear weapons being enlarged to include French. French on the other hand are unlikely to accept the offer of a special relationship if it is to be immediately enlarged to include several more or all the members of the Alliance. Thus the discussion of the Nassau Agreement in NATO will be concerned not repeat not only with USA strategic doctrine which underlies the Agreement but also with the highly important political issue of sharing the control of the nuclear deterrent, which affects the status of members of NATO and which will become a more pressing and practical issue than it has been until now if USA and UK actually move to place part of their deterrent forces under NATO command as foreshadowed in the Nassau communiqué.

7. What Canadian interests are at stake in this NATO discussion? I suggest there are mainly two. With Britain apparently partly won over to abandoning its separate deterrent, Canada has an opportunity to support its two closest allies in promoting a process which would help put a stop to the proliferation of nuclear weapons, eliminating all separate nuclear deterrent forces in national hands on the side of the West except USA deterrent. This it is argued would reduce the risk of having recourse to nuclear war and help to keep Germans from trying to build a national deterrent. It could also promote an Alliance or transatlantic rather than European solution to the problem of a multilateral force. This is the second great point of Canadian

interest, because such a solution is the only one which could give Canada some voice in the control of a multilateral nuclear deterrent available to the Alliance.

[GEORGE] IGNATIEFF

160.

DEA/50219-AL-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], January 2, 1963

NATO NUCLEAR WEAPONS POLICY: SOME PRELIMINARY COMMENTS  
ON THE NASSAU AGREEMENT

The Kennedy-Macmillan statement on nuclear weapons systems issued at the conclusion of the Nassau talks on December 21<sup>29</sup> has implications for Canada as a member of NATO. It indicates a revised U.S. approach to NATO nuclear policy. It entails a significant shift in British nuclear policy and may push Britain closer to Europe. On the basis of public statements and the limited confidential reports we have received so far on the agreement, the following preliminary comments have been assembled relating to the implications of the agreement for Britain, France, NATO, the U.S.A., disarmament and for Canada. This paper was cleared in draft form by Mr. Green prior to his departure.

*Britain*

2. On present calculations the Blue Steel stand-off bomb, with which the British V-bomber force is about to be equipped, will be unable to penetrate expected Russian radar and anti-aircraft screens by about 1965. It was for this reason that the British Government looked to the American 1000-mile stand-off Skybolt missile as a means of maintaining the effectiveness of the V-bomber force in the period 1965-70. The U.S. Administration had shown a strong interest in the Skybolt missile as a means of prolonging the usefulness of its own Strategic Air Command's B-47 and B-52 bomber forces. However, the bringing into operational effectiveness of the solid-fuel Polaris and Minuteman missiles evidently convinced U.S. Secretary of Defense McNamara that the role of the B-47 and B-52 bombers could be safely reduced. (In substantiation of this we have recently learned through service channels that four SAC refuelling bases in Canada are to be phased out by July 1964.) In addition to reducing the enormous overhead costs of operating the SAC bombers, Mr. McNamara evidently decided that the expenditure of approximately \$2.5 billion for the further development of the Skybolt missile and the equipping of SAC bombers with it would not be warranted.

3. In spite of the U.S. Administration's decision that it would not proceed with the Skybolt missile project for its own purposes, President Kennedy expressed at Nassau his readiness to continue the development of the missile as a joint undertaking with each country bearing half the future cost. The U.S. had already spent \$350 million and it was estimated that at least another \$200 million would be required to complete development. Britain might therefore have acquired this weapons system for as little as \$100 million for further development and \$150 million for Skybolt missiles, very considerably less than the \$800 to \$900 million six Polaris submarines will cost her.

<sup>29</sup> Voir/See "Texts on Kennedy-Macmillan Talks," *New York Times*, December 22, 1962, p. 3.



4. It must be assumed therefore that Mr. Macmillan was convinced on grounds other than financial to switch from Skybolt to Polaris.

5. What were the reasons? There was uncertainty about how effective the Skybolt missile would be, when it would be ready and its ultimate cost. There was the U.S. decision to phase out their strategic bombers. There may have been a question of whether the V-bomber, even with the Skybolt missile, could penetrate Soviet defences for long. The Polaris is a completed, proved and successful weapon on which the U.S. had already spent \$800 million for development. Polaris submarines could be built in British yards without large expenditure of foreign exchange. The operating costs of Polaris submarines would be much lower than bombers. Polaris submarines would be virtually invulnerable, whereas the V-bombers and their airfields are becoming increasingly vulnerable to Soviet missiles. Polaris submarines would give Britain an effective nuclear striking force well into the 1970s. In a complete reversal of the previous British opposition to the concept of a multilateral nuclear force, Mr. Macmillan was evidently persuaded of the desirability of taking a part in an initiative to try to solve through the establishment of an integrated force the problem of Europe's desire for a separate nuclear deterrent.

6. What are the conditions under which Britain will acquire Polaris missiles? By supplying only the missile to which a British-made nuclear warhead will be attached, the U.S. Administration is not acting contrary to the U.S. Atomic Energy Act.

7. The "special nuclear relationship" under which the U.S.A. shared certain nuclear secrets with Britain remains. The U.S.A. has not yet offered France the technical nuclear information to enable France to speed up the construction of warheads. However, the offer of Polaris missiles (without warheads) to France on the same terms as to Britain has undoubtedly weakened to some extent the "special relationship" between Britain and the U.S.A. The arrangement enables Britain to survive as an independent nuclear power to the extent that she can use the Polaris missiles independently when she deems that her supreme national interests are at stake. On his return to London on December 24, Mr. Thorneycroft felt able to say, "We shall have British submarines with British crews, British officers and British-controlled." But at the same time Britain has recognized the logic of the McNamara thesis on the indivisibility of nuclear war and accepted the ultimate integration of its Polaris missile submarines into a NATO nuclear force. In this sense Britain has probably been pushed a little further away from its "special relationship" to the U.S.A. and a little closer to Europe. Indeed it seems to have been recognized by both Mr. Kennedy and Mr. Macmillan that Britain should reverse her previous opposition to a NATO nuclear force and take a lead in its formation. More will be known about the British position when the Nassau statement is examined in the NATO Council January 10 to 15 and debated following the reconvening of Parliament on January 22.

#### *France*

8. President Kennedy has sent a letter to General de Gaulle offering France the Polaris missile on the same terms as it was offered to Britain. It is reported that General de Gaulle is pleased to have been offered equal treatment with Britain and to be studying the letter carefully, but he is unlikely to accept the offer in its present form. Despite the repeated and logically persuasive U.S. arguments about the excessive cost, dubious value and probable obsolescence of national nuclear forces below the scale of the U.S. and U.S.S.R., General de Gaulle has been unmoved in his determination to build his own nuclear striking force. The Cuban crisis reinforced General de Gaulle's own view that a great power must have the military strength to act independently and a nuclear reserve to serve as a deterrent.

9. The French are prepared to work in harmony with NATO but it is doubtful if they would agree to place French nuclear forces under a NATO commander. It seems more likely that if they respond positively at all and are encouraged to think they may get some of the nuclear

technical information they desire in order to accelerate French capacity to build warheads, they may go on to seek to revive General de Gaulle's 1958 proposal for a 3-nation directorate in NATO.

#### *NATO*

10. The Nassau statement envisages early steps for the co-ordination of NATO nuclear weapons targeting and gives a new impetus and direction to the concept of a NATO multilateral seaborne MRBM force.

11. For some time now General Norstad has been complaining that he has had at his disposal insufficient nuclear strike forces to cover the key military targets in Central Europe. He has sought IRBM and MRBM units to mix with his strike aircraft. The U.S. Secretary of Defense, Mr. McNamara, on the other hand, has argued that the U.S.A. had in its strategic forces a sufficient capability to cover all significant military targets in Eastern Europe. Up to now, NATO has had no control over the U.S.A. and British strategic forces. At the Athens meeting in May, the U.S.A. and U.K. only went so far as to assure their NATO partners that their strategic forces would give equal priority to covering Soviet nuclear striking forces threatening the mainland of Europe as to those threatening the U.S.A. and U.K.

12. In the Nassau statement it was agreed that an immediate start could be made by assigning, as part of a NATO nuclear force to be targeted in accordance with NATO plans, elements of the U.S.A. strategic forces, U.K. Bomber Command and tactical nuclear forces now in Europe. Later the British Polaris submarines and at least equal U.S.A. forces would be assigned to this NATO nuclear force. Command and control arrangements have not been spelled out but these may be expected to follow the nuclear guidelines agreed at Athens and NATO military command lines, possibly with the addition of special sub-commands for nuclear forces.

13. The proposal to assign U.S.A. and British national nuclear units to a NATO nuclear force alters substantially the U.S.A. outline for a NATO multilateral seaborne MRBM force. This was to be a fleet of surface missile ships which could be built at half the cost of nuclear-powered Polaris submarines. The force was to be truly international in character, i.e., each vessel multi-nationally manned, financed and controlled. A report now suggests that the U.S.A. is apparently thinking it may be possible to create a NATO nuclear force consisting of two parts: (1) U.S.A., British and possibly French national elements, and (2) a truly multilateral unit for the other interested NATO countries including Germany. Germany was not mentioned in the Nassau statement but must have been considered. Whether the new proposals will be satisfactory to Germany remains to be seen. It will depend in part on the influence NATO members have in determining NATO nuclear policy.

#### *U.S.A.*

14. The decision to abandon the Skybolt missile project appears to have been based on the technical success of the solid-fuel Minuteman and Polaris missiles and the desirability of avoiding the expenditure of \$2.5 billion on equipping the SAC bombers with Skybolt. The U.S. had already shown an awareness of the political demand in Europe for nuclear weapons. The scheme for a NATO multilateral seaborne MRBM force had not been greeted with enthusiasm by Britain and France because they wanted their own national nuclear forces for prestige purposes. In offering Polaris missiles to Britain and France, the U.S.A., while recognizing their determination to retain national nuclear forces, has tried to bring these under NATO command by offering to place at least equal U.S.A. forces under NATO command. The U.S.A. may also hope to get Britain and France to pay for prestige national nuclear forces what they might not have been prepared to subscribe to a multilateral force.

15. Although an increase in conventional capability in Europe remains a central objective of U.S.A. policy, there is no evidence in the Nassau statement that Mr. Kennedy succeeded in

persuading Mr. Macmillan to increase the British conventional forces assigned to NATO. Instead there is mention of "increasing the effectiveness of their conventional forces on a worldwide basis."

16. It is interesting that the Nassau statement refers to assigning some U.S.A. strategic forces, some U.K. V-bombers and "tactical nuclear forces now in Europe" as part of a NATO nuclear force. This may represent a concession to the views of General Norstad who has been pressing for NATO to have more nuclear forces under its control.

17. The U.S.A.F., the Douglas Aircraft Company and the Congress are unlikely to give up the fight for Skybolt without a struggle. The testing of the missile at an embarrassing moment just after the Nassau conference was a direct challenge to the Administration. The Department of Defense has since taken steps to cancel the Skybolt development contract in the hope of facing the Congress with a *fait accompli* when it reconvenes.

#### *Disarmament*

18. In recognizing British and French pressures to have their own national nuclear forces, the U.S.A. has evidently given up hope of concentrating control of nuclear weapons in its own hands. In this sense it has surrendered some of its control over negotiations with the U.S.S.R. on nuclear disarmament. At the opening of the recent session of the U.N. General Assembly, the Soviet Union had proposed that the U.S.A. and U.S.S.R. alone should retain minimum nuclear deterrent forces in the first stage of disarmament. While the offer contained a number of unacceptable provisions, it did represent a major change in Soviet policy and a forward step. The U.S.S.R. may be expected to regard the Nassau statement initially as a further obstacle to nuclear disarmament. However, by securing public British recognition of the concept of the essential indivisibility of the West's nuclear deterrent forces, by proposing the assignment of national strategic forces and tactical units to NATO command and control and by giving a further impetus to the concept of a NATO multilateral nuclear force, the U.S.A. has tried to preserve the essence of its opposition to the proliferation of nuclear weapons under independent national control, and it is to be hoped that the Russians will see the Nassau statement in this light.

#### *Canada*

19. It is early to try to discern the full implications for Canada of the Nassau statement. However, the following preliminary comments occur:

(a) The decision not to proceed with the development of the Skybolt missile heralds the gradual phasing out, over the next several years, of a major part of the U.S. Strategic Air Command's bomber fleets with all that that will mean for Canada: (i) elimination of refuelling bases by July 1964, (ii) eventual reduction of overflights, communications systems, etc.

(b) Canada and other NATO members will be asked to assume a greater share of responsibility for NATO's planning for use of tactical and strategic nuclear weapons. If we do not wish NATO's nuclear policies to be run by a 3-nation directorate, we shall have to be prepared to devote more attention to these matters. It also follows that NATO members will wish to feel assured that they have a voice in the political direction of the alliance if they are to accept strategic responsibility. This involves increased NATO consultation. This whole subject may be a principal topic for discussion at the May meeting in Ottawa.

(c) The renewed U.S. interest in getting a NATO multilateral nuclear force started may raise, earlier than expected, the question of Canadian participation. In informal discussions, U.S. officials have indicated an interest in Canadian participation to emphasize the trans-Atlantic aspect of the scheme.

(d) The proposal to assign tactical nuclear forces now in Europe to a NATO nuclear force could be applicable to the Canadian CF-104 strike reconnaissance aircraft but it is not clear yet

what new arrangements may be intended. The CF-104s, like all other tactical nuclear forces in Europe, are already under SACEUR's operational control and he determines their targets. However, in the bilateral agreements which the U.S. has concluded with individual NATO governments for the supply of nuclear weapons, both the U.S. Government and the national government would have to give their agreement before the nuclear weapons could be used. Under the Nassau concept of assigning tactical nuclear weapons to NATO, it may be intended that a procedure should be examined whereby the U.S. Government and national governments would entrust to the appropriate major NATO commander this eleventh hour control over the use of individual nuclear weapons and exercise their control only through discussions in the Permanent Council on the basis of the Guide Lines. A veto on the use of nuclear weapons by national forces might be retained but it might be phrased in terms of power to refuse authority to use nuclear weapons rather than the requirement to authorize their use, once the NATO Council had agreed. The full implications of the application of this aspect of the Nassau statement to Canadian tactical nuclear weapons systems in Europe will require careful study.

N.A. ROBERTSON

161.

DEA/50030-AB-40

*Note de l'adjoint spécial au premier ministre  
pour le premier ministre*

*Memorandum by Special Assistant to Prime Minister  
for Prime Minister*

CONFIDENTIAL

[Ottawa], January 4, 1963

STATEMENTS BY GENERAL NORSTAD

As you are aware members of the Press Gallery are anxious to have your comments on General Norstad's remarks at his press conference yesterday.<sup>30</sup> Mr. Green and Mr. Harkness will no doubt also be asked for their views by the press. The position which you and your colleagues might take, wholly consistent with current policy, might be as follows:

"It has been the consistent policy of the Canadian Government to equip its armed forces with nuclear delivery systems and to train the Canadian armed forces in their use so that they would be able to play their full part in the event of an emergency. We have undertaken that commitment and we intend to fulfil it. If there are any obstacles to the training – and I had not heard before that there were – the matter will be given urgent consideration."<sup>31</sup>

O.W. D[IER]

<sup>30</sup> Voir/See "The Norstad Press Conference," in *Canadian Foreign Policy, 1955-1965: Selected Speeches and Documents*, ed. Arthur E. Blanchette (Toronto: McClelland and Stewart, 1977), pp. 166-170.

Il est possible de trouver une transcription plus complète dans/A more complete transcript can be found in J.G.D./MG01/VI/108 (Norstad).

<sup>31</sup> Note marginale :/Marginal note:

Approved by USSEA but not shown to P.M. on Minister's instruction. [O.W. Dier]

162.

DEA/50030-AB-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 38

Washington, January 5, 1963

CONFIDENTIAL. OPIIMMEDIATE.

Repeat for Information: NATO Paris, Paris, London, Bonn.

## NORSTAD'S PRESS CONFERENCE IN OTTAWA

State Department (Willis Armstrong) has expressed to us in confidence its concern at possible effects of Norstad's remarks regarding Canada's NATO commitments in relation to provision of nuclear weapons for Canadian forces. We do not repeat not expect that actual substance of Norstad's comment will be repudiated because it is considered here to be consistent with agreed NATO policy. On the other hand Armstrong said that State Department press spokesman had been authorized if asked to make it plain that Norstad was not repeat not commenting in the capacity of an official spokesman of USA Government. Armstrong said he hoped that this could be made clear to you. He added that Norstad's remarks had come as a complete surprise to State Department.

We do not repeat not know whether any Canadian correspondents made enquiries of State Department. If any such enquiries were made they would no repeat no doubt be reflected in Canadian newspapers. There has been no repeat no report in *Washington Post* this morning along lines mentioned by Armstrong.<sup>32</sup>

163.

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 31

Paris, January 7, 1963

SECRET. PRIORITY.

Reference: My Tel 29 Jan 7.†

Repeat for Information: CCOS, Washington, London, Paris, Bonn, Rome, DM/DND from CCOS.

## CONVERSATION WITH SECRETARY-GENERAL JANUARY 7 – DEFENCE PROBLEMS

On the discussion of defence questions at recent Ministerial Meeting Stikker said that NATO could not repeat not ignore the statements made by USA representatives about the gap between requirements and the forces made available to NATO by national governments nor repeat nor could they ignore McNamara's plea that European members of NATO should aim at

<sup>32</sup> Note marginale :/Marginal note:

Jan. 7. Dier (PM's office) informs that Minister has asked that this m[es]s[a]g[e] be brought to attention of PM. Bow did not think Minister would want to ask Embassy to make acknowledgement to State Dept. J.S. N[utt] DL(1)

a twenty percent increase in their financial contributions and a build up of conventional strength. Stikker had therefore instructed international staff to prepare a paper analyzing the statements made and suggesting a procedure which he thought best calculated to deal with the problem. What this procedure amounted to was in fact an analysis country by country of the requirements of NATO military commanders under MC 26/4. International staff would then discuss the implications of these requirements with representatives of each country with a view to clarifying in each case to what extent if any the gap between requirements and available forces might be bridged. The result would be a series of "country studies" to be submitted to Council.

2. Stikker said frankly he did not repeat not expect this exercise would be productive of any increased forces since what was being sought in the main were increased contributions in conventional forces from France and UK. UK was not repeat not in a position to change its position at least until after UK application to EEC had been settled. He did not repeat not count on France changing its attitude and its insistence on giving priority to the build up of its *force de frappe*.

3. However he hoped the exercise would have the limited effect of identifying what precisely the shortfalls were and the reasons for them and of bringing to the attention of governments the considerations bearing upon the implementation of a forward strategy. Moreover it was necessary for the Alliance to realize that if increased conventional forces were not repeat not forthcoming the proportion of nuclear weapons in allied forces would inevitably rise.

4. He emphasized however that he did not repeat not see any use resuming a debate on NATO strategy in general terms at present time since it would only serve to bring out the significant divergence of views between current thinking of USA Administration and views held by some of their NATO partners.

5. Stikker said that he hoped to have the paper ready for circulation to delegations next week and I shall be sending a résumé of it by telegram and copies by bag.

[GEORGE] IGNATIEFF

164.

DEA/50391-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 50

Washington, January 8, 1963

SECRET. OPIMMEDIATE.

Reference: Your Tel DL-11 Jan 7. †

Repeat for Information: Permis New York, NATO Paris, Paris, London, Bonn, Brussels, Rome, Hague, Disarmdel Geneva (Priority), CCOS (Priority) from Ottawa.

By Bag Copenhagen, Athens, Oslo, Lisbon, Ankara, Moscow from London, Berlin from Bonn.

NASSAU AGREEMENT

During a conversation at lunch yesterday January 7 with Schaezel (Deputy Assistant Secretary Atlantic Affairs) we had an opportunity to obtain further insight into current USA thinking on the problems of implementing the Nassau Agreement. Although interesting memorandum in your reference telegram had not repeat not been received at time of our

conversation we believe general import of his remarks accords for most part with exposition of USA approach set out in memorandum.

2. We formed clear impression USA authorities are working intensively to sort out their own views on the many problems involved and are anxious to move ahead as rapidly as practicable in consultation with their partners. At same time we detected from Schaezel's remarks: a marked degree of regret mixed with resignation that Nassau meeting had precipitated into the forefront issues which, particularly for the British (whom he described as being in state of "trauma" over Common Market) added considerably to the complexity of the overall problems facing the Alliance; signs of uncertainty as to how some of the issues should be tackled let alone resolved; concern about British approach and hope that non-nuclear members of NATO, including Canada, will adopt a positive attitude with respect to genuine USA intention to develop the Nassau Agreement as an important step towards the development of a multilateral deterrent force.

3. Schaezel confirmed our earlier impression that Ball's statement on January 11 will be confined largely to general exposition of USA views on Nassau Agreement. He expected Ball would provide a minimum of detail and that the main purpose of his statement would be to underline what USA regards as the essential elements and purpose of the Nassau accord. In their view, the Nassau Agreement provides a focal point of departure for further discussion of the whole concept of multilateralism including the problem of political control, building on the guide lines set out at the Athens meeting. They do not repeat not regard the process as inconsistent with or superseding but rather striking out in a new direction from the presentation made recently to the NATO Council and in national capitals on the possibilities of establishing sea-based MRBM force. Schaezel made it clear that Nassau had marked important turning point in that USA had moved from a position of conditional willingness to accept a multilateral force to one of active promotion thereof. He regarded the Nassau Agreement as a precarious compromise which was the best that probably could have been worked out in the delicate circumstances of the time and which, if there was a general will to make it work, could point the way to attainment of genuine multilateralization of the Western nuclear deterrent.

4. It was necessary to recognize, Schaezel said, that for domestic political reasons British will feel constrained to emphasize publicly, and possibly in the Council, the extent to which the independence of their nuclear deterrent has been preserved. This was something which we would simply have to live with for a few years. More important in USA view was the fact that British at Nassau had publicly subscribed to multilateralism as a guiding principle motivating their approach to Western nuclear defence. He thought that fundamentally Britain knew that the national nuclear deterrent was an anachronism, and because of what we termed British good sense he was not repeat not acutely concerned that British Government should retain the trappings of independent nuclear capacity. He was less content to contemplate French retention of their national deterrent because French did not repeat not in their hearts regard it as an anachronism.

5. Schaezel emphasized that USA Administration is resolutely opposed to the concept of a triumvirate. He was convinced that French have given up the idea because they recognize the impossibility of reconciling such an arrangement with their efforts to develop an intimate relationship with the Federal Republic. Moreover the main purpose of the Nassau Agreement was to move Britain in the right direction in the hope that in the long term France would recognize the impracticability in the terms of cost, and the irrationality in terms of nuclear defence, of proceeding on its present course. He thought it might be many years however before a change of heart on the part of French could be expected. At the same time he acknowledged that there was a considerable practical difference between the offers to British and French (insofar as French do not repeat not have nuclear submarines or warheads for

Polaris missiles). Consequently if French should show a willingness to move towards a multilateral approach Schaetzel said then USA for its part might see what could be done to make the terms of the offer more acceptable from a French point of view.

6. Regarding paragraphs of the communiqué on initial allocation from USA strategic forces, UK Bomber Command and other tactical forces now held in Europe, Schaetzel said that this idea had been put forward by Macmillan. One of its main purposes was to devise an arrangement which would not repeat not depend on French concurrence or participation. He seemed a little uncertain however how such an arrangement might be worked out and our impression is that this is one of many points which USA will hope to clarify in further discussions. Schaetzel seemed to have in mind that as a start elements of the UK and USA strategic forces could be put under a NATO command and that consideration might then be given as to how and what tactical nuclear air forces might be included. He said one determining factor could be whether or not repeat not the tactical nuclear forces were "pretargeted." If so they could be legitimately regarded as strategic and eligible for inclusion in such a NATO force.

7. On the problem of political control over use of this force he readily admitted that the present bilateral agreements covering tactical nuclear weapons might prove to be a complicating factor. He doubted however whether there would be any need to scrap the present agreements. He thought that they would still apply to tactical forces which do not repeat not have any preassigned targets. For "pretargeted" forces there might be a separate multilateral agreement covering the political control arrangements.

8. The allocation to NATO of certain strategic and tactical air forces (which together might be called a "NATO nuclear force") might be regarded as the first phase in the development of what could eventually be described as a "NATO multilateral deterrent force." The second phase would be accomplished with the assignment of USA and UK Polaris submarines, nationally manned and operated but under a central command. The third phase, which might or might not repeat not coincide in time with the second would involve the establishment of a multilaterally manned sea-based force. This force might consist either of submarines or merchant vessels. Schaetzel thought that these two options were open in connection with both phase three and the UK contribution to phase two. He implied that for reasons of costs and the time required for construction it was entirely conceivable that Britain might in the event prefer to have a force composed of submarines and merchant vessels rather than concentrate on submarines.

9. On the question of land versus sea-based MRBMs and the well known preference of General Norstad and Stikker for the former, Schaetzel said USA authorities did not repeat not envisage any difficulty in this regard. Stikker apparently has adopted a constructive attitude towards Nassau Agreement and is sympathetic to USA approach. (This accords with information in NATO Paris telegram 32 January 7<sup>+</sup>).

10. German attitude so far, according to Schaetzel, has been not repeat not unfavourable and understandably has revealed a tendency to ask a number of deep questions. He thought no repeat no more could be expected at this stage and expressed optimism that they would accept an arrangement which was not repeat not discriminatory against the Federal Republic. In reply to our enquiry he thought provision for inclusion of some tactical air forces in NATO nuclear force could be applicable to some of German air forces designed to undertake strike role. It could be assumed of course, that any arrangement along these lines must not repeat not be capable of dangerous exploitation by the Federal Republic.

11. With regard to Finletter's statement of last June and the priority given in it to the build-up of NATO conventional forces, Schaetzel said this was still central to USA approach. USA continued to believe that it should be within the capability of the Alliance to develop and



finance a multilateral deterrent force while proceeding concurrently with the improvement and build-up of conventional forces. He thought that the Nassau agreement had adequately emphasized the importance which USA attaches to this question. He strongly contested the suggestion that by consecrating the multilateral concept at Nassau, USA had sacrificed the prospect of a heavier conventional build-up. He did however concede that Britain would have special difficulties and might be driven for economic reasons to accept something less than an unalloyed nuclear submarine programme, *viz* his speculation that Britain would sooner or later opt in favour of a combined submarine and merchant vessel Polaris force (see paragraph 8 above).

12. As to the method of proceeding in NATO, USA authorities consider the Council, possibly meeting as a committee of the whole, should be the focal point for consideration of the various problems involved. While there would inevitably be further bilateral discussions with British and French, Schaetzel expected that the results of these discussions would be reported to the Council. Separate subcommittees might be set up to consider particular problems, for example, the political control arrangements, command structure etc. It was clear from Schaetzel's remarks that they do not repeat not have any fixed views in this regard.

13. In conclusion Schaetzel emphasized that the course of developments in the months ahead would depend to a considerable extent on the attitude adopted by other non-nuclear members. Their support for the multilateral approach underlying the Nassau Agreement would go a long way towards offsetting other less desirable tendencies within the Alliance. To the extent that other members (and he spoke hopefully of a Canadian voice in this) found it possible to get behind the new approach, the problem of separate national deterrents could be surmounted and whatever life there might still be on the idea of a nuclear triumvirate could be stamped out. On the other hand lack of interest or willingness on the part of other NATO members to explore the avenues opened up at Nassau could, he suggested, reduce significantly the prospects for success of USA efforts to unify and strengthen the Alliance through gradual elimination of separate nuclear deterrent forces and wider sharing of responsibility for decisions relating to use of NATO's nuclear strength. The net effect of such an attitude might not repeat not only serve to reinforce de Gaulle's convictions in the soundness of his approach but conceivably might encourage others possibly in Germany to follow the French example.

14. From the general tone and substance of Schaetzel's remarks, it is clear that USA authorities are conscious of the same reservations and dangers as we feel with regard to the difficulties of giving shape and useful substance to the Nassau Agreement. They see it nonetheless as the least dangerous and most logical choice among awkward alternatives. They are attracted too by the transatlantic element inherent in it, which as they see it could preserve a direct influence for Canada as well as USA in NATO nuclear policy and at the same time promises to forestall the divisive tendencies associated both with a European multilateral force and with separate national deterrents. USA feels however that it is dependent on the cooperation of members other than France and UK to give initial collective impetus to the development of the Nassau concept.<sup>33</sup>

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<sup>33</sup> Note marginale :/Marginal note:  
Seen by John G. Diefenbaker.

165.

DEA/50219-AL-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 59

Washington, January 8, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 50 Jan 8.

Repeat for Information: NATO Paris (OpImmediate).

## NASSAU AGREEMENT

At conclusion of our conversation Schaetzel (Deputy Assistant Secretary Atlantic Affairs) expressed hope it would be possible for Ball to have a private conversation with Ignatieff prior to meeting of Council on January 11. He said Ball would be in Paris a day in advance of meeting and he felt it would be particularly useful if Ignatieff were able to exchange views with Ball both as to Canadian position and outline of USA presentation.

2. As we have mentioned earlier State Department is anxious to keep in close touch with Canadian authorities because of their hope that Canada will adopt a positive attitude toward USA effort to move forward on basis of multilateral concept underlying Nassau agreement and because of the need to work closely together in preparation for May Ministerial Meeting in Ottawa. Schaetzel said USA hope and expectation was that NATO aspects of initial stage of Nassau agreement (especially paragraph 6) might be sufficiently well wrapped up to permit consideration by NATO Ministers at Ottawa meeting.

166.

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-30

Ottawa, January 9, 1963

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: NATO Tel 3 of Jan 3<sup>†</sup> and 17 of Jan 4/63.†

Repeat for Information: Washington, London, Paris, Rome, Bonn, Brussels, Hague, Copenhagen, Oslo, Lisbon, Athens, Ankara.

## NATO DEFENCE PLANNING: NASSAU AGREEMENT

We assume that the meeting of Council on January 11 to be briefed by the USA and Britain on the Nassau Agreement will have little time for substantive discussion. While defence planning will form one of the main items of discussion in the Council in the coming weeks, we believe it would be particularly useful at this stage to have a full airing of preliminary views on the Nassau Agreement and the problems it raises for future NATO strategy. We would hope, therefore, that Council would agree on January 11 to hold as soon as possible a further meeting to hear the questions from other members of the Alliance which would indicate the areas of greatest concern to them. We do not consider that this would be forcing the pace of discussion

but should be considered as a useful means of letting USA, Britain and France know what we suspect to be the uncertainties about future NATO defence planning in the minds of most members of NATO before bilateral negotiations begin between the USA and Britain and the USA and France. Such an airing of matters of concern now might also make it easier to decide on the priorities to be given to the various strategic proposals before the Council.

2. The meeting on January 11 should go some way to clearing our minds about the implications of the Nassau Agreement but it may be useful if we set out in this telegram some preliminary thoughts at the official level which you may wish to use in discussion with your colleagues or during the meeting itself with a view to clarifying points for submission to Ministers. Other addressees may use this telegram as well as the useful reports from our NATO delegation as background in their discussions with Foreign Offices about the future course of NATO defence planning.

3. There appears little doubt that Nassau represents a major turning point within the Western Alliance and is bound to have important implications for the manner by which political and military control will be exercised in future within the NATO Alliance. Before Nassau, the Council was discussing the technical aspects of a USA suggestion for a multilateral seaborne force with little expectation of wider discussions until the outcome of the negotiations between Britain and the Six were clearer. There was every likelihood that Britain and France would in any case try to maintain their national nuclear forces. At Nassau, Britain subscribed to a communiqué which supports the concept of a NATO multilateral force. To that extent the maintenance of national nuclear forces outside the NATO context has been weakened.

4. From the British point of view it can be argued that Nassau does not represent any great change in policy. For domestic reasons alone, some replacement for Skybolt had to be found quickly and Polaris represents a more credible deterrent. The acquisition of Polaris also ensures that Britain remains at least one of the senior nuclear partners with the USA whether or not any form of multilateral force is worked out; the commitment of British Polaris submarines to a NATO force is seven or eight years away by which time the future shape of Europe will have been decided and in any case Britain will be the major nuclear power in Europe. The British agreement to commit part of the V-Bomber force to NATO now appears from London telegram 4529 of December 31† to depend on whether NATO command and political control arrangements can be worked out and evidently the British do not expect this to occur until after the V-Bomber force is no longer a strategic carrier (although we would question this judgment). From the British point of view therefore the commitment of part of their V-Bomber force to NATO now is no more than an indication of an intention to play a part in a future NATO nuclear force. The British appear to have ensured that whatever the future of Europe they will continue to play a leading part in the field of nuclear weapons and they can still claim, at least for domestic purposes, that they will continue to have an independent nuclear deterrent which could be used "when the supreme national interests are at stake." The British may consider that the Nassau Agreement will allow greater room for manoeuvre in the coming decade when the shape of the Western Alliance will be changing, for in Europe Britain will remain the pre-eminent nuclear power while vis-à-vis the USA she will still be the most responsible European power with a nuclear capability.

5. The USA appears to regard Nassau as an important breakthrough in its policy of limiting the proliferation of national nuclear forces but by obtaining a commitment from Britain to some form of NATO multilateral force, decisions will have to be reached on the kind of multilateral force, the command structure of the force, political control and, therefore, the whole future shape of military and political control of the Alliance. We have the impression from NATO's telegram 17 of January 4 that some parts of the USA Administration are in a

mood to consider that “all is possible” and during the coming months when the USA is making up its mind about these questions they should be open to suggestions from their allies.

#### *Kind of Multilateral Force*

6. There appear to be two ways in which the multilateral concept might develop, either by way of a limited NATO nuclear force made up largely of Polaris submarines comprising national components contributed by the USA, Britain and France; possibly with the addition of other Polaris carriers multinationally controlled and financed by other members of the Alliance, or by a force to include all nuclear components committed nationally to NATO under multilateral command and custodial arrangements. The former concept would ensure USA, Britain and France predominance in decisions on strategic questions. This type of multilateral force would have the strong disadvantage of creating a triumvirate and would not solve the problem of what part other member states including Germany are to play in the strategic guidance of the Alliance. The second concept is from the Alliance point of view more acceptable. It would mean that the NATO multilateral nuclear force would range from Polaris submarines to short range strike aircraft and that such countries as West Germany, the Netherlands, Italy and Canada, which have forces with a nuclear capability already assigned to SACEUR, could take responsibility together with the major NATO powers for the control and custodial arrangements for a NATO multilateral nuclear force.

#### *Command, Custody and Control*

7. It seems to us that the NATO Alliance will have to decide soon on what type of multilateral force it wants before examining how it would work, how it should be controlled operationally and politically, and who should have custody over its nuclear warheads. It also seems evident that these problems of command and control cannot be decided in the NATO Council alone and that, at the appropriate stage, the NATO military authorities will have to be asked for a military opinion on such questions as command structure, operations, custodial arrangements, commands, joint targeting, etc.

#### *The Future Shape of the Alliance*

8. No matter what type [of] multilateral force NATO eventually acquires, the way in which the Alliance is directed is bound to change. Suffice it to say that the broader type of force will give the smaller countries a greater chance to play a part in the strategic direction of the Alliance but they will have at the same time to take a greater responsibility for decisions arising out of this direction [and] play a greater role in the day-to-day consultation within the Alliance.

9. At this stage the following questions appear to us to require clarification:

(a) With reference to paragraph 6 of the Nassau communiqué, we would like to know what forces are specifically meant by “tactical nuclear forces now held in Europe.” We have assumed that this applies to all NATO forces with a nuclear capability now in Europe and this could eventually include Canadian, West German and Netherlands strike reconnaissance aircraft. If these forces are to be assigned as part of a NATO nuclear force are any immediate changes expected in existing arrangements whereby SACEUR is responsible for full control of NATO Europe’s nuclear forces?

(b) We are none too clear about the timing of the various aspects of the Nassau Agreement. The Polaris force to be pledged to NATO is still seven or eight years away but there are NATO nuclear forces that could be brought under some form of multilateral control system now. Is it the USA intention to try to achieve some form of multilateral control with present NATO forces or do they intend to wait until the Polaris force comes into being? (These two questions are the most important for Canada.)

(c) Is the Nassau Agreement to be the point of departure for discussion in Council on the future shape of a NATO multilateral nuclear deterrent? If so, what are USA intentions with regard to their previous proposal for a seaborne multilateral force and a pilot Mediterranean seaborne force? Could some of the studies relating to political control, command structure, operations, etc., for a seaborne force be applied to a NATO Polaris force made up of national components or to a wider type of NATO multilateral force?

(d) If Nassau is to be the point of departure for discussion, what happens to Mr. Stikker's paper of September 3/62 on defence policy?

(e) Is the "Review of procedures in order to secure a closer alignment between NATO military requirements and national force plans as well as an equitable sharing of the common defence burden" which was agreed at the Ministerial Meeting in December to be considered separately from or concurrently with discussion of the Nassau Agreement? What is at stake here is the relative priority to be given to conventional and nuclear weapons and the USA policy of urging other members of the Alliance to build up conventional forces.

(f) Where is the best forum for carrying on future discussions of NATO defence strategy? Should it be in restricted sessions of the full Council or by enlargement of the nuclear information committee or some other forum?

(g) We were interested to learn that the USA Ambassador to France has been instructed to tell General de Gaulle that "France was being offered exactly the same relationship to the USA in nuclear matters as Britain would have." Does this mean that the USA would be willing to negotiate with the French exchange of nuclear information agreements along the lines of those already in force with Britain? Britain has joint targeting arrangements with the USA as well as the intelligence co-operation necessary for this targeting. Will the USA be willing to negotiate the same type of arrangements with France and, if so, how does joint targeting with the British and French fit in with a wider multilateral force?

(h) We were interested by the suggestion in paragraph 6 of NATO telegram 17 of January 4 that the USA might be willing to give up bilateral nuclear arrangements and the two key system in return for a multilateral control system. We would be interested to learn whether in fact Washington would be willing to go this far now.

(i) Are we correct in our assumption that the USA still considers that NATO land-based MRBMs are unnecessary?

(j) Paragraph 6 of the Nassau communiqué is so worded that it appears that it was at British initiative that agreement was reached to make an immediate start in subscribing to NATO part of the USA, SAC and V-Bomber force. This is contrary to what we have known in the past to have been the UK position and it would be useful to know why the British took this initiative. We also understand that SACEUR already has the right to call on all of the Valiants and some of the Vulcans in the V-Bomber force as well as some elements of SAC in support of his targets in Europe. This being so, the assigned forces referred to in paragraph 6 of the communiqué would appear to make little change in the present military position. The real significance of this paragraph would therefore appear to be a political one and it would be useful to know whether it relates to USA policy of creating a multilateral force or whether it was designed as an inducement to the French Government.

167.

DEA/50219-AL-2-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures  
pour la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Memorandum from Assistant Under-Secretary of State for External Affairs  
to Defence Liaison (1) Division*

CONFIDENTIAL

Ottawa, January 19, 1963

## NATO DEFENCE PLANNING COUNCIL DISCUSSION OF NASSAU AGREEMENT

CCOS has passed by telephone the following comments on the presentations in the Council made by Ball and Shuckburgh on behalf of the United States and United Kingdom respectively on January 11:

(a) in the Canadian view, SACEUR is the only conceivable commander to whom the proposed new multilateral forces could be assigned. There would be no military justification for the creation of a new NATO command, or for the assignment of the proposed multilateral force to some other NATO commander such as SACLANT;

(b) one important point for Canada is to learn how the command structure would be constituted to which countries now having tactical nuclear weapons in Europe would be assigning those weapons [sic];

(c) like us, CCOS believes that if there were a possibility of arriving reasonably quickly at decisions with regard to command arrangements for a multilateral force, it might offer a convenient solution to the problem now facing Canada with respect to the conclusion of a bilateral agreement with the United States for the arming of the CF-104s.

R. C[AMPBELL]

168.

DEA/50030-AB-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 45

Moscow, January 22, 1963

CONFIDENTIAL. DEFERRED.

## ATOMIC WARHEADS IN CANADA

Soviet press has occasionally published reports of public discussion in Canada concerning acquisition of nuclear weapons by Canadian armed forces. We do not repeat not recall that these reports have ever contained blunt assertion that Canada now possesses nuclear warheads but we suspect that these have sown this conclusion in some Soviet readers' minds.

2. In commenting on recent Norstad visit to Ottawa, *Red Star* on January 18 went to considerable and we think unprecedented lengths to suggest that Canada is now in fact acquiring nuclear warheads.

3. Commentator stated Norstad press interview had for first time publicly revealed hitherto secret Canadian nuclear plans. Canada had undertaken specific NATO obligation in 1957 to acquire warheads, had reaffirmed this in 1959, and had bought Bomarc, Honest John and USA jet aircraft, all of which are designed to deliver such warheads. Various statements by Mr.

Harkness indicated it was intention to acquire warheads, including his announcement last year that storage facilities had been built. Article also referred to press reports that nuclear stockpiles are growing at bases in North Bay, Goose Bay and St. Hubert.

4. Article then concluded by assertion that Canadian Government is split on this issue and that Norstad visit was intended to expedite fulfilment of Canadian obligations to NATO.

[A.F.] HART

169.

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-203

Ottawa, February 14, 1963

SECRET. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris, CCOS.

NATO DEFENCE PLANNING—NASSAU AGREEMENT—COUNCIL DISCUSSION

As you know, we are committed to seeking a clarification of our role in Europe under NATO defence plans and to endeavouring to bring about such clarification by the time of the May Ministerial Meeting.

2. As the defence plans of NATO, with particular reference to nuclear strategy, are themselves under major review at present, your task is in effect to try to speed up the present discussions, insofar as they relate to Canadian forces, to the point where the government would be in a position to make final decisions both on role and armament by May. Your efforts should therefore be primarily directed towards paragraph 6 of the Nassau communiqué.

3. That paragraph proposes that, in making a start on a NATO multilateral nuclear force, some part of forces already in existence may be assigned. This could include allocations from the USA strategic forces, from the UK bomber command, and from tactical nuclear forces now held in Europe. In this original report to the NATO Council on the implications of Nassau, USA Assistant Under-Secretary of State Ball said that "It was possible that certain selected tactical forces not including battlefield weapons could be included as components of a multilateral nuclear force."

4. There would appear to be advantages for the NATO Alliance and for Canada in moving forward as quickly as possible in creating a NATO nuclear force which would contain contributions from a number of member states in addition to those pledged by Britain and the USA. The first step – an inventory of potential force contributions – has already been put in hand by Council. The next step would appear to be to obtain clarification of the command and control system into which a new multilateral force might be fitted.

5. The essential elements of any such NATO force would include

(1) *Force contributions* by as many states as possible to give real meaning to the multilateral concept.

(2) *A Corresponding Multilateral Form of Political Control Over the Force.* We would expect states contributing forces to take part in any group or executive committee that may be established to exercise political control over this force.

(3) *An Appropriate Nuclear Command.* We would expect contributors to the force to be suitably represented.

(4) *Multilateral Custodial Arrangements.* It would be necessary to work out multilateral arrangements for the custody of the nuclear warheads available to these forces as an alternative to the present bilateral agreements with the USA.

6. Presumably "tactical nuclear forces" are to form part of the early national contributions to the new force and CF-104s would be considered an appropriate weapon system for the purpose. If points (1) to (4) in paragraph 5 above were fully worked out on a satisfactory multilateral basis, contributing states would relinquish to NATO control of their forces to a much greater degree than has been the case so far. The forces, once assigned, and their armament would become operationally the collective responsibility of the Alliance rather than of the individual contributing states. The sort of reservation concerning withdrawal of forces for national purposes such as the British have found necessary to maintain would not be applicable in respect of assigned Canadian forces.

7. In the process of examining whether a NATO nuclear force is to be established, it is almost inevitable that there will be at the same time a review of the balance between NATO nuclear and conventional capabilities, especially of tactical nuclear weapons. We have in mind the views set out by the USA Secretary of Defence at last December's Ministerial Meeting calling for "an effective non-nuclear sword" to complement "a superior nuclear shield." Canada has supported the USA view that it is necessary to ensure that NATO has the capability to conduct a sufficiently wide range of operations with conventional forces to avoid ever having to make the choice between either surrender or nuclear war. In this review it may well be found that the NATO commanders are obliged still to rely too heavily on tactical nuclear weapons for immediate battlefield and support purposes. We realize that to achieve an adequate conventional capability in NATO will take time and will meet many political and financial obstacles, but we consider that this aspect of NATO force disposition should be considered in parallel with the approach to the multilateral concept.

8. As the Dutch and Belgian governments have a similar problem with respect to the arrangements which are to govern the command and control of their F-104 aircraft (even though these are not, we understand, designed for the same role as the CF-104s) I am sure you will find it useful to enter into close collaboration with them in attempting to expedite the discussions in the Council.

[H.C.] GREEN



170.

DEA/50219-AL-2-40

*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], February 22, 1963

NASSAU AGREEMENT – LONDON TALKS

Mr. Ignatieff telephoned today to ask for guidance on the position he should take in his consultations with the Prime Minister in London.<sup>34</sup> While being as circumspect as possible in view of the means of communications being used, I managed to convey to him the following points, which can roughly be divided into two categories – those which he should make to the Prime Minister; and those on which he should try to elicit guidance from the Prime Minister.

2. In the first category, were the following:

(1) To impress upon the Prime Minister that the current discussion in NATO concerning the implementation of Paragraph 6 of the Nassau Communiqué does not really offer any solution to the basic Canadian problem of providing nuclear warheads for our nuclear-capable delivery systems in Europe. The Prime Minister should be under no illusions regarding the limited usefulness of the current talks for that purpose.

(2) To make it clear to the Prime Minister that the May date of the Ministerial Meeting was not likely to have any real significance in relation to the implementation of the Nassau Agreement. The discussions so far had shown that progress on either a multi-national or a multilateral force would be slow and not likely to have reached a stage by May where decisions on new arrangements could be made. This was true despite the fact that it would presumably be a simpler matter to give substance to Paragraph 6 than to Paragraph 8.

(3) To make it clear that United Kingdom preoccupations under the Nassau Agreement, though they paralleled ours to a certain extent in relation to Paragraph 6, were basically of a different kind to ours. I indicated that a brief synopsis of the points of interest to the United Kingdom might be helpful to the Prime Minister for his talks with Mr. Macmillan.

3. As to points on which the Prime Minister's guidance would be appreciated, the following were mentioned:

(1) A clear indication of what the Canadian attitude would be towards assigning forces to a multinational force under Paragraph 6 if it should be decided that the CF-104 was a suitable type of tactical nuclear weapon for inclusion in such a force.

(2) What should be the Canadian attitude towards a quite separate contribution, in either money, men or materials, to the projected multilateral force under Paragraph 8? As U.S. interest was focussed almost exclusively on Paragraph 8, this was a question which we would have to expect to face quite soon, particularly in the light of the decision to pursue the discussions of Paragraphs 6 and 8 in parallel.

<sup>34</sup> Londres a accordé le droit de cité à Diefenbaker le 25 février. Sa visite de trois jours au Royaume-Uni a aussi été pour lui l'occasion de rencontrer Macmillan. Voir "Diefenbaker Talks Trade at Supper with Macmillan," *The Globe and Mail*, February 25, 1963, pp. 1-2. The Freedom of the City of London was bestowed on Diefenbaker on February 25. His three-day visit to the UK also provided an opportunity to meet with Macmillan. See "Diefenbaker Talks Trade at Supper with Macmillan," *The Globe and Mail*, February 25, 1963, pp. 1-2.

(3) What should be the Canadian position in the Council with respect to the attendance of defence ministers at the May Ministerial Meeting? Having regard to the probability that the discussions in the Council between now and May would be concentrated almost exclusively on defence questions, and in the light of the advance notice being given in Canada to the importance of the defence decisions to be taken in Ottawa, there was something to be said for taking a positive attitude at an early date to the attendance of defence ministers and their senior military advisers.

4. Mr. Ignatieff agreed that the foregoing covered the basic points for the Prime Minister's consideration. He added two of his own:

(a) That it was not inconceivable that by May sufficient progress might be made in the Council to permit a decision at Ottawa to describe henceforth certain existing forces as components of a multi-national NATO force – even though many details, probably including the question of political control of the force, might still be unsolved at the time.

(b) That providing the nature of the difference between the United Kingdom and Canadian approaches to Paragraph 6 were kept clearly in mind, there might be virtue in soliciting U.K. support for the inclusion in a multi-national force of tactical nuclear weapons (such as the CF-104) in exchange for Canadian support of the early implementation of the Paragraph as a whole, as desired by the United Kingdom.

5. I informed Mr. Ignatieff that I had given to Mr. Bryce an oral briefing along the lines indicated in the early part of this memorandum, of which he had made notes.

R. C.[AMPBELL]

171.

J.G.D./MG01/XII/F/336

*Note du représentant permanent auprès du Conseil de l'Atlantique Nord*

*Memorandum by Permanent Representative to North Atlantic Council*

SECRET

[Paris?], February 22, 1963

IMMEDIATE CANADIAN DEFENCE PROBLEMS AS THEY AFFECT NATO

1. *The Nassau Agreement and the May Ministerial Meeting in Ottawa*

(a) *Paragraph 6*

Canada is at present participating in an examination of the possibilities of creating a NATO nuclear force, as proposed in the Nassau communiqué. Under paragraph 6 of the communiqué, the components of such a force could include the CF-104 aircraft being supplied to the First Canadian Air Division. It is not certain whether sufficient progress will have been made by the time of the May Ministerial meeting to determine whether there might definitely be a rôle for the Air Division in such a force. Present indications are that certain limited decisions about paragraph 6 are possible by the time of the Ministerial meeting and likely by the end of the year.

If a force under paragraph 6 were created, what would be involved would be the transfer of existing forces to new command and control arrangements. Some, like the British V-bombers, would be transferred from outside NATO; others, like the CF-104s, could be transferred within NATO from the existing command and control arrangements to new arrangements yet to be worked out. The Secretary-General believes that the main change which would emerge would be the creation of an inter-allied consultative committee which would exercise certain limited aspects of control over the force. It should be emphasized that this committee's powers would

not extend to the ultimate decisions about arming and firing the weapons in an emergency. On the other hand, governments participating in the committee would receive on a continuing basis basic facts about targeting, and would work together through the committee to develop general policy guide lines for the use of the weapons in the force. Thus, participating governments would be able to know on a more precise and continuing basis than they do at present what missions were being assigned to their forces, and to have a greater voice in these assignments, rather than having to leave decisions of this sort largely to the United States.

In the Secretary-General's view the CF-104s of the First Canadian Air Division would qualify for inclusion in an inter-allied force of this kind. The question is whether we would wish to take advantage of these arrangements. We would gain through our voice on the inter-allied consultative committee; on the other hand, these arrangements would not be a full substitute for the existing system under which control of nuclear weapons is exercised under bilateral agreements between countries owning nuclear carriers and the United States as supplier of warheads.

Even if a reorganization of existing forces along these lines were not to take place, the units of the Air Division would presumably still continue to be needed in their existing role. In view of the shortages in his forces, it is unlikely that SACEUR would say that the Air Division was of no use to him except as a component in an inter-allied force under paragraph 6 of the Nassau communiqué. This means that whether an inter-allied force is created or not, the question of access to United States atomic stockpiles for the Air Division would remain. Access to stockpiles does not involve departure from the essential principle that Canada is opposed to the proliferation of nuclear weapons, since the weapons in the stockpile would remain under United States ownership, custody and control. The problem of access will become urgent about May or June when, as Mr. Churchill has said, the first squadron will have completed their training. Four squadrons are scheduled to arrive by mid-July, 1963; eight will have arrived by the end of January, 1964. Squadrons can do a certain amount of preliminary training before they need to have access to nuclear weapons. This might last about three months from the date the squadron was activated. At the end of that period the squadrons would normally go on to operational training. This means that targets would be assigned to them. Targets cannot be assigned unless an agreement has been signed which permits warheads to be stored at the airfields concerned under United States custody. After three or four months, operational training would be completed, and SACEUR would then require a certain number of aircraft in each squadron to be on quick reaction alert at all times. This means that the aircraft on alert would have to be ready to take off within three minutes. The bombs they carried, including the warheads, would actually have to be on the aircraft. The bombs would not be armed of course, nor the aircraft taken off the ground unless appropriate orders were received. In an emergency the weapons would be armed by United States personnel of the custodial force. These are the normal peacetime arrangements for strike aircraft of any NATO forces assigned to SACEUR.

(b) *Paragraph 8*

The essential problem posed by the Nassau Agreement is how the United States is to share control of nuclear weapons with its allies, particularly the Europeans. In recent years the United States has become more vulnerable to a nuclear attack by the Soviet Union. In these circumstances some Europeans have come to doubt whether the United States would risk its own destruction in a crisis in which European interests were primarily at stake. Successive United States administrations have attempted to devise ways for reassuring Europeans by assigning U.S. strategic forces to NATO and by proposing different schemes for giving Europeans a greater sense of participation in the strategic defence arrangements of the Alliance.

The latest of these schemes has been the proposal for a multilateral multi-manned sea-borne or submarine force armed with the Polaris missile. The proposal raises problems of great complexity which will take considerable time to clarify. There is the question whether the United States Congress can even be persuaded to amend the McMahon Act so as to permit the United States administration to transfer the ownership and control of nuclear warheads for such a force to some sort of multilateral legal entity under NATO. There is also the question whether satisfactory control arrangements can be devised which would permit a number of members of the Alliance to participate in collective decisions about the use of the weapons in the force.

Insofar as the United States proposal is basically to find a solution to the problem of control of the next generation of relatively invulnerable nuclear carriers, it merits Canadian support. We should not, however, expect early results. In the best circumstances, it is unlikely that such a force could be in service before 1968 or 1969. It could well be that the project will founder either on Congressional opposition or on the inability of the Alliance to devise a viable and credible control system. In the circumstances, all that the Canadian Government is likely to be asked to do during the current year is to agree to participate in continuing studies of the multilateral force.

## 2. *Defence Ministers at the May Ministerial Meeting*

There has been no decision yet. The Secretary-General believes that a decision on an inter-allied force under paragraph 6 of the Nassau communiqué might be possible by the time of the May meeting, if it were confined to the limited area described in paragraph 1. At least a progress report on discussions of the Nassau Agreement might be made. Depending on how much progress has been made in discussions of the Nassau Agreement, it might be desirable from the Canadian point of view that Defence Ministers be present. However, it is still uncertain whether the other members of the Alliance would find this desirable or necessary.

G[EOERGE] I[GNATIEFF]

172.

DEA/50219-AL-2-40

*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*

SECRET

[Ottawa], March 5, 1963

I thought you might like to have a copy of a brief memorandum which George Ignatieff gave me on points that he wanted to take up with the Prime Minister when there was an opportunity.

We did not get a chance in London to get this settled and I rather doubt we will get much during the next few weeks.

R.B. B[RYCE]

[PIÈCE JOINTE/ENCLOSURE]

*Note du représentant permanent auprès du Conseil de l'Atlantique Nord*  
*Memorandum by Permanent Representative to North Atlantic Council*

SECRET

[Paris?], February 22, 1963

Points for discussion with the Prime Minister:

1. Does the Prime Minister want the NATO defence Ministers to be present at the spring Ministerial meeting in Ottawa, or is his attitude one of being prepared to see them come if that is the general wish?
2. How far does the Prime Minister want to go in supporting the Nassau agreement?
3. What are the Prime Minister's views on the assignment of F-104s to the Nassau force (under para. 6)?
4. What are the Prime Minister's views about implementation of para. 8 of the Nassau agreement? Would he contemplate Canadian participation?

173.

G.D./Vol.398

*Le représentant permanent auprès du Conseil de l'Atlantique Nord*  
*au haut-commissaire au Royaume-Uni*

*Permanent Representative to North Atlantic Council*  
*to High Commissioner in United Kingdom*

SECRET AND PERSONAL

Paris, March 1, 1963

Dear George [Drew],

I was delighted at the news that you and Fiorenza will be coming over to stay with us next Friday, March 8. Alison will be in touch with Fiorenza about shows that we might go to.

As promised, I am enclosing [on a] for your own eyes only basis the record I sent to Ross Campbell of my impressions of what I said and heard last week-end in London, including a copy of the memorandum which I gave to the Prime Minister at the conclusion of the meeting at Upper Brook Street last Saturday afternoon. Obviously I do not expect that my record would necessarily coincide with yours, but I would be very grateful if you could let me know some time whether my impressions were significantly out of line.

With warmest best wishes.

Yours as ever,

GEORGE [IGNATIEFF]

[PIÈCE JOINTE/ENCLOSURE]

*Le représentant permanent auprès du Conseil de l'Atlantique Nord  
au sous-secrétaire d'État adjoint aux Affaires extérieures*

*Permanent Representative to North Atlantic Council  
to Assistant Under-Secretary of State for External Affairs*

SECRET

[Paris], February 27, 1963

Dear Ross [Campbell],

By the time this reaches you, you may well have got the story about what transpired in the talks on defence in London from Bob Bryce. There were two sets of talks (a) my report on the Nassau Agreement and the May Ministerial Meeting in Ottawa on Saturday February the 23rd and (b) my later talk with Gordon Churchill about the CF-104s on Monday February the 25th. I worked closely with Bob on both occasions and he was present and will tell you in greater detail what happened. In this letter I will merely summarize my impression of it and what I hope will be done to follow these talks up.

My report to the Prime Minister on February the 24th was based on the attached memorandum<sup>35</sup> of which I enclose four copies. I think that there is nothing in it which is inconsistent with your memo of February 21 [22?]. Bob Bryce went over the memorandum and agreed that I should leave a copy with the Prime Minister which I did.

No conclusive comment or discussion followed but it was my impression that the Prime Minister and Mr. Churchill had no objection to us exploring the possibilities of a multi-national NATO nuclear force on the basis that 104s would probably be included and that the expectation that what will emerge will not in so far as command and control is concerned be very different from the arrangements now in effect except that there might be an inter-allied consultative committee on which Canada as a contributor to the force might be represented.

There was very little enthusiasm for a multi-NATO seaborne nuclear force but as I pointed out to the Prime Minister privately if as is probable the Germans will support and offer a substantial subscription to this force it may well be that the rest of us will have to support the force as a better alternative to the development of a separate German national nuclear force which might well emerge as a result of the Franco-German treaty. In any case we are only in an exploratory stage in the NATO discussions and I suppose that we can hardly object to the exploration going forward without commitment but on the understanding that a Canadian contribution if sensible arrangements emerge should not be excluded.

As regards the participation of Defence Ministers at the May Ottawa Meeting, I detected no particular enthusiasm for this and Mr. Churchill seemed to be content to leave it to a consensus in the Council and that we should not press for the participation of Defence Ministers. He mentioned that Thorneycroft expected to come.

My understanding with Bob Bryce is that he, in consultation with you and National Defence, will send me a telegram of further guidance on the points which you suggested that I should raise in London – Bob has a copy of my list of your four points.

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<sup>35</sup> Voir/See document 171.

Now for my talk with Mr. Gordon Churchill. As Bob will no doubt tell you I was recalled from Paris yesterday as Mr. Churchill wanted to speak to me after visiting the Air Division and the Brigade on Sunday. He told me that he had come to the conclusion that it was in his judgment unnecessary to negotiate a bilateral agreement between Canada and the United States to enable the Air Division or the Brigade to have access to stock piles in Europe since these forces – unlike Canadian forces to be employed in continental defence – have been assigned to NATO and for this reason it is NATO's responsibility to see that nuclear warheads are readily available to our forces as and when required. He argued that the NATO High Command had already made storage arrangements both for warheads for the Honest John and for the 104s and there was no reason why they should not make the arrangements for the warheads as well. I explained that it was my understanding that an agreement was necessary with the United States because SACEUR was an international commander and that the warheads belonged to the USA. However, as Mr. Churchill made it quite clear that he did not intend to depart from the position as stated on February 19th at his nomination convention at Winnipeg South Centre,<sup>36</sup> namely that it was for the NATO High Command to make available nuclear weapons for the 104 squadrons and for the Honest Johns and that Canada had fulfilled her obligations by providing the planes, the pilots and the battery of Honest Johns, I saw no point in continuing the argument especially as I am not absolutely clear still as to the precise legal position. I therefore suggested and Mr. Churchill agreed, that the position should be explored carefully in Ottawa and that I be given a memorandum on the basis of which I could explore the ground with the Secretary-General and SACEUR. I mentioned that I would like to have somebody from the Advocate General's Branch to help me in these talks.

It may well be that some arrangement could be worked out if it can be established that the agreement we signed with the USA in 1958 on the exchange of information is the governing bilateral agreement required by the Atomic Energy Act and that subsequent arrangements can be made by executive agreements on a service to service basis. If this is so then possibly the arrangements covering warheads for the 104s and the Honest John battery could be administrative arrangements made with the appropriate commanders in Allied Command Europe. The fact that these commanders wear US as well as NATO hats could conceivably make it possible that such arrangements would satisfy USA law. One thing Mr. Churchill was quite clear on was that he was not going to ask the USA for the warheads required for Canadian forces which had been assigned to the NATO High Command. He did not seem to attach much importance to the possibilities of effective Canadian political control over these forces which I pointed out might be prejudiced if we accept the idea that the assignment of forces to SACEUR involved acceptance of the principle that SACEUR was then made responsible to provide the warheads. In any case this seems to be a matter which needs examination in the first instance in Ottawa and I am quite prepared to do whatever I can to promote such an arrangement once I am armed with a brief.

Mr. Churchill was also concerned about the unsatisfactory state of affairs concerning the air fields for the 104s. As you know there can be no storage of nuclear weapons on the air fields located in France and he feels that we should try to make arrangements as soon as possible with SACEUR to get air fields with storage facilities in Germany or Belgium. I take it that this is a matter which in the first instance should be taken up through the military.

All in all the talks were not unhelpful and I think it was particularly useful that Mr. Churchill got to see the 104s and the Honest Johns. It was particularly valuable to me to have

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<sup>36</sup> Voir/See "Renominated, Kelly Backs Pearson On Arms: Flexibility Urged," *The Globe and Mail*, February 19, 1963, p. 8.

had such a good opportunity to have a talk with Bob Bryce and we worked together completely in harmony.

Yours as ever,

[GEORGE IGNATIEFF]

P.S. I enclose a copy for Bob Bryce.

P.P.S. I had a preliminary private talk with the Secretary-General about Mr. Churchill's idea that no further agreement may be necessary to enable the Air Division and the Brigade to have access to stock piles. His reaction was that this was certainly worth exploring since according to his records there were two main positions to start from:

(a) The statement in the 1957 Communiqué 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,"<sup>37</sup> and

(b) The fact that Canada signed a bilateral agreement with the US on May 22, 1959, which enables Canada to have access to nuclear information.<sup>38</sup>

Stikker also mentioned that a statement by SACEUR to the Council on the 30th of April, 1959, may have some bearing on our problem since it deals with NATO stock piles in Europe. I told him that I would not pursue the matter further until I had a brief from Ottawa but he told me that he would be willing to help.

174.

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, March 8, 1963

NATO CONSULTATION ON DEFENCE PLANNING  
AND THE NASSAU AGREEMENT AS AT MARCH 8, 1963

For your information, attached is an account of the discussions that have been taking place within NATO recently on the implications of Paragraph 6 of the Nassau Agreement (multi-national nuclear force) and on the implications of Paragraphs 7 and 8 (a multilateral nuclear force).<sup>39</sup>

N.A. R[OBERTSON]

<sup>37</sup> Voir « La réunion 'au sommet': Déclaration et Communiqué, » *Affaires Extérieures*, vol. 10, n° 1 (Janvier 1958), p. 8.

See "NATO Heads of Government Meeting: Declaration and Communiqué," *External Affairs*, Vol. 10, No. 1 (January 1958), p. 8.

<sup>38</sup> Voir « Accord entre le Gouvernement du Canada et le Gouvernement des États-Unis d'Amérique pour la coopération dans le domaine de l'utilisation de l'énergie atomique aux fins de la défense commune, » *Recueil des Traités du Canada*, 1959, n° 16.

See "Agreement between the Government of Canada and the Government of the United States of America for Co-operation on the Uses of Atomic Energy for Mutual Defense Purposes," *Canada Treaty Series*, 1959, No. 16.

<sup>39</sup> Note marginale :/Marginal note:

SSEA wishes British efforts to obtain priority for para. 6 to be supported. M.N. B[ow]



[PIÈCE JOINTE/ENCLOSURE]

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

SECRET

[Ottawa, March 8, 1963]

NATO CONSULTATION ON DEFENCE PLANNING  
 AND THE NASSAU AGREEMENT AS AT MARCH 8, 1963

*Paragraph 6*

On February 20 the Council established an ad hoc working group to survey nuclear weapons systems available between now and the end of 1966. The terms of reference of the group call for the establishment of an inventory of

- units equipped with nuclear delivery systems located in the area of Allied Command Europe assigned to NATO, and units outside Allied Command Europe but which governments may in principle be willing to place at the disposal of the NATO nuclear force
- nuclear delivery systems which members plan to introduce into their own forces between now and the end of 1966 and commit to NATO.

The ad hoc working group has met twice and is expected to report back to Council towards the end of March.

In reporting the discussions in Council on February 20, our NATO Representative made it clear that there was uncertainty and opposition to the possible implementation of a multi-national force under Paragraph 6. The French attitude was one of reserve and they would probably only play the role of observers in the discussions, the Danes and Norwegians have remained silent throughout the discussion, the Germans are still uncertain whether to contribute under Paragraph 6 or under Paragraphs 7 and 8, and the USA continues to have serious reservations about including tactical nuclear weapons systems in a force under Paragraph 6.

On February 27th Council discussed the replacement of Jupiter IRBM missiles in Italy and Turkey by three U.S.-manned Polaris submarines. In answer to a question from the NATO Secretary-General as to whether these submarines were to be considered as the USA contribution to a multilateral force under Paragraph 6, the USA NATO Delegate replied that these submarines will be assigned to SACEUR, will be under SACEUR's control and will be targeted by SACEUR. He said there had been no final decision about the USA contribution under Paragraph 6 but that it was likely that these submarines would constitute the USA contribution.

This week the NATO Secretary-General is paying a visit to Washington in order to obtain personal clarification from the U.S. Government of the Nassau Agreement. Mr. Stikker also hopes to obtain USA agreement to a rational plan of work for NATO for the rest of the year because in his view conflicting interpretations of Nassau, in particular between Britain (who wish to go ahead with a multi-national force under Paragraph 6) and the USA (who wish to concentrate on a multilateral force under Paragraphs 7 and 8) have thrown the work of the Council into disarray.

In Council on March 6 the British NATO Representative gave further information on British thinking with regard to a multi-national force under Paragraph 6. He made the following points:

- (a) The multi-national force under Paragraph 6 and the multilateral force under Paragraphs 7 and 8 are not rival plans but essential parts of a general effort to organize, discipline and unite

the nuclear capabilities of the Alliance. The NATO nuclear force must be a developing one: it should begin by contributions of national forces already in existence and continue by including other types of weapons systems as they become available in the future.

(b) Initial contributions to the force should be limited to those nuclear delivery systems which are pre-targeted, which would include existing tactical strike aircraft (such as the Canadian CF104s) and the longer range bombardment missiles. The British believe these systems have the special characteristic of being available for tactical support of Allied Command Europe as a whole rather than for close support of the forces of the country they are in and, therefore, they fit naturally into a multilateral scheme.

(c) Any country willing to assign weapons systems of this kind would be a contributor to a NATO nuclear force and be entitled to a voice in the arrangements for the use of the force, i.e. targeting, planning, co-ordination and carrying out of nuclear strikes.

(d) Contributing countries should negotiate individually the terms of assignment of their forces (the British wish to be free to withdraw the V-bomber component of the multi-national force "when supreme national interests are at stake").

(e) The force should be under the supreme command of SACEUR but within SHAPE a nuclear planning and command cell should be formed with an officer in charge directly subordinate to SACEUR. The first holder of this post should be a European and he would be served by a staff drawn from participants in the multi-national nuclear force.

#### *Paragraph 8*

On February 27, for the first time, the USA presented its views on Paragraphs 7 and 8 of the Nassau communiqué to the NATO Council. From this presentation, it is clear that the U.S. Government has reverted to a preference for surface vessels rather than submarines as carriers for the Polaris missile in a NATO multilateral force, and that for the present the U.S. Government have decided not to give up the veto in the control body of such a force.

The USA consider that a multilateral force under Paragraphs 7 and 8 might at first be a joint undertaking of a small number of members of NATO but that others could join later. Features of the multilateral force would include

- control by a committee of the participating countries in which the rule of unanimity would apply.
- underwriting by the USA of a substantial fraction of the cost of the force including warheads, personnel and Polaris missiles.

Livingston Merchant is now visiting those European countries who have expressed a "solid interest" in the multilateral force (Britain, Germany, Italy and Greece) and will be reporting back to the Council in the next two or three weeks. Meanwhile, our Permanent NATO Representative has indicated that the reaction of the Council to the U.S. presentation was one of reserve. "Members realize, however, that the problems raised by the multilateral force especially its political control, are central to the future of the Alliance and will in any case have to be faced when, towards the end of this decade, we will have to decide whether to renew the North Atlantic Treaty and, if so, in what form."

In a private discussion with Merchant, our NATO Representative reported that

(a) Merchant confirmed the USA had revised its view of the military value of a multilateral force and, as a result, had come to the conclusion that the trend in missile systems was away from fixed vulnerable bases and that Polaris carrying submarines and surface carriers reflected this trend. Invulnerability of the Polaris submarine was not absolute and the Soviet Union was bound to try and develop countermeasures to it. The desirability, therefore, of developing an alternative to the Polaris submarine deserved consideration, particularly as it would force the Soviet Union to divert resources from developing countermeasures against Polaris submarines.

(b) Other advantages of surface carriers are their cheapness, they can be built in other countries, they would be available sooner than submarines and the training of multi-national crews presented less problems than in the case of submarines.

(c) It was the definite intention of the USA to have all 15 NATO nations ultimately contribute to the multilateral force in one way or another whether in money, men or materials.

(d) The U.S. did not consider French participation excluded for all time. They had carefully studied the French nuclear weapons programme and were convinced that the Mirage force would be obsolescent from the moment of coming into service. The USA also believed that economic factors alone would eventually force France to abandon its independent deterrent.

(e) The USA were now concentrating on securing German participation in the multi-lateral force. If West Germany can be persuaded to become a charter member, there was little likelihood that the Germans would be tempted to build their own independent nuclear deterrent.

(f) The USA realizes that Britain is more concerned with Paragraph 6 and not a very enthusiastic supporter of a multilateral force under Paragraph 8. However, the attitude of a British Labour Government might be different.

#### *Future Discussions*

Further discussion on Paragraph 6 is not likely to take place until the end of the month when the Ad Hoc Working Group which is drawing up the inventory of nuclear weapons systems has made its report. Discussions on Paragraph 8 are also not likely for a number of weeks until Livingston Merchant has returned from his present round of visits. With regard to a visit to Ottawa, Mr. Merchant informed Mr. Ignatieff

“His team had not sought invitations from NATO governments for bilateral discussions. This initiative was left to governments themselves to decide. There had, he knew, already been contact at the level of officials when the Smith-Lee team visited Ottawa. He believed any additional briefing would only be profitable if it were to include Ministers. He thought it would be useful to have CABAL briefings take place before any further briefing on the multilateral force.”

With regard to the CABAL briefing, we have been informed that the U.S. CABAL briefing team has asked for a postponement of their visit to Ottawa until after April 9 and have suggested consultations on a new date.

N.A. R[OBERTSON]

175.

DEA/50219-AL-2-40

*Note de l'adjoint spécial, 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

[Ottawa], March 15, 1963

#### NASSAU AGREEMENT

The attached memorandum<sup>40</sup> outlining the NATO consultations on this subject was shown to the Minister on March 11, 1963. He said that the British efforts to obtain priority for action

<sup>40</sup> Voir le document précédent./See previous document.

under para. 6 of the Nassau Agreement should be supported in order to counteract the United States tendency to emphasize paras. 7 and 8.<sup>41</sup>

2. Subsequently on March 13 the Minister was informed concerning the German reaction to the Merchant Mission which was reported to involve payment by Germany of up to 40 percent of the costs of a multilateral nuclear force. His attention was drawn to the implications of this for the German position in Europe and he was informed that there were, in addition, some indications that the French might not insist on maintenance of the restraints imposed on Germany through the Western European Union. In view of these developments it was suggested that we might soon have to take a position on the concept of a multilateral force in paras. 7 and 8 of the Nassau Agreement. The Minister asked how soon this would be necessary and he was informed that the question would probably come up during consultations prior to the presentation of the results of the Merchant Mission.

3. The Minister was also informed that the SHAPE military authorities had decided that the Canadian F104G aircraft should not be included in the survey that was being completed concerning nuclear weapons systems already available for a multi-national nuclear force under para. 6 of the Nassau Agreement.<sup>42</sup> The Canadian aircraft were being excluded because nuclear warheads were not available for their weapons. The Minister instructed that there should be no reaction to this decision until he returned to Ottawa and had an opportunity to discuss the problem with officials. A few of the implications of allowing this decision to stand in relation to Canada's participation in NATO were mentioned to him but elaboration of these points was left until his return.

M.N. B[ow]

176.

DEA/50219-AL-2-40

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

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

LETTER NO. 435

Washington, March 27, 1963

SECRET. CANADIAN EYES ONLY.

Reference: Our telegrams 874† and 887† March 22.

NATO NUCLEAR FORCE – UNITED STATES VIEWS

As our conversation with Livingston Merchant on March 21 was held shortly after his return and prior to his meeting with President Kennedy, we saw Robert Schaetzel, Deputy Assistant Secretary for Atlantic Affairs, yesterday March 26, to sound him out on the President's reaction and on the general attitude of the Administration to the results of Merchant's tour. Schaetzel seemed less confident about the future of the multilateral force than when we saw him at the beginning of February. His concern as to prospects of early progress appeared to stem from the existence of unresolved basic issues, delay in reaching firm decisions within the Administration, the need for more effective liaison with Congress, and

<sup>41</sup> Note marginale :/Marginal note:

We might speak about an assessment of the advantages & disadvantages of Can. participation in para 6/7-8/ [illisible/illegible]. R[oss] C[ampbell]

<sup>42</sup> Note marginale :/Marginal note:

End '66? [Ross Campbell]

finally from the extent to which the main European countries interested in the force are currently concerned with domestic political matters.

2. With respect to the results of Merchant's tour, Schaetzel gave us the clear impression that President Kennedy has not yet taken any clear decision to authorize officials to proceed with the next stage of actual negotiations. He admitted that the apparent lack of solid support in Washington tended to create doubts abroad about the Administration's real intentions and serious interest in pressing ahead.

3. On Congressional opinion Schaetzel personally thought that not enough was being done by the Administration to place the problem of establishing a multilateral force in the wider political context. He implied that disproportionate attention was being directed by the Administration in the discussions with Congress to the mechanics of the force (and by inference to the necessary amendments to United States legislation) and not enough to the political arguments weighing in favour of its creation. The natural inclination of Congress was to stand pat. He thought the Administration should make greater efforts to emphasize to Congress the political realities of the present situation. In this connection he felt there was a need to draw their attention to the sort of considerations referred to by President Kennedy at his news conference last week<sup>43</sup> when (in reply to a question relating to prospects for a nuclear test ban agreement) the President underlined the danger that a number of countries may soon be in a position to develop an independent nuclear capability.

4. Schaetzel said that one of the real difficulties vis-à-vis Congress was that the Administration could not at the present stage provide them with much more than a hypothesis coupled with a request for an indication as to what the Congressional attitude would be in the event such a hypothetical situation materialized. The tendency in Congress was to reply that the Administration should return when it had more concrete proposals to offer and when it was in a better position to report on what the Europeans really want and can expect to support. On the other hand, Schaetzel said, it was difficult to persuade the Europeans to get down to real negotiations on basic issues involved in the absence of some assurances that United States Congressional support would be forthcoming in the final analysis.

5. Political control and the type of carriers to be employed continue to be the main unresolved issues. Schaetzel thought that the former would pose the most difficulties but he seemed optimistic it would prove possible in the long run to arrive at a formula which would prove to be acceptable to all concerned.

6. With regard to European reactions, Schaetzel, like Merchant, was critical of the United Kingdom's attitude which reflected, in his view, an excessive preoccupation with the maintenance of an independent nuclear deterrent force. Schaetzel clearly implied that its attitude was not only anachronistic but was out of tune with what he took to be prevailing view of responsible opinion (especially the press) in the United Kingdom. At the same time, Schaetzel did not seem to think that much change in the United Kingdom Government's position could be expected. He felt that strong United Kingdom support for the multilateral force would make a great deal of difference in the present situation. In the light of signs of declining support for Macmillan however, the prospects of any United Kingdom move in this direction did not appear to be very good.

7. Schaetzel agreed that the current emphasis by the United Kingdom on the multinational force might have more meaning if some real measure of assignment of national contributions were involved, e.g., if the United Kingdom agreed to the right of withdrawal of its national

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<sup>43</sup> Voir/See "The President's News Conference of March 21, 1963," in *Public Papers of the Presidents of the United States: John F. Kennedy, 1963* (Washington: United States Government Printing Office, 1964), pp. 273-282.

contribution subject only to "supreme national interests" being at stake. He said the United States had tried unsuccessfully to persuade them to accept such a formula. In the circumstances Schaetzel (who was less derogatory than Merchant in assessing the value of paragraph 6 force) thought that the main advantages in setting it up were (1) that it would represent something tangible in the way of implementing the Nassau Agreement and (2) that it would enable members of the force to share information and planning relating to targeting of NATO strategic forces.

8. On the German attitude Schaetzel confirmed that the Administration has been encouraged by the keen interest expressed in Bonn and he thought that Germans were getting close to a firm commitment. He also had the impression that the Germans were very conscious of the undesirability of moving too far out in front of their other European partners whose reactions to date were relatively lukewarm. Schaetzel added, however, that it was difficult to get German authorities to concentrate their full attention on the multilateral force because of the preoccupation in Bonn with the question of a successor for Chancellor Adenauer.

9. On the Belgian attitude Schaetzel believed that Spaak was genuinely interested in Belgian participation but was confronted with a complicated parliamentary situation. The natural and understandable inclination of a small country like Belgium, Schaetzel observed, was to leave the situation pretty much as it is, with the main Western deterrent power remaining in United States hands and with the Europeans concentrating on the improvement of their conventional forces.

10. Bearing in mind the United States view that the development of the multilateral force should not proceed at the expense of improving NATO's conventional forces, we asked Schaetzel whether the Administration intended to expound further its views on NATO strategy. Schaetzel acknowledged that at some stage in the present process an attempt would have to be made to resolve the underlying differences between the United States and certain European members on this question. He did not dismiss the possibility that this problem might be raised at the Ottawa meeting and he thought that some advantage might be derived from having informal discussions on this question between Ministers either on a bilateral or multilateral basis.

11. With regard to the NATO Ministerial Meeting, Schaetzel thought that sufficient progress will have been made by the date of the meeting to enable Ministers to agree on the establishment of a multinational force under paragraph 6 and to make individual commitments regarding national contributions to this force. On the multilateral force Schaetzel sounded even less optimistic than Merchant and did not seem certain that it would even be possible to request Ministers to take note of progress report. He clearly hoped, however, that something of this nature would prove feasible.

12. It is Schaetzel's habit to speak freely and he has some tendency to respond rather emotionally to encouragement or the reverse. The foregoing report should, therefore, be treated with due caution, although we do consider that it provides a reflection of the inconclusive state of current thinking in Washington as to the possibilities of launching the multilateral nuclear force in 1963.

H.B. ROBINSON

3<sup>e</sup> PARTIE/PART 3

## BERLIN

177.

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], January 16, 1962

## BERLIN ECONOMIC COUNTER-MEASURES

As you know, on January 15, 1962, when the German Ambassador called on the Prime Minister, this subject was discussed. Our understanding is that Mr. Siegfried said he had received special instructions from Chancellor Adenauer to explain to the Prime Minister of Canada that the Canadian attitude toward economic counter-measures was causing difficulties and to urge withdrawal of the Canadian reservations on the proposed NATO decision. Mr. Siegfried apparently said that Canada was the only country that was not prepared to accept the proposed NATO decision concerning a total economic embargo against the Soviet bloc in the event that military and civilian access, air or ground, to West Berlin is blocked. The Prime Minister undertook to discuss the question again with his colleagues. He suggested that the Ambassador should talk to you about the problem.

2. The United States Embassy and the British High Commissioner's Office have already made similar representations to us on this matter. In addition, as reported in paragraphs 9 and 10 of the attached telegram (No. 38 of January 8, 1962 from NATO Paris<sup>†</sup>), the Secretary-General of NATO recently enquired about the Canadian position. Mr. Stikker said he was aware of your recent conversation with the Minister-Counsellor of the United States Embassy in Ottawa.

3. Mr. Léger gave Stikker a copy of the attached statement which Canadian Ministers approved during the Council meetings last month and the Secretary-General was informed that this statement would be made in the Council if the matter was raised. Mr. Stikker was pleased by our acceptance of the civil air traffic counter-measures but he said that Canadian reservations on other aspects of the question might undermine the whole scheme by inspiring doubts and opposition among other members of the alliance. Some of these countries would reject any decision which was not acceptable to all members and Mr. Léger commented that seen in this light, in Mr. Stikker's view, our reservations amount to a veto.

4. The Secretary-General must now decide whether to press for the acceptance of the following draft decision on a total embargo which was introduced in the NATO Council on December 7, 1961:

"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 counter-measures 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 such an embargo should be put into effect."

This formula does not contain the objectionable "automatic" feature of earlier proposals which involved more substantial advance commitments. The present draft states that when access to

West Berlin appears to be blocked the Council will decide whether or not to impose an embargo. However, the first sentence of the draft decision involves acknowledgement that a total economic embargo would be an “appropriate response” to blockage of access to West Berlin; and the second sentence involves a commitment to participate in planning for a total embargo.

5. You will recall the Cabinet decision of October 23, 1961, that “... the Government should make no commitment to participate in economic counter-measures with respect to the Berlin situation until access to Berlin was denied ...”<sup>44</sup> On December 7, 1961, when the Cabinet reaffirmed this decision (except so far as it applied to air traffic counter-measures on which the withdrawal of the Canadian reservation was authorized),<sup>45</sup> information concerning the new NATO draft decision of the same date was just being received. The so-called Stikker “compromise formula” has not, therefore, been considered by the Cabinet. In these circumstances do you wish a further Memorandum to the Cabinet to be prepared or do you wish our position to remain as explained in the statement approved by the Ministers attending last month’s meetings in Paris?

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Communiqué officiel*

*Official Statement*

RESTRICTED

Paris, December, 1961

BERLIN ECONOMIC COUNTER-MEASURES

Since the subject of economic counter-measures has been raised, I should like to explain briefly why [the] Canadian Government has had reservations about this concept. While the Canadian position has in form been perhaps somewhat different from that of many other members of the alliance, I believe that in fact, some of Canada’s reservations on this subject are shared by a number of other members of the alliance. I want to assure you at once that our misgivings have certainly not been inspired by any preference for military counter action or by any narrow commercial considerations. Rather it is that we have doubts about the efficacy of economic sanctions and we would have real difficulties in imposing them in a situation short of war.

In this Council the hope has been expressed that if a total economic embargo could be imposed as a last resort in order to avoid hostilities, such economic action might be an effective deterrent. In several NATO countries, including Canada, legislative authority does not now exist to take all the measures which would be required to impose a total economic blockade. In a crisis it would, therefore, be necessary to seek Parliamentary authority for the measures which would be involved. If this legislation was to be successfully defended in Parliament and before public opinion, the urgent need for it would have to be clear beyond the shadow of a doubt. In other words, Parliamentary and public opinion in a number of the NATO countries would have to be satisfied that the situation required drastic measures amounting to the penultimate step before war.

In considering this problem, the Canadian Government was impressed by the extreme difficulty of predicting the exact circumstances in which these demands for Parliamentary and

<sup>44</sup> Voir/See Volume 28, document 282.

<sup>45</sup> Voir/See Volume 28, document 291.



public support would have to be made. It is true that, for internal procedural purposes within the alliance, the question of a total blockade has been divorced from the question of a partial or gradual blockade. This may have facilitated planning. But is it realistic? In other words, is it at all likely that a total blockade of West Berlin, which would clearly be seen as the last step before war, will be thrust upon us overnight? If the alliance should agree to a form of words outlining what should be done in the circumstances of a total blockade, would it not be agreeing to do something in a hypothetical situation which is unlikely ever to arise?

If so, then surely the alliance should be concentrating its attention on what it would do if there were a partial or gradual blockade of West Berlin. After all, it is this type of progressive harassment which we are already facing.

The exact form which a partial blockade of West Berlin might take and the precise counter-measures which might be an appropriate response are perhaps the hardest of all to predict and to provide for, especially under our federal system of Government. Within the limits of its present powers, however, the Canadian Government is prepared to do what it can to meet such a situation. It has, therefore, agreed that Canadian reservation on the Council's previous decision on three civil aviation counter-measures can be withdrawn. Beyond that, we remain unable to give general commitments in advance of situations which cannot in their nature be predicted. If a much more serious situation were to occur, and the alliance were to be faced with imminent war, the Canadian Government would promptly take the necessary decisions in the light of that situation.

It would be particularly unfortunate, I would suggest, if mention of the fact that the alliance was considering counter-measures appeared in the press as a result of this meeting at a time when the alliance was trying to focus attention on the vital importance of undertaking negotiations.

178.

DEA/50341-A-40

*Note des sous-secrétaires d'État adjoint aux Affaires extérieures  
pour la Direction économique, la Direction européenne  
et la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Memorandum from Assistant Under-Secretaries of State for External Affairs  
to Economic Division, European Division and Defence Liaison (1) Division*

SECRET

[Ottawa], January 18, 1962

GERMAN AMBASSADOR'S CALL REGARDING BERLIN ECONOMIC COUNTERMEASURES

On the afternoon of January 17, the German Ambassador called on the Minister to discuss the views which he had conveyed to the Prime Minister on January 15, on behalf of Chancellor Adenauer.

2. Ambassador Siegfried explained that Chancellor Adenauer was concerned about the situation which would arise in Berlin if access were blocked and was therefore anxious to see the NATO countries reach a "clear and unified attitude" regarding economic countermeasures. Accordingly, the Chancellor hoped very much that the Canadian government might reconsider its attitude.

3. Ambassador Siegfried indicated that economic countermeasures were regarded by the German government as an alternative to war. If it was clear that the NATO powers would be prepared to take economic action, this would reduce the risk of dangerous military action. In this connection the Ambassador mentioned that when the wall was being built between East

and West Berlin, the East German police along the border were not issued with ammunition since apparently the Soviet authorities were not prepared to have the East Germans engage in an exchange of gun fire if they were challenged. The implication of the Ambassador's remark on this point seemed to be that it was possible to resist (presumably by economic means) Russian action in Berlin without necessarily precipitating a conflict. In fact, the Soviet authorities might expect some response to their actions as apparently they had anticipated over the building of the wall. All of this seemed to the Ambassador to be a justification for the Western powers making an appropriate response if and when the Russians block access to Berlin.

4. Although the Ambassador insisted that the Stikker formula involved no advance commitment, he argued that acceptance of the formula by all NATO members would save time when the final decisions have to be taken. He said, in fact, that adoption of the formula would "avoid the need" for time-consuming consultations when any denial of access occurred. (No doubt his intention was to say that while the necessity for consultations would not be avoided, the time required for reaching agreement would be lessened somewhat if the principle of an economic embargo were to be accepted ahead of time. Even this line of argument, however, implies that adherence to the formula involves some advance commitment, at least in principle.)

5. The Ambassador was not certain whether the German government would expect any resolution that NATO might adopt on this subject to be made public. He recognized that if some common understanding among the NATO countries was to have any effect as a deterrent, the Russians would have to be aware of its existence. On the other hand, publicity might cause serious concern within some of the NATO countries and might present difficult problems for individual members.

6. The Ambassador re-emphasized his hope that the Canadian government might be able to go along with the Stikker formula. He noted that while from time to time the tensions in Berlin had risen and subsided, the situation was now as tense and dangerous as it had ever been. It was most important that the Western countries should have available some means other than military action for responding to blockage of access by the Russians or East German authorities.

7. The Minister questioned the Ambassador about the extent to which, under the Stikker formula, governments would remain free to take final decisions at the time of an incident and also about the extent to which it was expected that any NATO resolution adopted now would be made public. The Ambassador's comments on these points seemed rather confused. It appeared that he had not been given any detailed indication of his government's intentions.

8. Mr. Green stated that a total economic embargo would probably involve measures coming within the jurisdiction of provincial governments. The Federal Government could not undertake an advance commitment to carry out such measures without the consent of the provinces or without taking special powers under the War Measures Act. If the Canadian government were to agree now to a resolution which implied that it already had the authority to do all of the things involved in an economic embargo, there would be serious criticism in Canada, especially from the provinces. If it were to seek the necessary authority in advance, a public debate would be precipitated that would not be helpful to NATO. The government would not be prepared to invoke the War Measures Act unless and until a war situation existed or was very close. (Mr. Green noted that the willingness of the government to give advance commitments on matters not involving the provinces or the War Measures Act was evident from the attitude which we had recently taken on air countermeasures.)

9. Mr. Green saw no real advantage in the proposed resolution. If it did not involve any advance commitment, it would not really save time. Since it seemed clear from the last

sentence of the formula that the guidance of governments would have to be sought in the event that complete blockage of access occurs, it would seem to be wise to leave the whole matter for settlement when and if such an event takes place.

10. Mr. Green also thought the formula was deficient in not making provision for partial countermeasures in response to partial interference with access. Realistically, it seemed most likely that the Russians would take limited steps and would not go in for a complete blockage all at once. As a practical matter, the NATO countries should be thinking about the partial measures which they might take in response to small actions by the Soviets rather than spending so much time on a general formula designed to cover a situation which seemed most unlikely to arise.

11. The Minister recognized that if a total blockage were to occur, it would probably be necessary for the NATO governments to act at once. He did not consider, however, that such a possibility warranted difficulties with the provinces beforehand. He was certain that the Canadian government would not take a different stand from its allies when and if the time comes for some economic action. In such circumstances, the Canadian government would take its decisions as fast as anybody, but those decisions must be taken at that time rather than now. At the end of the interview the Minister asked Ambassador Siegfried to tell the Chancellor that "he did not need to worry about Canada doing its part if the time comes."

12. It should be added that Mr. Siegfried suggested two or three times during the interview that if the Stikker draft was unacceptable to us, perhaps we should indicate the changes which might make it acceptable. The Minister did not take up the suggestion during the conversation but afterwards he expressed the wish that the Department should go into the possibilities and come up with some alternative to Stikker's proposal.

13. The three Divisions to which this memorandum is addressed might consult on the possibilities.<sup>46</sup>

A.E. R[ITCHIE]

G. I[GNATIEFF]

179.

DEA/50341-A-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 61

Bonn, January 29, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tel E-252 Jan 25.†

Repeat for Information: NATO Paris (OpImmediate), Paris, London, Washington, Permis New York, Hague, Rome, Brussels (Priority).

<sup>46</sup> Notes marginales :/Marginal notes:

Mr. Bow: 1) A copy of this note might go by bag to J[ules] L[éger] [O.G. Stoner?]

Mr. Stoner: If we do so, J.L. will wonder why the minis[ter] has not been informed (para. [7]), how the provinces are involved (para 8), why we are ignorant re planning of partial measures (para 10). M.N. B[ow]

2) Para 12 [O.G. Stoner?]

Probably too late since all other Gov'ts have accepted. M.N. B[ow]

By Bag Belgrade, Cairo, Athens, Ankara from Paris, Berlin from Bonn, Moscow, Prague, Warsaw, Delhi, Oslo, Stockholm, Berlin, Helsinki, Copenhagen, Vienna from London.

BERLIN: ECONOMIC COUNTERMEASURES

At the end of my call on Carstens, the State Secretary in the German Foreign Ministry, on January 26 Carstens raised this question. He emphasized that it was at Chancellor Adenauer's request that he had instructed the German Ambassador in Ottawa to call on the Prime Minister and you. He said that this question of the NAC agreeing on effective countermeasures is "the thing which exercises Chancellor Adenauer more than anything else." Adenauer considers that if access to Berlin were blocked it would be impossible for the West to do nothing. Economic countermeasures were the least dangerous action for the West to take. The next in order of danger were maritime countermeasures. The use of Western land forces in Germany as a countermeasure was in Adenauer's opinion "extremely dangerous" because of the probability of escalation into a general nuclear war. Adenauer therefore considered it of great importance that the Canadian Government should fall in with the views of the other members of NATO on the question of economic countermeasures.

2. Carstens asked me if I would emphasize in my report to you the very great importance which Adenauer attached to this. I said that I would do this. I could also tell him that the views which the German Ambassador had conveyed to the Prime Minister and you from the Chancellor were being carefully considered by the Canadian Government. I had, however, at the moment nothing to add to the statements which the Prime Minister and you had made to the German Ambassador supplementing Léger's statements in the NAC.

3. Because of the importance which Adenauer attaches to this issue it is not repeat not impossible that he will instruct Strauss to raise it when Mr. O'Hurley and I call on Strauss on February 5. I do hope that by then you will have been able to send me a new statement of the Canadian position.

4. It would be particularly helpful to me if I could have an elaboration of the reference to difficulties in relation to provincial rights. Would it not repeat not be possible to overcome any legal or constitutional difficulties by the passing of a Federal statute along the lines of that passed in 1947 authorizing the Governor in Council to impose a partial or complete economic embargo when so requested by UN Security Council (II George VI Chapter 46)?

[ESCOTT] REID

180.

DEA/50341-A-40

*Le secrétaire d'État aux Affaires extérieures  
à l'ambassadeur en République fédérale d'Allemagne  
et le représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs  
to Ambassador in Federal Republic of Germany  
and Permanent Representative to North Atlantic Council*

TELEGRAM E-275

Ottawa, January 30, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: Washington, London, Paris, Moscow (Priority).

BERLIN: ECONOMIC COUNTER-MEASURES

The recent messages which have been received from both your missions have been given careful attention in Ottawa. We are still at a loss to understand the real reasons why this issue

is being pressed so hard at this moment; moreover discussion in and out of the NATO Council has raised important and far reaching questions for which we have not found adequate answers. Briefly these are:

(a) Is the NATO resolution intended to involve some degree of automatic commitment? If it is, what are governments left free to decide at the time of denial of access? If it is not, we fail to see why a resolution in these terms is necessary.

(b) Would it be the intention to make public a decision by NATO? If it were not to be made public would it have the deterrent effect used by some to justify it? If it were made public would it not lead to immediate economic and financial repercussions and the danger of disunity in the Alliance? Would not public opinion believe that the world was on the verge of war?

(c) Is it thought that an advance decision of this kind would make countries of the Alliance more determined or less determined to persist in negotiation? Is there not also a real danger that if such a decision was announced the Soviet Union would either regard or represent this as an indication that the West was not serious about negotiation?

(d) Can economic counter-measures really be regarded as a substitute for military action or would they not be more likely quickly to create the political and emotional conditions in which military action would appear logical and even inevitable?

2. These questions indicate some of our unresolved doubts of the wisdom of a formal decision now on the appropriateness of a total embargo as a response to blockage of access. (Some of the other unresolved questions which are naturally very much in our minds, although perhaps not so suitable for discussion with our NATO allies, relate to such matters as the important Canadian trade interests involved, the position of the neutrals and so on.) We realize that some of these questions have been asked before but the answers have not, repeat not, been satisfactory. We would welcome your comments and you should feel free to indicate in discussion that these are the kinds of questions which we are examining in our further consideration of this matter.

3. *For NATO Paris:* We would not have any objection to your raising these concerns informally with Stikker. You should stress that our position should not be represented as in any sense a veto of discussions in NATO or national action by other members. We wonder whether it would not, repeat not, meet the situation if the Council without attempting to make a formal decision simply agreed that all members should do what they deem necessary and appropriate to prepare themselves for the possibility of economic counter-measures in the event that access to West Berlin is blocked.

[H.C.] GREEN

181.

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, January 31, 1962

BERLIN: ECONOMIC COUNTERMEASURES

As you directed, I am attaching for your approval and signature a memorandum to the Prime Minister on this subject. The memorandum may appear rather long but there have been a number of important and new developments since this matter was last brought to the attention

of the Prime Minister or Cabinet. In the circumstances I thought you would wish to spell out carefully why we had arrived at the position which is recommended in paragraph 18.<sup>47</sup>

N.A. R[OBERTSON]

[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*

SECRET

[Ottawa], January 31, 1962

BERLIN: ECONOMIC COUNTERMEASURES

In view of recent developments and the bearing of this matter on relations with our NATO allies, I thought you would wish to study carefully where we now stand on the NATO discussions on economic countermeasures.

*Cabinet Decisions*

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 Soviet bloc countries.”

3. On December 7, 1961, the Cabinet again considered this question and 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 NATO aircraft (civil or military) to or from West Berlin; and agreed in regard to these air traffic measures that the Canadian reservation on the decision of the NATO Council dated October 31, should now be withdrawn ....”

*The New Formula for a Total Economic Embargo*

4. Since these Cabinet decisions the following new formula for a total economic embargo has been proposed to the NATO Council:

“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 such an embargo should be put into effect.”

Those supporting this resolution assert that it does not contain the “automatic” feature to which we and some other members of NATO had objected; instead, it leaves the decision concerning a total economic embargo until access to Berlin is actually blocked. The formula as it is now worded does not on the face of it impose any obligation to *enact* legislation or regulations until

<sup>47</sup> Notes marginales :/Marginal notes:  
Signed by SSEA 1/2 R[oss] C[ampbell]  
To H.B. Robinson 2.2.62. R. H.[?]

access to West Berlin is actually denied. It would, however, require preparations to enable prompt legislative and administrative action to be taken if this became necessary. In Canada it is unlikely that preparatory steps could be taken without the public discussion which would arise from consultation with the Provinces and from Parliament's legitimate concern.

#### *NATO Council Considerations*

5. On January 18 the NATO Council discussed the new formula and the related schemes for mitigating the effects of such a step on the economies of some NATO countries. The Canadian Permanent Representative withdrew the Canadian reservation on the Council decision concerning air traffic countermeasures and he made a statement explaining the Canadian position. While other Representatives expressed doubts about various aspects of economic countermeasures, the Canadian Representative was the only one who did not accept the new formula for a total economic embargo and the principles involved in the aid and co-operation schemes for mitigating the effects on NATO countries.

6. However, Turkey, Greece and Iceland stated that their acceptance of the draft decision concerning a total economic embargo was contingent upon acceptance by all of the other member countries of the two parallel schemes for mitigating the effects of such an embargo on the economies of member countries. These two schemes involve the approval of certain principles of co-operation, of a consultative committee which would be established as soon as it was decided to impose economic countermeasures and of a compensation fund from which interest-free loans might be granted to NATO countries that suffer severe economic damage through loss of export markets as a result of the imposition of economic countermeasures against the Soviet bloc. It has been estimated that this fund might require approximately \$70 million of which about \$40 million might be recoverable through the location of alternative export markets.

7. During the Council discussion the Secretary-General, Mr. Stikker, said that he could see no contradiction between the new formula for a total embargo and the Canadian position as explained by our Permanent Representative. He suggested that the NATO Council might accept this explanation of the Canadian position if the Canadian authorities would give assurances that draft legislation and other action which might be required in an emergency would be prepared in the appropriate federal departments. No discussion of the latter suggestion took place.

#### *Canadian Position*

8. While NATO is now unanimous on civil aviation countermeasures, Canada on the face of it is the only country that is not prepared to approve the formula for a total embargo and the principles of the aid and co-operation schemes. Apparently our position on the aid and co-operation schemes also is claimed as an obstacle to the acceptance of the total embargo proposal by Greece, Turkey and Iceland.

9. We are being pressed very hard on this matter. You will recall that the German Ambassador called on you on instructions from the Chancellor. In addition, we have been approached by both the British and the Americans along similar lines.

10. There has been a great deal of contradiction and illogical presentation on this whole exercise in NATO. From the beginning I think it is fair to say in Ottawa there has been genuine scepticism about the effectiveness of economic countermeasures in the context in which they were being presented in NATO. Chancellor Adenauer has been reported as attaching importance to an agreement on economic countermeasures in NATO since this would represent an alternative to military response in the event of interference with access to West Berlin. On the other hand, in the NATO discussions economic countermeasures have been represented as

part of the series of related responses involving both political and military action in the event of blockage to West Berlin.

11. It has also been asserted that the “automatic” feature is now removed in the new proposal. If so, it is difficult to see why there is any need for the resolution and why the Council should not be satisfied with an undertaking that each country would individually be prepared to move as quickly as possible if at a later stage Governments should decide that economic countermeasures should be applied against the Soviet bloc.

12. Our Representative in NATO and our Ambassador in Bonn were recently asked to attempt to clarify some of these uncertainties. I attach a copy of the telegram<sup>48</sup> sent to these missions which I think sets out several points which underline the possibility for misunderstanding and confusion in the handling of this issue by NATO.

13. As you will see from that telegram, I am genuinely disturbed that lying behind the insistence on a formal agreement within NATO is the desire of the United States to announce that agreement has been reached on the use of economic countermeasures if access is blocked to West Berlin. This would be consistent with the wishes of the United States to present a united front in the alliance on a tough line in the negotiations over Berlin. It would also be consistent with the increasing tendency in United States trade policies to isolate the Soviet bloc economically from the West.

14. The pursuance of such a policy short of being on the verge of war would place substantial burdens on many countries in the Alliance. Any discussion of mitigation in NATO has been directed largely to Greece, Turkey and Iceland. For our own part, our stake is considerable (although probably not as great as some other members of NATO who have stronger trade links with the bloc). Our exports to the Soviet bloc are in the order of \$60 million per year. In addition we have outstanding credits with these governments of nearly \$80 million. If we include China of course something like \$150 million per year (largely wheat) would be involved in addition.

15. There is moreover, the serious difficulty that would arise in Parliament and with the Provinces if the Government were to make any move that suggested that the Government might be seeking to acquire arbitrary powers such as the War Measures Act confers.

16. Finally, I seriously doubt that public opinion in this country or indeed in most countries of the Alliance would be ready to accept, without considerable dismay and confusion, that the Alliance was contemplating economic countermeasures at this stage. I would also be concerned that a leak or public discussion of this matter might minimize chances for an effective negotiation with the Soviet Union.

17. In these circumstances, I see merit in standing our ground on this issue. At the same time given the pressure which has been brought on us we must assess how this could affect our relations with our NATO allies. If we hold to our present position (which I believe is desirable), we must anticipate that further efforts will be made to induce us to change our minds.

18. I expect that Mr. Heeney in the course of the next few days may be sending us further views from Washington. Subject to a review of such additional comments, I believe that we should instruct our Representative to NATO to make a further statement to the Council along the following lines:

(a) While Canada is not prepared to accept the present resolution we do not consider that our position represents a veto over any further discussion of this matter in Council.

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<sup>48</sup> Voir le document précédent./See preceding document.



(b) If eventual access to West Berlin should be blocked and NATO Governments should decide to apply economic countermeasures, Canada would be prepared to act as quickly as any other country.

(c) The Canadian Government questions the need for a formal decision along the lines proposed and would urge that what should now be agreed is that member countries should take whatever action they individually deem appropriate and necessary to prepare themselves for the possibility that economic countermeasures might be applied should access to West Berlin be blocked.

(d) The Canadian Government would urge strongly that no publicity should be given at this time to the discussions in NATO on economic countermeasures and to whatever agreement may be reached. Any decision concerning publicity should be a matter for consideration by all the governments.

19. I would welcome your comments on the points outlined in this memorandum, in particular on the proposed course of action suggested in paragraph 18.<sup>49</sup>

H.C. G[REEN]

182.

DEA/50341-A-40

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

SECRET

[Ottawa], February 7, 1962

BERLIN: ECONOMIC COUNTERMEASURES

On February 6 the Prime Minister made certain comments on the subject matter of the Minister's memorandum of January 31. On February 7, I submitted to the Prime Minister a draft record of his comments with a view to ensuring that he was accurately reported. The Prime Minister approved the draft record (paragraph two below) but said that the position he set out therein represented his "views" and should not at this stage be taken as final instructions. He would like his views considered in the Department and said that he intended to speak again to Mr. Green on this matter in the near future.

2. The Prime Minister said that, having examined the memorandum, he was not convinced that Canada should continue to withhold its acceptance of the present resolution before the NATO Council. He thought that our acceptance of that resolution should, however, be made contingent on the following understandings:

(a) that there would be no actual implementation of a total economic embargo without prior consultation with and the explicit consent of the Canadian Government;

(b) that the Canadian Government would not be expected to proceed with either the passage or the preparation of legislation because the proclamation of the War Measures Act would permit immediate action to cooperate in an embargo even though Parliament might not be in session at the time;

(c) that no publicity would be given to this matter.

<sup>49</sup> Note marginale :/Marginal note:

See memo of Feb 7 for P.M.'s views. H.B. R[obinson] Feb. 7

3. I should add that in considering this matter on February 7, the Prime Minister examined telegram 318 of February 6† from NATO Paris dealing with the special position of the United States in NATO with regard to arms for Indonesia. The Prime Minister was also aware, in balancing the pros and cons of maintaining our present position on Economic Countermeasures, that other issues might arise (e.g. trade with Cuba) on which we might again find ourselves somewhat isolated in the NATO Council. He said that the judgment on whether or not we should stick to a minority position would be made in the light of the circumstances of each case, and I understood him to imply that he would feel more comfortable in being isolated on, for instance, the issue of trade with Cuba than he would in respect of the resolution on Economic Countermeasures on Berlin. At the end of his remarks, however, he again said that he intended to review the whole matter with the Minister.

H.B. R[OBINSON]

183.

DEA/50341-A-40

*Le secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs  
to Permanent Representative to North Atlantic Council*

TELEGRAM E-357

Ottawa, February 13, 1962

SECRET. OPIMMEDIATE.

Reference: Our Tel E-275 of Jan 30 1962.

Repeat for Information: T&C, CCOS, DND (from CCOS), London, Washington, Permis New York, Paris, Bonn, Brussels, Hague, Rome.

By Bag Athens, Ankara, Belgrade, Cairo, Moscow, Prague, Warsaw, Vienna, Berlin, Delhi, Oslo, Stockholm, Helsinki, Berne, Copenhagen.

BERLIN: ECONOMIC COUNTERMEASURES

You may now inform the Council that we are prepared to accept the Stikker formula concerning a total economic embargo subject to the following specific conditions:

(a) that Canada would participate in a total economic embargo only if the Canadian Government had been consulted and given its consent at the time;

(b) that the Canadian Government would not be expected to proceed meanwhile with the passage of any legislation; and

(c) that no publicity should be given to the NATO decision.

On the latter point you may, if you consider it appropriate, reiterate our misgivings, explaining that public knowledge of a NATO decision on a total embargo would risk a damaging display of disunity in NATO countries where the wisdom of taking such measures at this time might be questioned; would be prejudicial to negotiations toward a settlement of the Berlin question; and might provoke the Soviet Union to take preventive economic or other measures against NATO countries.

[H.C.] GREEN

184.

DEA/50128-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 82

Moscow, February 14, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: London, NATO Paris, Paris, Washington, Bonn, Brussels, Hague from London, PCO, CCOS, DM/DND Ottawa from Ottawa

By Bag Cairo, Belgrade from Paris, Oslo, Warsaw, Vienna, Prague from London.

BERLIN – AND KHRUSHCHEV'S OTHER DILEMMAS

Relative diplomatic lull on Soviet side during the past two months has now been broken by an appeal to summitry. Most diplomat observers here found the lull perplexing. Some found it worrying, rather as parents of rambunctious children become anxious when they realize that the accustomed noise from the next room has ceased, and do not repeat not know what children may be up to.

2. Observers here have found it difficult to speculate with any confidence about what Russians may be planning next. There have been many theories. My own view is that main reason none of us have felt very sure what Soviet Government may do next is that Khrushchev himself is probably uncertain. In my judgment Khrushchev faces several serious dilemmas.

3. One dilemma relates to Berlin. Others are in fields of Soviet-Chinese relations, and of domestic economic and political policies.

4. On Berlin, Khrushchev may have been surprised as well as disappointed that his ominous threats last summer and autumn, far from causing weakening in Western determination or any fundamental break in Western cohesion, have strengthened both. He may be tempted in due course to try one more build-up of tension to the crisis point, but I hope he realizes that it might be dangerous to push USA much nearer to the brink. Thus far Soviet efforts to weaken Western Alliance by cajolery and blandishments to individual members seem to have proved as unsuccessful as earlier threats. At various times, including on a few occasions during the last ten days, there have been informal Soviet suggestions that Britain should get more directly into the act and that if Macmillan will not repeat not personally intervene, as seems to have been hoped last autumn, his ambassador in Moscow should "take more active role." The more important Soviet effort to lure FGR into separate negotiations, though it apparently had some effect on sections of West German opinion, also seems unlikely to succeed on any terms which USSR has thus far offered. Mere Soviet hints that eventually an improvement in West German-Soviet relations might lead to bigger things, are not repeat not likely in themselves to be enough.

5. On Berlin therefore Khrushchev may eventually have to decide among several alternatives:

(a) potentially dangerous course of signing a separate peace treaty and threatening or at least harassing West Berlin's communications; or

(b) signing a separate peace treaty with DDR but carefully avoiding any such interference with Allied communications and position in Berlin; or

(c) offering West some genuine counter concessions, rather than mere withdrawal of threat to present position of West Berlin, in return for the concessions which West might then be able to give him; or

(d) offering some genuine and substantial concessions to FGR in serious attempt to get more or less bilateral FGR-Soviet understanding.

6. Course (d) would presumably necessitate concessions that would jeopardize or weaken position of DDR régime. This could also have repercussions on other East European satellites. It may be unlikely that in any case Khrushchev could succeed in buying any significant change in FGR policy at price he could afford, although Kroll's personal attitude may lead Khrushchev to think such deal might conceivably in due course prove possible. In any case such offer would lay Khrushchev open to serious criticism from Chinese and their supporters within world Communist movement, as well as possibly affecting Soviet defensive position in Eastern Europe. Progress might be easier on course (c), but this too has its dilemmas for Soviet side. Course (b) would seem possible but rather futile and galling, while not repeat not without some dangers. Course (a) is very risky.

7. Khrushchev may hope that internal developments in France or Italy will gravely disarrange and weaken West. But I think main reason for lull has been uncertainty on Soviet side rather than merely waiting in hope something will turn up. Giving West the time it asked for may be lesser though genuine factor.

8. Meanwhile, as you know, there has thus far been no repeat no sign at all of any weakening or give in Soviet position on Berlin, as shown in Gromyko's talks with Thompson or in Soviet press. Nor has any progress been made toward agreement. Despite recent Soviet try-on in Berlin's air corridors, there has however been little evidence recently of Soviet urgency. I would guess that Soviet Government are unlikely to bring Berlin issue to head prior to meeting of foreign ministers or heads of government in Geneva around March 14. Such prospective meeting at least gives Khrushchev (and West) a little further time. Disarmament might conceivably provide framework for some kind of agreement on force levels and spread of nuclear weapons to West Germany (and other) hands, and thus make it possible for Khrushchev to claim some achievement for his policy on Germany which otherwise may begin to look rather sterile and bankrupt unless either grave risks or costly concessions are accepted on Soviet side. Disarmament meeting might at least conceivably help to divert Communist attention from Berlin issue and to save face.

9. Although it is hard not repeat not to be pessimistic about prospects for genuine progress on disarmament agreements at this time, nevertheless arrangements for disarmament meeting are I think relevant to consideration of tactics and probable procedural developments on German question. For example while it would I think be unwise and unnecessary for West unilaterally to offer Moscow within Berlin framework concessions discriminating against FGR or for UK to try separate compromise initiatives at this time, nevertheless Moscow can be offered prospect within disarmament framework of guarantees about upper limits of German armament, but on multilateral basis involving comparable concessions from other countries. One of Khrushchev's self-created dilemmas is that he has thought Berlin situation gave him opportunity to get something for nothing. He is now finding that to get substantial concessions he will have to pay, or take grave risks. Disarmament framework gives West a chance to make it clear that we are not repeat not merely standing pat, and rejecting any action to allay Russian concern about German rearmament, but that there is genuine prospect of suitable guarantees affecting FGR armaments, within non-discriminatory framework involving corresponding self-denials and guarantees elsewhere. The fact that for some purposes (e.g. nuclear guarantees) reasonable counter concession might have to include China, which Khrushchev might find it hard or impossible to deliver, is of course another of Khrushchev's dilemmas.

10. There have been, as you know, many small indications, from here and (according to reports from friendly missions) from within China that Soviet-Chinese rift has been getting deeper, and more open. Interparty relationships may take further turn for worse following early

March Central Committee Plenum in Moscow, and rumoured Plenum at about same time of Chinese Party. Most of us here think it likely that Moscow as well as Peking will make real effort of self-restraint in order to prevent open rupture on either party or state planes; but a few observers, including my American colleague, definitely do not repeat not rule out possibility of open break of party relations and even conceivably of state relations. Such an eventuality if it did occur would of course raise questions *inter alia* about how West should respond to any overtures from China that might develop. I shall comment on this hypothetical questioning in a subsequent message.

11. Certainly on basic substantive policy there is little likelihood that Moscow will for China's sake abandon its plans to give economic priority to development of Soviet economy rather than to increased aid to China. Today's Soviet press comments on anniversary of Soviet-Chinese treaty refer (but only in past tense) to Soviet economic aid to China, but reiterate that USSR's main contribution in international field to development of world Communism lies in pushing forward to Communism in this country. Nor is Moscow likely to divert aid from neutrals to China.

12. Khrushchev's dilemmas in his relations with China are bound up with those dilemmas he faces regarding Soviet economic policy domestically, and with those on Berlin and German question.

13. Khrushchev's main dilemmas in domestic field are, I think, how to deal with slowly but steadily developing ferment, stimulated by destalinization, centered around demands for (and misgivings about) more freedom etc; and what to do about economic problems particularly in agriculture, but also in consumer goods and light industry. Radical and effective solution of agricultural problem may yet have to involve drastic retreat from collectivization. At present this seems not repeat not on the cards politically. But at minimum significant improvement in agriculture would require early and substantial capital investment, e.g. for chemical industry and fertilizers, and for irrigation and more efficient mechanization and plant. This economic dilemma is of course related to demands for defence budget, and thus also to dilemma on Germany, disarmament, and general state of relations with West.

14. Khrushchev's main dilemmas have of course long been inherent in Soviet situation – dilemma of squaring Moscow's claim to leadership of Communist bloc and world Communist movement with interests of Soviet Russian state; dilemma of adjusting Communist régime domestically, and Soviet relations with other Communist parties and rest of world, with growing physical and spiritual or psychological appetites of Soviet peoples; and dilemma of squaring adherence to superficial Marxist ideological straitjacket with fact of Western economic and political development, including increasing cohesion of Western civilization, and in particular increasing prosperity and cohesion of Western Europe. Though these dilemmas are of long standing, they are I think all becoming more acute, while all our stakes in Soviet Government's responses to them become greater.

15. How Khrushchev and his colleagues decide to resolve these various dilemmas, and the decisions they take on the basic questions posed, will of course be of fundamental significance for West. Soviet leaders are still a long way from abandoning either age-old Russian messianic dream of somehow "saving humanity," or belief inherent in Marxist prognostics of inevitable movement of rest of world toward Communism. This Marxist prognostication coupled with tradition of Moscow primacy in world Communist movement has of course been closely bound up with historical Russian drives toward imperialist expansion, and ideologically the two tendencies of Marxism and traditional Russian thought reinforce each other. Soviet régime is still I think a long way from becoming politically mature and civilized, from abandoning monolithic goal and accepting inevitability and indeed desirability of tolerating many internal tendencies and points of view, and correspondingly from accepting desirability of long-term as

opposed to merely tactical cooperation and coexistence with other national societies. But there are forces inside Soviet society moving in this direction. What Communist speakers call “life itself” is helping to create dilemmas which may encourage or even force gradual abandonment of these anti-social and dangerous tendencies, and an eventual normalization or relations with their own people and with other nations.

16. Meanwhile the dilemmas exist, and I suspect that Khrushchev in his own way is wondering how to grapple with them.

ARNOLD SMITH

185.

DEA/50341-A-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*

DESPATCH NO. N-1009

[Paris], July 30, 1962

SECRET

BERLIN: ECONOMIC COUNTERMEASURES

This question has not been the subject of much interest in the past few months. Two factors serve to keep it alive. The more important factor is the continuing risk of a crisis over Berlin. If there were increased pressure on Berlin in the next month or two, this would probably have the effect of reviving interest in countermeasures. As you know, these countermeasures could constitute an important element in a non-military response in the event of hostile Soviet action over Berlin.

2. In the meantime, a certain amount of interest in the subject continues to be shown by the Secretary-General and a few delegations. The Secretary-General, while glad of the progress which was made last autumn and winter – which led to agreement on civil aviation countermeasures and on the action to be taken in the event of a total blockade of Berlin – has been conscious of the fact that, despite a wide measure of agreement on several other important aspects of countermeasures, the Council has never actually given expression to this measure of agreement in decisions. Thus, for example, the Council has never decided unanimously on the principle of applying partial economic countermeasures for certain particular situations and as a response to hostile moves by the Soviet bloc. Nor have there ever been final decisions on the proposed parallel schemes for assistance and co-operation to mitigate the economic impact of any embargo, despite the fact that a number of delegations have always maintained that further decisions on these schemes were the indispensable accompaniment to their agreement to the decision on the total blockade. The only decision which the Council has taken on this subject may be found on page 11 of C-R(62)4. You will note that it refers only to the principles of the schemes. The details have never been worked out, because even the original decision in principle has never been accepted by more than “a large majority” of the members of the Alliance. The conditional acceptance by the Danish, Greek, and Icelandic delegations of the related decisions on the total blockade and the means for mitigating its impact should in particular be noted. It is worth noting also that even the delegations which accepted the principles without making detailed statements of their position did so on the understanding that the details were to be worked out in committee. So long as Canada maintains its position, however, this detailed work cannot go forward.

3. The extent to which the work undertaken on this subject has been left incomplete is reflected in the Secretary-General's note PO/62/260. Although this note has never been placed on the agenda – mainly because we have told the Secretariat privately on several occasions that we could not take a positive position on it – several delegations have indicated that they would like to see it amended in certain respects. The amendments so far submitted have been circulated in PO/62/436. Sooner or later these two papers will inevitably appear on the Council's agenda; if the crisis over Berlin is renewed, this could happen quite quickly. In these circumstances, and bearing in mind particularly the Secretary-General's forthcoming visit to Ottawa, I would recommend that our position be reviewed.<sup>50</sup>

4. We are of course aware of the position which you would have authorized us to take had a further discussion of countermeasures taken place either in the Council or at Athens. The position has not altered in any important respect since you prepared the very complete summary and recommendations which you sent to the Minister in Geneva on March 16, in your telegram E-616,† on which the Minister commented in his telegram 436 of March 17.† The position then decided is confirmed in the notes, dated April 27,† which were prepared for the Minister at the time of the Athens meeting but which were not used.

5. So far as the proposed aid and co-operation schemes are concerned, their purpose and broad implications are well set out in paragraphs 3 and 4 of your telegram E-616 of March 16, which makes plain in particular that no immediate financial commitment would be involved, but only a relatively small hypothetical commitment to an amount which would be partially recoverable. So far as the proposed decision on partial countermeasures is concerned (paragraph 6 of PO/62/260), the Secretariat, in commenting earlier to us on the points raised in paragraph 2 of your telegram E-660 of March 23,† confirmed that the “particular situations” referred to in the draft decision are, as you assumed, those listed in the annexes to C-M(61)100. They explained that the British suggestions concerning selective countermeasures on the basis of degrees of severity and of commodities exported to East Germany are included in the proposed agreement in principle – as indeed are all possible forms for the practical application of partial countermeasures. The point of the decision, as they see it, would be to record a formal agreement to the principle, while leaving entirely open the whole question of application to be decided under the guidance of governments in the light of the circumstances of the time. As to the question of what secret administrative and legislative preparation would be involved, we were told what the decision intends is that whatever secret preparation required to implement any or all of the measures listed in Annex II to C-M(61)100 in an emergency would be undertaken in advance.

6. From the amendments to PO/62/260, it is possible to conclude that the Secretary-General's proposals will not emerge entirely unchanged from any future discussion. On the other hand, no amendment yet suggested implies a fundamental opposition to the series of decisions proposed. While I could conceive of the Council's being persuaded to drop or modify certain of the draft decisions put forward – for example, 4(ii) – I think it most unlikely that the substance of what is proposed in 4(i), 5(i)(a) and (b) and 6 will in the end be dropped. If we are required to take a position on the basis of our present instructions, I would judge that Canada would continue to find itself entirely isolated on the aid and co-operation schemes, and on admitting the principle of applying partial countermeasures.<sup>51</sup> We might face in addition an

<sup>50</sup> Ottawa attendait une visite du secrétaire général Dirk Stikker plus tard au cours de 1962. Une visite a finalement été planifiée les 9 et 10 octobre, mais a dû être annulée à cause de la maladie de Stikker.

Ottawa expected a visit from Secretary-General Dirk Stikker later in 1962. A visit was eventually scheduled for October 9-10, but it was cancelled due to Stikker's illness.

<sup>51</sup> Note marginale :/Marginal note:

But see tel E-616 of Mar 16. [Auteur inconnu/Author unknown]

unfavourable reaction from those countries which accepted the earlier decision on the total blockade more or less on the understanding that what in their view are complementary decisions on aid and co-operation would be taken; I think it preferable to try to arrive at some private accommodation on these outstanding items rather than be forced into a position of isolation in the Council should a crisis arise, and I would suggest that an opportunity to arrive at such an accommodation may arise during the Secretary-General's visit. In the meantime, we will continue to try to keep the subject off the Council's agenda.

G. IGNATIEFF

186.

DEA/50341-A-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord  
au sous-secrétaire d'État adjoint aux Affaires extérieures*

*Permanent Representative to North Atlantic Council  
to Assistant Under-Secretary of State for External Affairs*

SECRET AND PERSONAL

Paris, September 24, 1962

Dear Ross [Campbell]:

Thank you for your letters of August 14<sup>†</sup> and September 6<sup>†</sup> about economic countermeasures. When I was in London last week, I warned the Minister that this aspect of Berlin contingency planning was likely to come up now that the Council had begun to discuss Berlin and countermeasures again. (You will have noticed from our telegram 2188 of September 20<sup>†</sup> that the tripartite "preferred sequence" paper has in fact raised the question by making provision for decisions to implement countermeasures in Phase II of a crisis).

I had hoped we could make some progress quietly on this outside the Council, rather than be isolated in a debate, which I fear is the alternative. However, I know how often the Department has raised the question, and I understand why you would be reluctant to make an issue of it again.

In any event, I thought I should give you an indication of several of the arguments we may have to deal with. These affect some of the points raised in your letters.

*A. Difficulties of Public Explanation in Canada:* Preparations would be secret. Therefore no problem would arise until the time had come for the government to order a measure into effect. By then the crisis would have become so severe that people would presumably be more worried about the prospect of war than the loss of trade. It is true that the fact preparations were being made could leak in advance. What is most likely to cause a leak is a prolonged wrangle in the Council. Circumstances of that sort often tempt one side to take its case to the public as a form of pressure on the other.

*B. Geographical Extent of Countermeasures:* We told NATO last year that we would not want to apply countermeasures to China. (Ask D.L.(1) to show you AC/202-WP/12/10 of November 22, 1961). So did some others – for example the British because of Hong Kong and the Portuguese because of Macao. No decision has been taken on which countries to apply countermeasures to. The big fight is between the British, who would want to apply them to East Germany first, and the Americans, who think they would have to be applied to the Soviet Union and the Eastern European satellites from the beginning. Anyway, this



decision, like all the others, would be up to governments at the time, and the odds are that China would be excluded.

*C. Mitigation:* The problem here will be how to avoid appearing unreasonable. Assuming China is left out, Canada would have less of its foreign trade at stake than any other NATO country except the United States. Countries like Greece and Iceland, which are much poorer than Canada anyway, stand to suffer twenty to thirty times as heavily as we would so far as trade is concerned. (In 1960, for example, over a fifth of Greek exports went to the Soviet bloc.) When everybody else is prepared to agree now in principle to consider doing something to help these countries if they can really show at the time that they have lost their markets, are we not doing ourselves more harm than it is worth not to agree? We are not being asked to pay anything now. We might be asked to pay \$3 or \$4 million if the scheme ever had to be implemented. We might get \$1.5 to \$2.5 million of this back later. The execution of the scheme would in any event be subject to a further decision of governments.

If we are not prepared to go this far now, countries which accepted earlier decisions about countermeasures on condition that compensation schemes would be agreed to could fairly argue that they had been dealt a card off the bottom of the deck.

*D. Partial Countermeasures:* We agreed last year that if there were a total blockade of West Berlin, governments would decide at the time whether or not to respond with a total embargo. What we are being asked under this heading is to agree that if there were a partial blockade, governments would decide at the time whether or not to respond with a partial embargo. If we swallowed the camel, why are we straining at the gnat? Neither "commitment" seems to involve much of a commitment so far as I can see; both leave the important decision to governments at the time.

If people ask, "Then why bother taking the decisions at all?", the answer seems to be (a) so that we can get on with advance planning and (b) to enable the Alliance to have plans ready so as to avoid confusion and dissension if and when the crisis arises.

I do hope that we shall have a chance to clarify our position when I am back in Ottawa on October 4-11.

Yours sincerely,

G. IGNATIEFF

187.

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-1410

Ottawa, September 26, 1962

TOP SECRET. OPIMMEDIATE.

Reference: DL-1666 of Sep 18<sup>†</sup> and your Tel 2160 of Sep 18.<sup>†</sup>

Repeat for Information: CCOS, London, Washington, Paris.

FOUR POWER PAPER ON RELATIONSHIP BETWEEN MILITARY  
AND NON-MILITARY ASPECTS OF BERLIN CONTINGENCY PLANNING

The Four Power paper is a welcome step forward and we are particularly pleased that the prerogative of governments to take decisions at each stage on the catalogue of plans is so clearly spelled out.

2. We would, however, wish to have a good deal more information about the diplomatic measures which the tripartite powers would undertake in parallel with "Live Oak" planning. Some of the questions that need answering are – at what stage will the UN be consulted bearing in mind that the General Assembly may well be sitting at the time of the Berlin crisis, what will the West do if the Soviet Union brings Berlin to the UN first, what are the specific plans for keeping open channels of communication to the Soviet Government at all stages of a Berlin crisis and what would NATO's reaction be to the signing of a separate peace treaty and possible follow-on consequences? We would support those in Council who wish to be kept informed on all aspects of tripartite planning on a prompt and regular basis and we would also agree that these questions should be discussed in Council now without waiting for the Four Powers to agree to answers amongst themselves.

3. We are still concerned about the dangers of Soviet miscalculation because Western responses may not be readily identifiable as related directly to access to Berlin. We would not agree with Nitze that this is not a problem in phases one and two of the Four Power plan, indeed some of the responses envisaged in these stages, particularly those relating to alert measures and economic and maritime countermeasures are capable of misinterpretation unless the intention is spelled out directly to the Soviet Union. (This is another instance where our concern about parallel diplomatic measures is directly relevant.)

4. Phase one of the Four Power plan states "control of military operations will remain tripartite, but NATO military and political authorities will be kept informed and consulted if time permits ...." We should like you to reiterate our concern that NATO planning be meshed with tripartite planning at an early stage of a developing Berlin crisis. Phase one of the plan appears too broad and it permits responses such as exercise "Jack Pine" which will commit the NATO Alliance to armed action far too early in a crisis and without adequate consideration by Council. We believe that NATO control of military operations should be established as soon as the intention of the Soviet Government to use force to hinder access to Berlin has been established.

5. The Secretary-General has asked for Council approval of the NATO major commanders' military plans but, before this stage can be reached, we believe fuller answers are needed to some of the questions raised in your statement to Council on September 29. In particular, we would wish to have a more satisfactory answer to our question regarding SACEUR's plans for

the “selective use of nuclear weapons.” We believe that the whole concept of “selective use of nuclear weapons” should be more fully discussed in Council.

188.

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-1443

Ottawa, October 3, 1962

TOP SECRET. OPIMMEDIATE.

Reference: Your Tel 2258 of Sep 28.†

Repeat for Information: CCOS, London, Washington, Paris.

## BERLIN CONTINGENCY PLANNING

Paragraph 8 of your reference telegram suggests that we should concentrate on seeing if there are any features of Bercon/Marcon plans or the tripartite plans on Berlin contingency planning which are totally unacceptable to the Canadian Government in any contingency that might arise over Berlin.

2. It appears more than likely that the “selective use of nuclear weapons” in connection with Berlin contingency planning would be unacceptable to the government under any conditions. However, you have already asked the NATO military authorities for more information about their plans for the selective use of nuclear weapons and we notice from SACEUR's comments on the Bercon/Marcon plans (SHAPE/70-62-10/62) that he believes a nuclear demonstration would have no military advantage. SACEUR also states that “whether or not either of the Bercon/Marcon (nuclear demonstration) plans will achieve the political objective is questionable. They may provide an excuse for the Soviets to retaliate with much greater nuclear responses which could achieve a significant military advantage for the Soviets.”

3. We would hope that the answers to our questions and SACEUR's own views would be sufficient to have plans for the selective use of nuclear weapons deleted from the Berlin contingency plans without having to seek from Cabinet a formal Canadian position.

[N.A.] ROBERTSON

189.

DEA/50341-A-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 2360

Paris, October 11, 1962

TOP SECRET. PRIORITY.

Reference: Your Tel DL-107 Oct 9.†

Repeat for Information: CCOS, Paris, London, Washington (Priority).

## BERLIN CONTINGENCY PLANNING

Council's discussion in restricted session October 10 took account of PO/62/641. It was unfortunate this useful summary of the complicated accumulation of paper on this subject had not repeat not been circulated earlier. As it is, discussion remains confused. No repeat no decisions have been taken. A further meeting will be held October 12.

2. The Standing Group had no repeat no reply to our question about nuclear weapons. Therefore I gave the statement I sent you in my telegram 2307 October 5,† incorporating both the amendments you suggested in paragraph 1 [of] your reference telegram. This precipitated considerable discussion. We received support from Norwegians and Belgians, but a number of others are opposed. Their chief objection is that to request the exclusion of the nuclear contingency plan at this stage would re-open a question which was debated painfully and at length a year ago in Council. Others understand our objections very well; the difficulty is they do not repeat not share our view. They point out that use of nuclear weapons, like all contingency plans, would be subject to a political decision by governments at the time and if Council agreed to pull out one plan of this catalogue, individual objections could be raised to all the others. From private conversations with a number of my colleagues, I believe this view to be strongly held by some delegations, notably French. It is too early to say what will emerge from the discussion, but we may have a tough fight.

3. The other important point dealt with October 10 was the one raised in paragraph 4 of your reference telegram. Here again, there is a deep division of opinion. At one extreme is Boyesen, Norwegian Permanent Representative, whose personal view is that whole idea of approval is misconceived. He looks on contingency planning as a continuous process, in which ideas will be subject to constant review. He fears that approval of plans in some formal sense will tend to freeze planning. This he thinks would be dangerous because the whole series of plans is built up on a series of assumptions about Soviet reactions which could well be falsified by events. At the same time, he emphasizes that Norwegian authorities are firmly convinced of the need for contingency planning, so long as it does not repeat not lead to closed minds and over-formal results.

4. No repeat no other permanent representative goes this far. Even Dane, who generally supports Norwegian, announced that his authorities approved plans "in principle." Italian used a similar formula. This was despite clear indications that both Italian and Danish authorities have serious reservations about the plans and therefore understand approval in principle in a broad and loose sense. Danes object to approval by governments of plans which include acts contrary to international law. (As legal advisor suggests in PO/62/637 some of the Marcon plans would be.) Italians have serious difficulties about alerts, and like us are still worried over the question of transfer of control from tripartite to NATO command.

5. Discussion of this point will have to be pursued too. Some delegations have not repeat not received instructions yet. At the moment, however, it seems that at least seven delegations – the Four plus Belgium, Italy and Denmark – would probably be prepared to subscribe to some formula approving the plans in principle for planning purposes as a catalogue, the execution of any one plan, or any combination, to be subject to a specific political decision by governments at the time. Boyesen's view is personal; he is not repeat not certain his government would share it. My own view is that, while a number of his comments are well taken, it is really going too far to expect that the Council, having directed a year ago that plans be prepared, would not repeat not react in some formula or another to the plans now they have been presented.

6. This deals with paragraphs 1, 2 and 4 of your instructions; paragraph 3 raises different problems. You mention alerts. I will be reporting on this aspect separately. Your second point was about our question on the transfer of control. On this, I understand from private talks that tripartite planners are reluctant to budge from answer they gave us earlier. However, no repeat

no answer to our second pressing of this point has been returned. Chairman recognized at October 10 meeting that a number of delegations could not repeat not be expected to move forward until Standing Group had replied to questions delegations had asked. He pressed Standing Group representative strongly to get the answers quickly. At the moment, the ball is in the planners' court on this point.

7. Finally, your paragraph 3 mentions economic countermeasures. In a formal sense, this question is separate from approval of Bercon/Marcon plans. The Three have now made clear that economic countermeasures would belong largely to phase II of a crisis. All the Bercon/Marcon plans belong to phase III. Thus it would be theoretically possible to approve them without necessarily accepting further decisions on economic countermeasures. However the two forms of response are linked in possible progression of measures. If we take the initiative to raise this question, the result will be immediate pressure on Canada, since Canada has the most reserved position on the whole question of economic countermeasures. Even if we do not repeat not raise the question ourselves, it cannot repeat not be avoided much longer; you will notice paragraph 17 of PO/62/641 says the subject will be placed on the agenda at an early date.

[GEORGE] IGNATIEFF

190.

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-1509

Ottawa, October 19, 1962

TOP SECRET. OPIMMEDIATE.

Reference: Your Tels 2360 of Oct 11 and 2370 of Oct 12. †

Repeat for Information: CCOS, Paris, Washington, London.

#### BERLIN CONTINGENCY PLANNING

We hope that at the next meeting answers will be given to our questions concerning the selective use of nuclear weapons. We also hope that there will be a more satisfactory indication from the tripartite planners that they will be willing to give the Council more information on their parallel political and economic contingency plans. Once these answers are forthcoming we believe it would be an appropriate time to ask for ministerial agreement to some formula which would permit the NATO major military commanders to proceed with the detailed preparation of the Bercon/Marcon plans. There appear to us to be two approaches which Cabinet might consider:

(i) A formula along the lines of paragraph 5 of your telegram 2360 to approve the Bercon/Marcon plans in principle for planning purposes as a catalogue the execution of any one plan or any combination of [plans] which would be subject to a specific political decision by governments at the time.

(ii) Council could be asked to take note of the Bercon/Marcon plans; it could instruct the major military commanders to complete preparations so that the specified operations called for in the plans could, subject to approval by governments, be carried out; it could accept the assessment by the Standing Group of the Bercon/Marcon plans. We would appreciate having

your views on which of these alternatives is likely to be agreeable to the other NATO governments.

2. Following are comments on the specific issues likely to be discussed at the next meeting of the Council on Berlin contingency planning:

*Selective Use of Nuclear Weapons*

If the other members of Council still wish this to remain an item in the catalogue of Berlin contingency plans, before the time the Bercon/Marcon plans are sent forward to the major military commanders we would seek Cabinet approval to make a statement in Council along the lines that "in view of agreed guidelines on NATO strategy and SACEUR's own comments on the selective use of nuclear weapons (SHAPE 70-62-10/62), the Canadian Government does not believe that selective use of nuclear weapons has any place in Berlin contingency plans and we would wish to have this view recorded. However, in order to facilitate the work of the major military commanders we would raise no objection to the Bercon/Marcon plans going forward."

*Relationship Between NATO and Tripartite Planning*

The explanation of the USA Representative is not entirely satisfactory and we would prefer that the transfer of control to NATO took place as soon as the Soviet intention to use force to block access to Berlin is established rather than "when it is clearly established that the Soviets are determined to use force in blocking access and a decision is made to reinforce with intent to expand action on the ground." Subject to the views of the Belgians and Italians who raised a similar question we wonder whether there is much use in pressing this question further at this time, particularly in the light of the helpful explanation by General Baker, Head of the "Live Oak" staff, that no land probe involving a division was contemplated by military planners except under NATO control.

*Parallel Political Planning*

We agree that firm general assurances to consult the Alliance about diplomatic planning are not enough and together with your colleagues you should press for a parallel catalogue of diplomatic plans. You should also press for the early tabling of the tripartite papers that have been promised on tactics and action to be taken in the U.N. in the event of the signature of a peace treaty, other measures to be taken in the event of the signature of the peace treaty, and measures to be taken in case of interference with West German civilian access to Berlin.

*Alerts*

We note that SACEUR will be providing a paper shortly which will outline specific alert measures directly related to the various phases of a Berlin crisis. Provided this paper is sufficiently flexible and recognizes the dangers of miscalculation inherent in a too rapid implementation of certain alert measures, we consider that this subject should not hold up Council agreement to forward the Bercon/Marcon plans to the major military commanders.

[N.A.] ROBERTSON

191.

DEA/50341-A-40

*Le secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs  
to Permanent Representative to North Atlantic Council*

TELEGRAM E-2062

Ottawa, October 23, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tel 2382 of Oct. 16/62.†

Repeat for Information: London, Washington, Paris.

## NATO: ECONOMIC COUNTERMEASURES

If you have not repeat not already done so, you should lift Canadian reservation on the mere inclusion of countermeasures item on Council agenda. As you know we have endeavoured in past to make clear that our objections to particular aspects of countermeasures must not repeat not be interpreted as Canadian veto on discussion of this subject by other members. You should stress once more the importance of avoiding publicity about these discussions.

2. For your own information, we are seeking views of Minister on two outstanding aspects of countermeasures to which we have objected. We will not repeat not be able to provide guidance on substance of the question for Council meeting October 24 but will provide comments as soon as possible.

192.

DEA/50341-A-2-40

*Note 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*

TOP SECRET

Ottawa, October 26, 1962

Mr. Ignatieff telephoned this morning to give some background to his telegrams 2487† – Berlin Contingency Planning and 2475† on Berlin Economic Counter-measures. Both telegrams stress the urgent need to put an end to a state of affairs in which Canada appears to be an obstacle to further NATO planning.

2. Mr. Ignatieff believes that we should adjust our position to permit planning to proceed for two reasons:

(a) the present emergency urgently requires new Canadian decisions if Canada is to avoid heavy responsibility for obstructing what the majority consider to be urgently needed planning;

(b) a NATO parliamentary group, which will include Opposition members, is scheduled to arrive in Paris in the first week of November (the date is not yet firm).

If, by the time they arrive, we have not taken steps to remove the impression that Canada is seriously out of line with its allies, particularly with respect to the two aspects of economic counter-measures – the mitigation scheme and partial measures – on which Cabinet has declined to accept the majority views, the Government will expose itself to serious criticism on the return of the Delegation to Canada.

3. Mr. Ignatieff is attempting to obtain a postponement of the next discussion of these problems until at least November 1 in order to give time for a further Cabinet discussion in Ottawa but he is under great pressure to agree to an earlier meeting at which Canada would have revised instructions. Mr. Ignatieff pointed out that at the discussion on October 24, the Secretariat brought out the fact that it was at the Canadian request that the discussion of economic counter-measures had been postponed repeatedly since the beginning of the year.

R. C[AMPBELL]

193.

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. 349-62

[Ottawa], October 27, 1962

SECRET

BERLIN—ECONOMIC COUNTERMEASURES

The members of NATO have agreed that in the event that access to West Berlin is blocked or impeded they may decide that:

(a) civil aviation countermeasures might be taken against Soviet Bloc aircraft and airports; and

(b) a total economic embargo might be imposed against the Soviet Bloc.

These decisions have been taken on the understanding that they will not be implemented until member Governments have agreed that circumstances require such action.

Both of the conclusions were accepted by Canada on the stipulations that no advance legislative preparations were required, that final decisions would be taken by Governments at the time of any crisis and that, in the meantime, no publicity would be given to NATO's examination of these problems. We have attached considerable importance to all three of these points and our position at times has led some of the Council members, particularly the United States and Britain, to press us to conform more closely with the majority view from which we are separated on two major issues.

Greece, Turkey, Iceland and, to a lesser extent, Norway and Denmark, also made their acceptance of the two above-mentioned decisions conditional. They insist that all other members must agree in principle to two parallel schemes for economic cooperation and assistance in mitigating the effects of countermeasures on some member countries in the event of a total economic embargo. These schemes would provide for the formation of a consultative committee, cooperative measures to locate alternative export markets and a compensation fund for interest-free loans to NATO countries suffering severe damage. All NATO countries except Canada have accepted the principle of these mitigation schemes, the details of which have yet to be worked out. (However, apparently because other members are not believed ready to support Iceland if it experiences commercial and economic difficulties as a result of countermeasures, the Government of Iceland refuses to give formal approval to the mitigation schemes and to the other proposals for countermeasures.)

It is reasonable to assume that, should a total economic embargo be decided upon by the members of NATO, the circumstances warranting this step would indeed be serious. It is more



than likely that the problems arising out of the loss through the embargo of a relatively unimportant part of members' export markets would be only minor in comparison with the more general difficulties facing all members. Hence a scheme for compensating for such losses would probably be but a part of a more complicated system of cooperation and mutual assistance appropriate to the prevailing circumstances. Meanwhile, in a situation such as the present one in which a total embargo is not envisaged, the problem of mitigation is not a real one. Nevertheless, European members continue to insist that the Council reach some agreement on this question. As a result, and despite the seemingly obvious limitations of the mitigation schemes, consideration of other problems concerning the implementation of a total embargo are inhibited and, more generally, progress on those aspects of planning which are likely to prove fruitful and necessary, should countermeasures ever have to be employed, is seriously impeded.

More recently the NATO Council has also had under discussion the desirability of employing partial economic countermeasures in response to a partial blockage of access to West Berlin. There has been little substantial agreement on either the nature of partial countermeasures or the appropriate situations in which they might be employed. The Canadian delegate has not participated actively in the discussion although he has sought to obtain a more precise idea of the way in which partial countermeasures might be used.

Partly because of the reluctance of the Canadian Delegation, the Council has not in recent months devoted attention to any of the aspects of countermeasures. However, the United States and Britain have now proposed that the Council renew its examination of this subject. As a result of the intensification of concern over the situation in Berlin (which will be aggravated by the Cuban crisis), it is argued that NATO must proceed with its contingency planning and obtain maximum agreement which will enable a rapid response to any attempt by the U.S.S.R. to bring pressure to bear upon Berlin.

For Canada, which remains more or less isolated on the two questions of mitigation and partial countermeasures, it would likely be necessary to move towards the position already adopted by the majority if the outstanding differences are to be settled. In the past, the Canadian Delegation has stated that we have serious doubts as to the wisdom of the proposed mitigation schemes. Moreover, the Canadian Government has not been willing to commit itself in advance to hypothetical schemes and plans, the consequences of which cannot be assessed with any degree of accuracy at this time. On the other hand, the mitigation schemes in question would not, if accepted in principle, lead to any immediate financial commitment and the eventual financial implications would be relatively insignificant in the circumstances, verging on war, in which they might be implemented.

In the same manner, the problems involved in partial countermeasures are mostly hypothetical. Moreover, like other countermeasures proposed or accepted, the partial countermeasures must be specifically approved by member Governments before their implementation. It is of questionable value to try now, as the Council seems to be doing, to fit a particular counter-action to some hypothetical Soviet move, but the real objective of the discussion is simply to prepare a catalogue of possible measures from which, later, Governments will be able to select the one or several appropriate to the action the U.S.S.R. takes to impair access to Berlin.

In view of the mounting concern over Berlin and [the] tension now existing generally and, consequently, of the desirability of eliminating obstacles to the continuation of those parts of NATO contingency planning which may prove productive and prudent, I recommend that the Canadian Permanent Representative to NATO be authorized to state in the Council that Canada is prepared to agree in principle:

(a) to the two parallel proposals for mitigating the effects of economic countermeasures provided that no advance commitment concerning expenditure by the Canadian Government is involved;

(b) to the elaboration of a series of partial countermeasures which might be used in the event that access to Berlin is partially blocked.

I recommend further that the Canadian Permanent Representative be instructed to state explicitly that the Canadian agreement to (a) and (b) above is given on the same understanding as our acceptance of earlier countermeasures, that is, that no advance legislative preparations are required, that final decisions will be taken by Governments at the time of any crisis and that, in the meantime, no publicity will be given to NATO's examination of these problems.

H.C. GREEN

194.

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-1544

Ottawa, October 29, 1962

TOP SECRET. OPIMMEDIATE.

Reference: Your Tel 2487 of Oct 25.†

Repeat for Information: CCOS, Paris, London, Washington.

BERLIN CONTINGENCY PLANNING

The Prime Minister has agreed to the form of approval for the Bercon/Marcon plans in the terms set forth in paragraph 8 of PO/62/641 of October 8/62 provided paragraph 8(b)(ii) is amended along the lines you have indicated namely that "the Council approved in principle and for planning purposes the major NATO commanders' plans in the Bercon and Marcon series on the basis that these represent a catalogue of plans for possible action by NATO forces in the event that the efforts of the Three Powers to maintain access to Berlin in accordance with the Live Oak plans are unsuccessful – the selection and execution of any one of these plans being subject to a prior political decision by member governments at the time." You are authorized to accept minor verbal amendments which will not alter the general sense of the foregoing and that are consistent with your earlier instructions.

2. In expressing Canadian agreement you should make the following statement for the record. "The Canadian Government is concerned at the lack of information given to the NATO Council by the tripartite powers on parallel political contingency planning and in agreeing to the approval of the Bercon/Marcon plans in principle and for planning purposes the Canadian Government assumes that in future there will be continuous consultation in Council on a parallel catalogue of political plans."

195.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 30, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny)  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

## BERLIN ECONOMIC COUNTERMEASURES

42. *The Secretary of State for External Affairs* said that, when the question of economic countermeasures, in the event of access to West Berlin being blocked, had been raised some time ago, it had been decided that Canada would agree to the recommended civil aviation countermeasures to be taken against Soviet Bloc aircraft and airports. Canada was, however, to withhold commitment on the question of mitigation or compensation of economic hardships on other NATO countries as a result of their applying an economic embargo against the Soviet Bloc. Greece, Turkey and Iceland were the most concerned about compensation, although others would also suffer, including Canada. The question had been raised again in NATO, and it was now being proposed that Canada should go along with the contingency plan presented. Other countries had gradually swung over to the acceptance of both the civil aviation measures and a total embargo as countermeasures. Canada was, at the moment, in a minority and might soon be alone in its stand.

An explanatory memorandum had been circulated. (Minister's memorandum, Oct. 27 – Cab. Doc. 349/62).

43. *During the discussion* the following points were raised:

(a) Some said there was no half-way point in the contingency planning of the countermeasures proposed. Once involved, there was little chance of avoiding any of the consequences.

(b) Others pointed out that Canada stood to suffer, as would others, from loss of trade in the event of a countermeasure embargo of the Soviet Bloc. China had wheat orders with Canada and would have about \$100 million outstanding at any one moment for several years ahead. There were also other possible additional sales being made in the next year, including sales to Russia. A total embargo would wipe out all these deals.

44. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs,

(a) that the Canadian Permanent Representative to NATO be authorized to state in the Council that Canada was prepared to agree in principle:

(i) to the two parallel proposals for mitigating the effects of economic countermeasures, provided that no advance commitment concerning expenditure by the Canadian Government was involved,

(ii) to the elaboration of a series of partial countermeasures which might be used in the event that access to Berlin was partially blocked; and

(b) that the Canadian Permanent Representative be instructed to state explicitly that the Canadian agreement to (i) and (ii) above was given on the same understanding as acceptance of earlier countermeasures, that is that no advance legislative preparations were required, that final decisions would be taken by governments at the time of any crisis and that, in the meantime, no publicity would be given to NATO's examination of these problems.

...

196.

DEA/50341-A-40

*Le secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs  
to Permanent Representative to North Atlantic Council*

TELEGRAM E-2134

Ottawa, October 30, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tels 2475† and 2478† Oct 25.

Repeat for Information: Washington, London, Paris, T&C Ottawa.

BERLIN: ECONOMIC COUNTERMEASURES

You are authorized to inform Council that Canada is prepared to agree in principle (a) to the two parallel proposals for mitigating effects of economic countermeasures provided that no advance commitment concerning expenditure by Canadian Government is involved and (b) to elaboration of partial countermeasures which might be used in event access to Berlin is partially blocked. Canadian agreement to these two points is conditional on same understanding as our acceptance of earlier countermeasures, namely, that no advance legislative preparations are required, that final decisions will be taken by governments at time of any crisis and that in meantime no publicity will be given to NATO examination of these problems.

2. In light of foregoing you will be able to accept second and third draft decisions your telegram 2478 without difficulty. First draft decision concerning administrative and legislative measures required for implementing total embargo might present a problem if there is debate in Council over interpretation of draft decision. We hope that it will be possible to avoid this. If necessary you should emphasize that you accept decision on understanding earlier attached to

Canadian acceptance of concept of total embargo, namely that no advance legislative preparations are involved. If however members of the Council wish to debate the interpretation each member is to give, in the light of its own domestic circumstances, to the language of this draft decision, you might simply say that in the circumstances where it would be agreed by governments that measures were required Canada would be able to move as quickly and effectively as other governments.

197.

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 863

Moscow, November 28, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: London, Washington, NATO Paris, Paris, Bonn, Rome, CCOS, DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

## TALK WITH KHRUSHCHEV – BERLIN AND GERMANY

I called on Khrushchev this morning and had two and half hour conversation, which covered wide range of subjects on which I shall be reporting separately.

2. After much talk about internal affairs Khrushchev turned to international problems and took initiative in raising German question. Khrushchev said getting peace treaty with Germany was the most important current question in international life. He developed his views at some length. I will supplement this report by deferred telegram.

3. Most significant points he made were:

(a) priority which he attached to this question;

(b) his categoric statement that in practice no repeat no real progress could be expected in disarmament until there was a German peace treaty;

(c) Khrushchev said he knew Sir Frank Roberts had got impression that Khrushchev had suggested he would be prepared to accept continuation of UK, USA and French forces in Germany at present levels of personnel and armaments, without concurrent presence of Soviet forces, providing three Western forces were under UN aegis rather than under present occupation status.<sup>52</sup> (My telegram 832 November 15 refers.†) Khrushchev told me categorically that he had never said this. When I expressed surprise Khrushchev tried to explain that Sir Frank had misunderstood one of his remarks;

(d) Soviet terms had been made clear in earlier discussions with Dean Rusk and President Kennedy. He could agree to temporary presence of police forces in West Berlin on either of three variants:

(i) UK, USA, French plus USSR, or

(ii) contingents of small NATO and Warsaw pact countries together, or

(iii) contingents of neutral countries.

<sup>52</sup> Voir/See document 733.

There could be fourth alternative of contingents both from NATO and Warsaw Pact countries and from neutral countries. But Khrushchev said USSR could not repeat not go beyond one of these alternatives. Soviet side had already made all the concessions they could make on this matter.

(e) Berlin was not repeat not Cuba, and it would be dangerous madness to expect a further Soviet retreat. Local tactical and strategic position of Soviet side was vastly stronger in Berlin, since if they had to sign separate peace treaty they could and would cut access for military supplies and replacements. Khrushchev would never repeat Stalin's stupid mistake of imposing civilian blockade, but he would have to cut military access to West Berlin if agreement could not repeat not be reached. This would put onus for escalation on West since only way West could get military access would be by war, in which case Moscow would not repeat not be responsible. I made obvious comment.

(f) Moscow had made reasonable concession in Cuba, but next concession was up to West. "If we don't get reasonable understanding we shall sign treaty separately. If people think Cuban affair will restrain us, they don't know us." Later he said "unless West makes conciliatory effort to reach agreement on German question, then it will take us all back to very unpleasant situation."

(g) Khrushchev said if it comes to test of nerves and character, he would not repeat not back down on Berlin issue. Therefore failure to agree in advance would create very dangerous situation since prestige of USSR would be heavily committed to not repeat not recognizing Western occupation rights after peace treaty, whereas American prestige would be involved in insisting on exercising these rights. Another test of nerves could be profoundly dangerous since accidents might happen and things could get out of hand.

4. Khrushchev maintained therefore that now Cuban crisis is nearly liquidated, he would have to start negotiating soon with West on Berlin. If no repeat no agreement is reached, international temperature would inevitably rise again.

5. Khrushchev's manner was very friendly, and he joked frequently in usual style. But he did not repeat not fail to emphasize vividly his military strength. He said 42 rockets withdrawn from Cuba would be re-deployed against Germany, with some left over to cover France. Moreover even during Cuban crisis there had been plenty of rockets to deal with Germany if necessary.

6. When Khrushchev had spoken of temporary stationing of UN forces in Berlin, I asked him precisely what he meant by temporary. He would not repeat not be drawn on this, but reiterated that stationing of any forces must be limited in time.

7. Khrushchev spent some time analysing what he considered motives of various Western countries on Berlin stand. I will report this separately, together with report of my efforts to make him understand Western motives more realistically.

8. Khrushchev repeatedly emphasized that his basic purpose is to fix and consolidate what already exists, specifically the frontiers of two Germanys and of West Berlin.

9. He said both Germanys, and West Berlin also, should be admitted as members of UN. Khrushchev reiterated his thesis that headquarters should be transferred to West Berlin "then whole world would be guarantor of West Berlin's freedom."

10. Khrushchev spoke about German unity, which he said he did not repeat not oppose, but this was matter for Germans themselves to work out in due course.

11. Khrushchev was not repeat not specific about timetable, but spoke as if he envisaged difficult negotiations within next few months. Once however he said that unless agreement is reached then "today or tomorrow, this year or next year" a very dangerous situation will arise.

12. Khrushchev claimed that once question of West Berlin was settled there would be no repeat no real points of conflict with West, only differences of ideology, which were not repeat not matter for fighting, because although you could kill men you could not repeat not kill ideas.

13. Khrushchev expressed hope that Canada would help find agreed solution for German question. He said he thought Canada, UK, Scandinavian countries might help considerably in this. I said we were helping since we were participants in NATO guarantee of West Berlin's freedom and took full part in frequent NATO consultations.

14. I told Khrushchev I would report what he said, but had neither desire nor authority to negotiate on German question. Americans had been discussing this question with him and his representatives on behalf of Western occupying powers and on behalf of NATO as whole.

15. I expressed hope there would be no repeat no more efforts to bring about sudden and secret change of strategic balance or to roll back either side from established positions in Europe by threats. Berlin question was very difficult and could become dangerous, but we could live with status quo. Khrushchev said we could not repeat not live indefinitely with status quo because it contained microbe of war, being based on remnants of last war.

16. By way of comment I should add that I cannot repeat not believe Sir Frank Roberts really misunderstood what Khrushchev had said to him on November 12. However it seems Khrushchev wants, whether merely for tactical purposes or otherwise, to get back to pre-Cuba position for Berlin negotiations.

17. I will be giving gist of Khrushchev's remarks on this question, for what they may be worth, to my American, British, French and German colleagues, in accordance with standing practice here.

ARNOLD SMITH

198.

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 868

Moscow, November 29, 1962

SECRET. DEFERRED.

Reference: My Tel 863 Nov 28.

Repeat for Information: London, Washington, NATO Paris, Paris, Bonn, Rome, CCOS, DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

By Bag Brussels, Hague, Oslo, Vienna, Warsaw, Prague, Belgrade from London, Berlin from Bonn.

TALK WITH KHRUSHCHEV – BERLIN AND GERMANY

As mentioned in my reference telegram, Khrushchev spoke at some length on motives of various NATO Governments on German question. In reply I tried to clarify Western motives.

2. Khrushchev claimed Adenauer's objectives were identical with those of Hitler although his methods were very different as befits changed world situation. Adenauer's real strategy involved three steps. First was to get German reunification. Once this was achieved, he would press for rectification of frontiers, i.e. reincorporation into Germany of pre-war territories now part of Poland. This in turn would merely be preparatory step towards real German goal which

was domination of Europe. It was for this reason that Adenauer was rigidly opposed to any idea of German peace treaty.

3. Khrushchev said de Gaulle's motives were quite different. He had told Khrushchev he did not repeat not want German reunification. What de Gaulle did want was to restore grandeur. He was sick with idea of greatness. Under present circumstances France alone was too small a base for grandeur, hence de Gaulle needed Paris-Bonn axis. This tactical reason alone explained de Gaulle's support of Adenauer's opposition to German peace treaty.

4. Khrushchev claimed USA, UK, Canada, Netherlands and Scandinavia had no repeat no real desire for German reunification. They had to support idea merely because they consider FGR adhesion to NATO necessary for military and strategic reasons, and opposition to peace treaty was price they paid to keep FGR tied to NATO. West Berlin was advanced spearhead of NATO and FGR was main continental spearhead of NATO. Western policy involved risk of war and war cost blood, so West would prefer to pay if necessary with German blood.

4. As against this Khrushchev claimed that his only motives were to fix and consolidate status quo. Logical solution would have been incorporation of West Berlin in DDR. Only difficulty in this was that West Berlin had capitalist structure. For this reason Khrushchev was prepared to allow West Berlin to remain as separate free city.

5. I said I thought there was danger that Khrushchev was misinterpreting Western motives and might misunderstand reasons for and therefore strength of Western determination to defend freedom of West Berliners. West Berlin was not repeat not NATO spearhead, but an obvious military liability. But we were stuck with it. NATO had given solemn guarantee to West Berliners, and if NATO retreated from this pledge under threat, it would create loss of confidence not repeat not only among West Berliners but among all West Germans and among governments and peoples of many other countries in Western Alliance. For this reason no repeat no retreat which would appear to West Berliners as betrayal of their security, was possible for West. I hoped and believed that an accommodation on some basis satisfactory to both sides could be worked out. But Khrushchev should realize that Western motives were defensive and that standing firmly behind fundamental guarantee to West Berliners had become vital Western interest. It would be dangerous to misconstrue this.

6. Khrushchev said at another point that Churchill had once suggested to Stalin that Germany should be split into pieces after war. I said Morgenthau had also advocated this, and that in moment of open options it had been Stalin's insistence on maintaining unity of Germany which had been decisive. It was this Soviet insistence, and misplaced Western trust in Soviet assurances, which had determined rather illogical drawing of zones and sectors, and which created present problem with which we were all stuck.

7. Khrushchev said he agreed with most of this, and commented "Yes that was another of Stalin's grave mistakes." He said "I will tell you a secret. Stalin figured that all Germany would fairly soon become socialist, and that was why he insisted on unity. If this calculation had been correct, I as socialist would of course be delighted. But events have proved Stalin's calculation false."

8. Khrushchev said we must now deal with situation as it is. Key point is to preclude development of West German revanchist strategy.

9. I tried to get across point that Soviet pressure and threats on West Germany and NATO merely make matters worse.



10. Khrushchev repeatedly emphasized extent of guarantees he would give West Berliners, and his usual line that West Berliners' fears were lunatic chimaeras. "Who are they afraid of?" I said they were afraid of Ulbricht and added that Ulbricht's treatment of East Germans makes their fears eminently plausible. Khrushchev did not repeat not reply to this.

11. Khrushchev acknowledged that USSR had no repeat no need to fear Germans. USSR was far stronger. Soviet motive was therefore not repeat not based precisely on fear of revanchism succeeding, but on desire to consolidate status quo so that present dangerous source of tension would be removed and we could get on with peaceful ideological competition.

12. I had said that there was widespread feeling in West that Soviet demands for withdrawal of Western troops from West Berlin were designed to produce precisely the effect which Western acquiescence in these demands would in fact bring about namely loss of mutual confidence between Anglo-Saxons and their European continental allies in general, and the Germans in particular. Inevitably, in view of Western experience with Stalin's actions, and his expansion in Europe, most Westerners tended to regard present Soviet demands as further step in Communist expansion, or as designed to soften up and divide Western countries preliminary to Communist expansion. Whether these Western fears were well founded or not repeat not, I thought Khrushchev should recognize that they genuinely existed. Failure to recognize this could lead to dangerous miscalculation.

13. I expressed disappointment that Khrushchev was reiterating demand that Communist forces share police functions with Western forces in West Berlin. I thought this demand merely increased Western suspicion that Soviet motive was to change present situation as first stage toward more far-reaching developments at Western cost. I said I thought Western Governments could consider joint presence of Communist and Western military contingents in Berlin on all-Berlin basis, but I did not repeat not think West could possibly accept any solution involving West Berlin alone which shared Western police or defence responsibilities with Communist forces, since Russians had already turned over their sector of Berlin to their ally DDR. Westerners do not repeat not like being obvious suckers. No repeat no statesman could ignore this, in my opinion.

14. Khrushchev agreed that testing each other's nerve, especially on an issue such as Berlin which was important and difficult for both sides, could be dangerous. Indeed he called it most dangerous conceivable form of rivalry, since in such a test of nerves things could so easily get out of hand.

15. I shall comment in a further telegram on Khrushchev's remarks on Berlin as reported in my telegram 863 and in this message.

ARNOLD SMITH

199.

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*

TELEGRAM 873

Moscow, November 29, 1962

SECRET. DEFERRED.

Reference: My Tels 863 Nov 28, 868 Nov 29 et al.

Repeat for Information: London, Washington, NATO Paris, Bonn, Paris, Rome, Permis  
New York from Ottawa.

## CONVERSATION WITH KHRUSHCHEV – SOME GENERAL COMMENTS

Since my two and a half hour talk with Khrushchev yesterday innumerable points have occurred to me which I could and should have made to him, but which I failed to make. I wish I had. I suppose this sort of regret is to some extent inevitable, and perhaps I shall have further opportunity.

2. Khrushchev's reversion to hard line on Germany, though disappointing, need not repeat not in my view be taken very tragically. I am commenting on this whole question in separate message. In this telegram I shall comment on some general aspects and impressions.

3. There are I think certain positive points. Presumably Khrushchev had been briefed by MFA, mainly on basis of memorandum of which first draft would be prepared by Lavrov, Head of Second European Division. Lavrov has impressed me, as he has impressed British Chargé d'Affaires Barker with whom he also deals, as rather tough unimaginative hardworking Stalinist type. Lavrov's goal has long been to try to create or widen wedge between Canada and USA, either by threats or cajolery. I would guess his draft of brief for Khrushchev had followed this theme, rather along lines of conversation (which seemed to me a sort of dress rehearsal for his briefing of Khrushchev) which Lavrov had with me at November 7 reception (my telegram 815 November 12).<sup>53</sup> This sort of attempt to encourage neutralist attitude in Canada and drive wedge between US and other Western countries has obvious appeal to many Russians. I have tried to steer Russians off this approach to Canada by making them realize that Canadians inevitably and rightly consider our interests bound up with those of other members of Western civilization, but we form our own independent and individual assessment of general interests of our civilization, and that our main international significance therefore lies in role which we can play in helping to influence general attitudes of our coalition and partnership on matters of common interest including major international issues. It has seemed to me that if we could achieve realistic recognition by Russians of this fact of life, this would be in interests of USSR as well as of Canada.

4. I was pleased that Khrushchev himself did not repeat not follow this rather obvious, naïve, and profitless but traditional Soviet line of would-be wedge-driving, which I assume was probably suggested to him. Wedge-driving is of course line Khrushchev as well as lesser Russians habitually take with minor countries, including most Africans [and] Asians but also some relatively big members of NATO (e.g. Italy).

<sup>53</sup> Voir/See document 438.

5. Khrushchev's tone and manner throughout, and his substance on all questions except Berlin, were I thought on whole encouraging. On Berlin he treated us as responsible member of Western Alliance.

6. In starting off conversation I had tried to set general shape. I began by mentioning how impressed I was with great progress which USSR had made since my previous tour here under Stalin's régime. I referred not repeat not only to obvious economic, technical and other material improvements, but particularly to political and psychological or spiritual advances. I said that I had got impression when I was here during Stalin's régime that most Russians lived in fear not repeat not only of régime but of each other. Khrushchev interjected that he agreed with this. I said I thought this was definitely no repeat no longer the case. This domestic removal of atmosphere of fear had been to substantial extent Khrushchev's personal achievement, and I expressed hope that since resolution of Cuban crisis we could begin to make real progress also on removing the substantial international fears which still existed and hung over all mankind.

7. I then said that it had been Canada which had first suggested idea of North Atlantic Alliance. We had done this because we were disturbed by some of Stalin's policies, and our motives had been entirely defensive and based on Canada's own long experience. We recognized that our security and welfare was inevitably bound up with that of other parts of Western civilization in particular, and with that of world in general. Sometimes we took very different view of real interests of our civilization, from that adopted by our American neighbours. In these cases we have not repeat not hesitated to act on our different assessment of common North American interest. For example in 1914 we had considered our freedom menaced by German threats to democracy in Western Europe, and we had entered war. We had reached similar conclusion in 1939. In both cases our assessment applied just as much to real interests of USA as to real interests of Canada itself. But it had taken Americans three years, between 1914 and 1917, to come around to share Canadian assessment of common interest. Again in World War II it had taken Americans over two years to come around to share similar Canadian assessment of common interest. Canada's original proposals in 1947-48 about desirability of organizing North Atlantic Alliance had been designed to influence Americans to take more realistic and far-sighted assessment of their real interests, and hence to make timely contribution to preventing war. Our motives throughout had been entirely defensive, and they were so today.

8. Khrushchev seemed interested in these remarks, and I went on to make point that although Canada was not repeat not a small country, we were not repeat not a great power, and we recognized that our best hope of having some influence on basic situation and policies that would affect our future as well as that of our friends lay in playing full part in international organizations such as NATO coalition and UN.

9. I expressed hope that West and Socialist camp could not begin to work out concrete agreements to reduce tension and settle outstanding problems which endangered international society. I mentioned particularly desirability of agreements on nuclear test ban and disarmament, and strengthening of UN. I asked Khrushchev how he saw the prospects.

10. Khrushchev then took over. He said that he wanted first to make some observations about Soviet internal situation, on basis of my remarks with which he was in general agreement. He then spoke at great length on internal development, and his ideas about future domestic policies. I shall be reporting separately on this. Khrushchev's remarks were larded with fascinating stories about political manoeuvres with Stalin, Beria and Malenkov.

11. Khrushchev then spoke about Berlin and German questions. There was dialogue on this subject, as I have reported in my telegrams 863 and 868 November 28-29.

12. Khrushchev then spoke about nuclear test ban prospect and disarmament (my telegram 869 November 29).<sup>54</sup>

13. Khrushchev said that one important question was world position of China, and particularly its position in UN. It was ridiculous that she should be excluded and have no repeat no vote, when countries such as Iceland had a vote. I referred briefly to Chinese attack on India, and Khrushchev indicated that he was embarrassed by this attack but did not repeat not wish to discuss it. I did not repeat not pursue this point.

14. Khrushchev then said that he had one bilateral Soviet-Canadian problem which he wanted to mention. He then spoke of requested over-flights for Cuban planes (my telegram 861 November 28 refers†). I brought up question of telex and communications facilities (my telegram 872 November 29†), my hope to visit Soviet Northern regions (my telegram 870 November 29†) and question of would-be emigrants and repatriates from USSR to Canada (my telegram 871 November [2]9 refers†). Khrushchev's comments on these points were relatively encouraging. There was also brief exchange of remarks expressing interest in development of cultural relations.

15. I mentioned briefly subject of Canadian-Soviet trade, and recent consultations in Moscow between Canadian and Soviet trade delegations. Khrushchev expressed hope that trade could be further developed in both directions.

16. There was some discussion about fact that Canada and USSR were neighbours and both Northern countries with many geographical, climatic and resource problems in common. This gave us opportunity for cooperation in exchanging technical information and experience, and also created some trading opportunities. We both expressed interest in encouraging further development of good neighbourly relations between our two countries by these and other appropriate means.

17. I am reporting separately the brief remarks on UN.†

18. By then it was after one-thirty. Meeting had begun at eleven a.m. Meeting ended with mutual expressions of good will and Khrushchev's kind wishes for pleasant home leave, fruitful consultations in Ottawa, and safe return.

19. Today all Soviet papers have reported meeting prominently, without details, but stating that conversation was friendly and covered a number of points of Canadian-Soviet relations and also several topics of general international concern.

ARNOLD SMITH

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<sup>54</sup> Voir/See document 54.

200.

DEA/5314-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 874

Moscow, November 29, 1962

SECRET. DEFERRED.

Reference: My Tels 863 Nov 28 and 868 Nov 29.

Repeat for Information: London, Washington, Permisis New York, NATO Paris, Paris, Bonn, Rome, CCOS, DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

By Bag Berlin from Bonn.

## TALK WITH KHRUSHCHEV – BERLIN AND GERMANY – COMMENTS

I do not repeat not think Khrushchev's reiteration of traditional pre-Cuban hard line on Berlin and Germany need be taken to imply early Soviet action. Question obviously remains important and difficult and Khrushchev is clearly reluctant to modify goals. I think many of Khrushchev's remarks were in nature of try-on. I suspect that he does not repeat not know quite what to do about Berlin issue. He was probably trying to see whether by speaking in these terms to Canadian representative he might not repeat not do something to begin to re-establish Soviet bargaining power on Berlin, on tough terms of fear, along lines which he had developed prior to Berlin crisis.

2. Khrushchev's categorical denial that he had suggested new softer terms to Sir Frank Roberts on November 12 is interesting, disappointing, and curious. Conceivably there is some parallel here with his sudden attempt to change terms for Cuban settlement which he had offered on October 26 in unpublished letter to Kennedy, by producing on October 27 demand for reciprocal withdrawal of American rockets from Turkey.<sup>55</sup> In present case too it is conceivable that Khrushchev may now feel, or may have been persuaded by some of his Presidium or Central Committee colleagues, that it was bad tactics under present post-Cuban circumstances to offer softer terms on Berlin and that reestablishment and maintenance of prior demands is best bargaining posture. On other hand it is perhaps just conceivable that Sir Frank Roberts did misunderstand Khrushchev on this key point. But Sir Frank is an outstanding reporter with normally almost perfect recall of salient points.

3. In any case I do not repeat not believe Khrushchev or his colleagues could relish any idea of another showdown crisis with West in near future.

4. I think Khrushchev faces a number of grave dilemmas. In particular he is hard pressed on basic issue of allocation of resources.

(a) There is the great and crying need for money for agriculture. Khrushchev spoke to me at length on this subject, and emphasized his determination to invest the money necessary to increase Soviet output.

(b) There is also growing and ever more vocal and powerful demand by Soviet public for more consumer goods and better standard of living. Urgency of this demand has been illustrated in recent months *inter alia* by riots in Rostov-on-Don area, strikes in part of Siberia, and earlier demonstrations in Odessa against sending scarce goods as foreign aid (e.g. to

<sup>55</sup> Voir/See *Foreign Relations of the United States 1961–1963*, Vol. VI (Washington: United States Government Printing Office, 1996), documents 65, 66.

Cuba). Move toward greater internal liberalization, and more freedom of expression, which has been rather marked in last few months, and on which I hope to report separately, inevitably increases the urgency of planning some method of meeting these consumer demands. Incidentally Khrushchev also emphasized to me his determination to bring in further measures to democratization and freedom.

(c) There are also claims of military budget, and probably strong pressures for substantial further development and production of ICBMs and of rocket-firing nuclear submarines. Inevitably defence establishment must be pressing for this. Logic of one side of Khrushchev's own thinking, as shown in his 1961 threats against West European NATO members, in Cuban rocket installations in 1962, and I think also in some of Khrushchev's remarks to me Wednesday on Berlin problem suggest a probable inclination to try to meet these very expensive further demands.

5. I doubt whether firm decisions have yet been taken on allocations. It does seem, however, that substantially more money may have to be allocated for agricultural and chemical industry, and that Khrushchev has really decided to do this. TASS story about 30 percent increase in funds devoted to certain branches of these two fields, is significant. But so is failure to report it in main Soviet newspapers (my telegram 849 November 23<sup>†</sup>). I have since learned however that some reference to this has appeared in relatively minor *Selskaya Zhizn*. Khrushchev's remarks in his farewell talk with Sir Frank Roberts on November 12 about substantial purchases for chemical industry are also relevant. As reported in my telegram 832 November 19,<sup>†</sup> Khrushchev was very emphatic to me about his determination to provide the money necessary to improve Soviet agriculture. On the other hand there is probably no repeat no decision yet where this money can come from.

6. There have been several recent signs of uncertainty, in addition to that referred to above. As reported in a separate message Khrushchev told me that he was determined to go ahead with further liberalization and democratization of Soviet life, since progress in this direction was inevitable and necessary and conditions were now ripe.<sup>56</sup> He said that he had intended to announce such steps at last week's plenum, but had been dissuaded from doing so at once because many people had expressed fears lest doing too much at once caused "indigestion."

7. A few days ago small exhibition of abstract art was opened near youth hotel in Moscow. Today at a Yugoslav reception this evening I happened to be talking to Furtseva and Kosygin and when the subject of abstract painting came up Kosygin spoke very vehemently and staunchly against it, suggesting good-humouredly that best solution would be to sell all Soviet abstract and semi-abstract painting to Canadians. Furtseva said she would sell me some if I wished, but appealed to me to agree with her views that she should have say on whether abstract art should be tolerated. I learned only afterwards that exhibition has apparently been suddenly closed by authorities.

8. More freedom for modern artists may seem a far cry from Soviet policy on Berlin, but in present rather tricky stage of development of this still totalitarian but gradually thawing society, I do not repeat not think it is irrelevant.

9. I suspect that Soviet policy on Berlin, as on many other matters, is still undecided and is being subjected to an agonizing reappraisal. This is not repeat not at all a bad thing, though it is too soon to forecast eventual results.<sup>57</sup>

ARNOLD SMITH

<sup>56</sup> Voir/See document 439.

<sup>57</sup> Voir aussi/See also document 742.

201.

DEA/50341-A-1-40

*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-454

Ottawa, November 29, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tel 2664 Nov 14† and our Tel S-453 of Nov 27.‡

Repeat for Information: Washington, London, CCOS, Paris, Brussels, Hague, Rome, Bonn.

By Bag Moscow and Berlin.

## BERLIN: POLITICAL PLANNING

Following are our comments on the Four Power Plan for a Western response to a separate peace treaty contained in your reference telegram.

2. We have been impressed by the basic differences between this paper and its predecessor last year (your telegram 2325 of September 18, 1961). Latter paper, for example, proceeded from the assumption that the USSR was very likely to sign a separate peace treaty with the DDR, and that there was little if anything the West could do to prevent this, although it might hope to discourage all but the Communist bloc countries and perhaps one or two neutrals from signing. It also held that the significance of such a peace treaty could be played down with reasonable prospect of success, provided of course that its implementation did not infringe on any essential aspects of the Western position in Berlin. Moreover, as you have pointed out, this earlier study specifically recognized that the available political or economic countermeasures would be ineffective to prevent signature, and were in addition likely to have unacceptable side effects.

3. Both implicitly and explicitly, the latest paper appears to challenge most of these assumptions. The emphasis placed on preventing the signature of a separate peace treaty as such suggests that prevention has been transformed into an essential element in the Western position. Since this is an essentially negative aim which may lie outside Western power to achieve, this approach seems to us to lack something of the realism in last year's paper. Moreover, in marked contrast with the latter, a range of political, economic and even military countermeasures are contemplated to achieve this end.

4. We think it would be useful to explore more fully the possible reasons for this marked shift in emphasis which has occurred during the last year, particularly since we rather suspect that the other related Four Power papers on political contingency planning which have been promised to council (e.g., on West German access to Berlin) may reflect this same approach. A number of possible reasons occur to us:

(a) a hardening of the USA attitude as a result of indications that the USSR was not sufficiently convinced that the West, and especially USA, would in the final analysis honour its commitments in Berlin;

(b) concern as to the effect of signature of a separate peace treaty on West German morale, in the light of last year's shock to German opinion when the wall was built;

(c) a more optimistic assessment of the likelihood of deterring Soviet action on a separate peace treaty by firm Western response in advance.

5. The net result of this shift in emphasis has been to render the present Four Power paper less a plan in response to the signature of a separate peace treaty than a blueprint for forceful deterrence. While we are inclined to prefer the approach in last year's paper in that it appears to be based on a more realistic assessment of the possibilities of Western influence, we would certainly not wish to dismiss out of hand the possible advantages of the policy now contemplated by the Four, particularly if there are reasonable grounds for believing that this approach might be more successful. For this reason I consider it important that in future discussions you continue, with your Belgian and like-minded colleagues, to press for an explanation of the considerations which prompted these changes. We have noted from Washington telegram 3443 of November 26<sup>†</sup> that Tyler more or less denied that any such shift had taken place, and USA response to this line of questioning may prove instructive. It occurs to us that the discussion on the lessons to be drawn from the Cuban episode may throw some light on the reasoning behind this new approach.

6. If in fact it is accepted that the main emphasis should now be on prevention as opposed to response, we would hope that Four Powers would be prepared to consider alternative, more positive approaches along the lines of paragraph 6 of your telegram 2678.<sup>‡</sup> In particular, Khrushchev's apparent interest in coming to some understanding with the West on Berlin before signing a separate treaty, together with his continuing postponement of latter threat, suggests one constructive alternative. It seems to us that, despite the recent Cuban crisis and consequent interruption of USA-USSR talks on Berlin, USSR has not dismissed this possibility, which could have face saving advantages for both sides not immediately apparent in the hard approach of the Four Power paper.

7. Even on its own terms we would have very real doubts about certain aspects of the Four Power plan in its present form. Insofar as possible, we believe that political contingency planning should be commensurate with other types of countermeasures, and are thus somewhat troubled by the prospect in paragraphs 6-8 of reference telegram of basing even preliminary Western military and economic counter action largely on a statement of Soviet intentions as such. As we recall, in the military plans clearer evidence of a direct threat to essential Western position would be required before these could be implemented. We share the Belgian misgivings that emphasis on preparatory measures of a military and economic character, including an embargo, might well place the West in a position of taking provocative and precipitate action, particularly in the eyes of the uncommitted. We would of course certainly wish to have more details of the nature of such plans as envisaged in paragraphs 6-8. In the circumstances in which they are likely to be implemented, such plans seem to us less likely to deter USSR from course of action embarked on than to precipitate an even more serious crisis. At the same time the references to maintaining contacts with USSR, in the light of the basically possible [sic] approach in the present plan, seems largely perfunctory, and we would prefer to see this strengthened. In short, the present approach, in the absence of continued Western pressure for a negotiated settlement, seems to us to run the risk of placing the West at a serious disadvantage to cope with important problems which would inevitably arise if and when USSR decides to sign its separate peace treaty.

8. Taken by themselves these comments may seem somewhat negative. Basically, however, they reflect the belief expressed in our telegram S-453 that the best way to prevent, or at least to minimize, the undesirable consequences of a separate peace treaty is for the West to seize the initiative in Berlin and other East-West issues. This conviction is only reinforced by our view that, in the wake of the Cuban crisis, the Western negotiating position is unlikely to be stronger than at present, and that if not pressed home in the near future, this momentary advantage will inevitably disappear. Unfortunately, the Four Power paper, which was probably prepared before the Cuban affair, misses this point completely. We believe, however, that if



your comments on the paper are set in the framework of this basic theme, our contribution in the discussion will appear more positive and constructive.

H.C. GREEN

202.

DEA/2462-40

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

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

TELEGRAM 636

Cairo, December 28, 1962

SECRET. CANADIAN EYES ONLY. DEFERRED FROM LONDON.

Repeat for Information: London, NATO Paris, Bonn, Paris from London.

By Bag Moscow from London.

ARNOLD SMITH'S TALKS WITH KHRUSHCHEV

Frank Roberts is at present on leave in Cairo and has discussed with me discrepancies between his report of Khrushchev's views on Berlin and Arnold Smith's. Although Foreign Office has probably passed on his comments I am reporting what he said to me as of possible interest.

2. Roberts said there was no repeat no possibility of his having misinterpreted Khrushchev as he was not repeat not alone at meeting; and in addition Gromyko was taking copious notes and could easily have corrected impression he was given of Soviet position. Furthermore he had been under instructions not repeat not to raise Berlin issue in order not repeat not to disturb direct USA-Soviet dialogue. Khrushchev himself brought up subject and Roberts insists he said he would accept continuation of UK, USA and French forces under UN cover. Finally, Head of West European Department in MFA had told Roberts a few days previously that Soviet position had been misunderstood by Western Powers.

3. Roberts thinks Khrushchev, who is compulsive talker, realised he had gone too far; and this was reinforced by Lord Home's talk to Soldatov in London which gave Russians impression British believed that Soviet policy had been radically modified. Khrushchev's idea of bargaining with Americans, of course, was not repeat not to give anything away in advance. In this case he obviously did not repeat not want Americans to think either that he was trying another channel in negotiations, or that he would not repeat not disturb status of Western troops in Berlin. Therefore he felt need to correct this impression and best way to do it was via Arnold Smith.

[R.A.D.] FORD

4<sup>e</sup> PARTIE/PART 4  
 EXAMEN TRIENNAL  
 TRIENNIAL REVIEW

203.

DEA/50107-N-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*

DESPATCH NO. 1432

[Paris], November 12, 1962

SECRET

Reference: Our Telegram No. 2622 of November 9, 1962.†

## 1962 TRIENNIAL REVIEW: EXAMINATION OF CANADA

The examination of Canada took place in the Annual Review Committee on November 9. This was the first examination of Canada under the Triennial Review procedure. I headed the Canadian team, assisted by Mr. A.F.W. Plumtre, Mr. R.G. MacNeill, A/V/M R.A. Cameron and other civil and military advisers.

2. The agenda for the meeting may be found in AC/19-A/306. The reference documents were TR(62)Canada-D/1 to D/4, and SGM-553-62. Additional documentation was provided by the Canadian delegation in the form of an opening statement based on your telegram DL-1585 of November 2, † and a document containing the texts of the answers to the questions on forces problems and mutual aid (Items II and III of the agenda) based on your telegrams 1586† and 1587† of November 2. The text of a statement made by the Minister of National Defence on August 24, 1962, <sup>58</sup> was also circulated. No written material was circulated under Item IV of the agenda, financial and economic aspects.

3. As we reported in our telegram under reference, the review went along predictable lines. Both in his opening and closing statements, the Chairman indicated an understanding of the effects of the financial emergency of last June<sup>59</sup> on the defence programme. His statements fully recognized the care with which the Canadian authorities had reduced defence expenditure without affecting Canada's basic international military commitments. At the same time, his statements displayed a natural tendency to seize upon the temporary nature of the financial emergency as a ground for arguing for the earliest possible resumption of defence spending at former levels. There was no evidence of any desire on the part of any member of the Committee, or of the NATO military authorities, to press questions about the recent reduction in defence expenditures unduly. On the contrary, we believe that the Canadian position, particularly after additional explanatory statements had been made by the members of the Canadian team, was well understood.

<sup>58</sup> Voir/See Greg Conolley, "Massive Govt. Cutback in Spending on Forces," *Ottawa Citizen*, August 25, 1962, p. 1.

<sup>59</sup> Voir Chapitre XIV/See Chapter XIV.

4. I will not report in detail on the discussions under Items II and III of the agenda. Both the questions of the NATO military authorities and the replies of the Canadian team closely followed the documents which had been prepared in advance. Two points left for further clarification with SHAPE were:

(a) Did Canada have any medium artillery in the Divisional organization?

(b) Canada's plans with respect to dispersal airfields and particularly the provision of a fourth one.

So far as Item III on mutual aid was concerned, there were signs of interest on the part of the International Staff in the Canadian answer about the CF-104 programme. While the broader questions raised by this programme could not appropriately be pursued in the Annual Review Committee, we are aware that there is a growing recognition among delegations and in the International Staff of the problems posed for a country with limited resources to maintain a reasonable defence contribution in an era of heavily rising military costs. From this point of view, the reference in the opening statement to the possibilities of increased military procurement by Canada's allies in Canada had some effect. At any rate, the Chairman's statements revealed that the International Staff are aware of and interested in the mutual aid possibilities of Canadian defence production.

5. In dealing with Item IV, economic and financial aspects, Mr. Plumtre said that it was not possible to give firm answers to the questions which the International Staff had posed. Nonetheless, a certain background information might be illuminating. He explained that the Canadian financial crisis, while it had in a sense struck suddenly, had its origins in basic developments in Canada's international and national position going back a number of years. He referred to the consequences in the Canadian context of the two main deficits which had developed on international account and on budgetary account, and described how the government's programme of emergency measures had been designed to re-establish confidence so far as both these deficits were concerned. He said that on October 22, the Minister of Finance had been able to announce a substantial improvement in the budgetary position.<sup>60</sup> The emphasis on the budgetary aspect was significant so far as the defence programme was concerned, in that, when the possibility of making economies had been reviewed, the emphasis had been on the budgetary implications of the defence programme rather than on the international account aspect. Dealing with Canada's present payments position, Mr. Plumtre referred to the latest fragmentary evidence available at the moment about the structure of the current account, and to references to the current account position, both in the Speech from the Throne and in the Minister of Finance's October 22 statement. There had been improvement in the current account position. The lack of confidence seemed to be dissipating. Extensive dependence on inflows of foreign capital could perhaps be considered a thing of the past. Capital inflow seemed to have been resumed at a reduced level. Mr. Plumtre concluded that, while the immediate crisis was over, the government would continue to have to tread cautiously in its financial and economic affairs, both international and domestic, for some time to come. When the time came to consider resumption in expenditure the higher priority military expenditures would take their place along with higher priority civil expenditures.

6. Perhaps the most significant statement during the Canadian examining session was made by Mr. Finletter, Permanent Representative of the United States. He emphasized that his remarks had general application, because of the interdependence of defence expenditures of all NATO countries. He wished to relate the answers which had been given about the Canadian defence programme to this broader problem, while noting with satisfaction that Canada had

<sup>60</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, pp. 847 à 849, 859 à 860, 863 à 867. See Canada, House of Commons, *Debates*, 1962-63, Vol. I, pp. 794-796, 805, 808-812.

fulfilled its commitments in the past and had been careful, in dealing with its financial emergency, to avoid measures which reduced the effectiveness of its defence programme. He said that the examining sessions which had taken place so far might be considered as indicating the emergence of different policies or trends between the United States and its allies. NATO countries generally were becoming wealthier year by year but, with few exceptions, were reducing the percentage of their GNP which they devoted to defence. The United States, on the other hand, was increasing its percentage. This difference between the United States and its allies was a source of concern to the Administration, particularly when it confronted the problems of presenting a defence programme to the U.S. Congress and to the electorate. If present trends continue, the disproportion between the United States and its allies would become even greater. Canada, for example, although the second richest country in the Alliance, with a per capita income of \$1,780, devoted only 5.4% of its GNP to defence purposes in 1962. Of course Canada had faced a particularly difficult balance of payments position, but the United States had balance of payments difficulties too and had not used these as a justification for cutting back its defence expenditures and overseas commitments.

7. He recognized the interdependence of the defence efforts of the countries of the Alliance. He was aware that if there were marked differences in the percentage of GNP which different countries devoted to defence within the Alliance, this could conceivably give rise to imbalance so far as relative trading positions were concerned. His view was that if this possibility were to be eliminated, it should be done through a general levelling up of defence expenditures not a levelling down. If a country adopted a policy of steadily decreasing the percentage of GNP which it devoted to defence, this could have a chain reaction within the Alliance. It was not a healthy state of affairs that the national shares in the collective effort should be so imbalanced. It was sometimes argued that the United States' share should be greater because of its position as the leading nuclear power, but he did not accept this argument. He understood that the purpose of the Triennial Review was to bring out differences which might exist over basic questions of policy so that these could be followed up at a higher level. Subsequently the Chairman took a somewhat similar line, arguing that the share of the Canadian GNP devoted to defence was relatively low in comparison with a number of other members of the Alliance, and it would take a relatively small increase in that share to permit Canada to fill the modest gap which existed between its present defence programme and a programme which would meet the requirements of the NATO military authorities fully.

8. The weaknesses of this line of argument are, of course, fully familiar to you. While I did not wish to become involved in an argument with Mr. Finletter over propositions that have been a source of greater heat than light in the past, I thought his statement should not pass entirely without comment. I, therefore, reminded the Committee that, as to the recent cuts in Canadian defence expenditure, these had been caused by financial exigencies, were not to be interpreted as indicating any change in the policy of the Canadian government towards NATO, and had in fact been carefully thought out so as to affect Canada's international commitments to the smallest degree possible. I added that the broad problems which Mr. Finletter had raised were by no means peculiar to Canada but related to a greater or lesser degree to other members of the Alliance and would, no doubt, be considered at a higher level when the results of all the examining sessions were available to governments. (Presumably this could be at the forthcoming Ministerial meeting.)

9. In brief, the Canadian examination passed off relatively easily. The International Staff and interested delegations are aware that Canada faces a number of perplexing problems in the defence field, and that the problems involved in meeting our NATO commitments will not become easier in the next few years. Nevertheless, our immediate financial and economic concerns were, I thought, given full weight in this year's examining session, and we were not unduly pressed. Mr. Finletter's statement, of course, raises a series of difficult questions for all the members of the Alliance. From what he said, I would take it that the US authorities are determined to pursue the arguments which he presented during our examination at the level of the Council, and perhaps at the next Ministerial meeting.

GEORGE IGNATIEFF

5<sup>e</sup> PARTIE/PART 5

RÉUNION MINISTÉRIELLE,  
PARIS, 13 AU 15 DÉCEMBRE 1962  
MINISTERIAL MEETING,  
PARIS, DECEMBER 13-15, 1962

204.

PCO

*Note du secrétaire d'État aux Affaires extérieures  
et du ministre de la Défense nationale  
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs  
and Minister of National Defence  
to Cabinet*

CABINET DOCUMENT NO. 399-62

[Ottawa], December 4, 1962

SECRET

NATO MINISTERIAL MEETING, PARIS,  
DECEMBER 13-15 – CANADIAN POSITION

The December meeting of the Foreign, Defence and Finance Ministers of NATO will discuss the main issues of international concern and take stock of the defensive strength of the Alliance on the basis of the results of the Triennial Review examinations of the national defence efforts of member countries.

The following is the agenda:

- I. Review of the International Situation
- II. Military Questions
- III. Civil Emergency Planning
- IV. Co-operation in Research, Development and Production
- V. Any Other Business – Special Defence Problems of Greece
- VI. Date and Place of Next Meeting
- VII. Communiqué

The following paragraphs outline in general terms the main items expected to come up during the discussions and suggest the position the Canadian Delegation might take on each.

#### *East-West Relations and Berlin*

The central subject under this Item is likely to be the state of East-West relations and in particular whether, as a result of the Cuban episode, the time is now propitious to negotiate with the Soviet Union settlements of outstanding East-West issues including Berlin.

In the Canadian view, in the past the Soviet Union has had the diplomatic initiative on German questions and there has been a natural reluctance on the part of the West to negotiate from weakness. As a result of the Cuban confrontation, the completion of a nuclear test series by the United States and the Soviet Union, and the tensions within the Communist bloc caused by the Sino-Soviet dispute, the West enjoys increased prestige and strength which offers an opportunity for the West to take some initiative on a variety of East-West issues.

It is recommended that Canadian Ministers support any efforts to discover whether the conditions exist for undertaking renewed negotiations with the Soviet Union.

Responsibilities of the Alliance as a whole in respect of Berlin bring with them a corresponding responsibility on the part of the three occupying powers to consult the Council regularly concerning their political as well as military and economic contingency plans on Berlin. This responsibility stems not only from the specific commitments of the Alliance in respect of Berlin but also from the simple fact that three-power action or response in Berlin could directly involve the Alliance as a whole.

It is therefore also recommended that Canadian Ministers support the review in the Permanent Council and, if necessary, revision of the Western negotiating position on Berlin preparatory to the resumption of U.S.A./Soviet discussions on this subject interrupted by the Cuban crisis.

#### *Military Questions*

The U.S.A. Government has emerged from the Cuban experience more than ever concerned at the relative lack of progress in the Alliance in developing a military capability for "a measured response." It is the U.S.A. view that NATO forces in Europe remain overly dependent on nuclear weapons, largely as a consequence of the slowness of European members to meet their conventional force goals. They maintain that in recent years the percentage of U.S.A. defence spending in relation to gross national product has risen, while the opposite has been true for all other NATO countries, and the U.S.A. Government is known to be concerned at this evidence of what they believe to be a fundamental divergence in defence policy between the United States and its allies.

It is recommended that the Canadian approach to defence spending be explained along the following lines:

While devoting our efforts on the political front to seeking reasonable settlements with the Soviet Union on East-West issues, including nuclear testing and disarmament, we recognize the need to maintain strong defences.

Canada's defence effort has involved the expenditures of considerable foreign exchange to maintain forces in Europe and for the procurement of military equipment. Canada has absorbed this outlay despite a very large deficit on current international account. However, there is now a need substantially to improve the long-term current account position. Some relief would be achieved by an increase in military procurement in Canada by our NATO partners.

With regard to the differing trends in defence spending between the United States and its NATO allies, Canada has always considered that total defence expenditure policy should be based on a high degree of military preparedness and a requirement to meet force goals rather than on a particular percentage of gross national product. Canada has consistently met its agreed military commitments.

The reduction in total Canadian defence spending as a result of the financial emergency in June 1962<sup>61</sup> was so arranged as to have the minimum effect on the Canadian contribution to NATO defence. The Canadian Government was gratified by the recognition during this year's Triennial Review Examination that the cut in defence spending had not affected Canada's fulfilment of basic military commitments to NATO.

One reason for the United States emphasis on increasing the percentage of G.N.P. spent by others on defence is to off-set its own foreign exchange outlays. Canadian Ministers might wish to make reference to the importance of interdependence in the defence field and the very difficult problems posed for those NATO countries with limited resources in maintaining a reasonable defence contribution in an era of rising military costs.

#### *Progress Report on NATO Defence Policy*

It is understood that there will be a progress report on the offer of the United States Government to co-operate in the creation of a multilateral sea-borne MRBM force for NATO.

Such a force is not regarded by the U.S.A. as an urgent military requirement. The proposal has been put forward by the United States in response to political pressure for European participation in the nuclear deterrent. On the one hand the Federal German Republic wishes to have a larger say in NATO nuclear policy while France and Britain, each for their own reasons, wish to maintain national nuclear forces. As this U.S.A. proposal would have to be acceptable to these powers, it is for the European countries to make the principal response.

The U.S.A. is anxious not to force the pace of these discussions pending a clearer indication of the future political shape of Europe and the relationship of Britain to EEC. It is a condition of U.S.A. interest in a multilateral force, that equal importance be given in NATO to the build-up of conventional forces.

It is in the Canadian interest to support the continuation of discussion in the Permanent Council of the U.S.A. proposal for a NATO seaborne MRBM force as an alternative to the proliferation of national nuclear forces.

#### *Civil Emergency Planning*

NATO has a responsibility in this field in addition to the national responsibilities of the member states.

In accordance with the views put forward by Canadian representatives at the recent meeting of the Senior Civil Emergency Planning Committee, it is recommended that:

- (a) higher priorities be given to civil emergency planning by the International Secretariat;
- (b) financing by the host country, financing by regions or a combination of these forms for NATO wartime civil agencies should be supported. Common NATO financing should be resisted;
- (c) in principle, a sizeable NATO exercise should be prepared for 1964 to test the capabilities of the NATO wartime civil agencies.

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<sup>61</sup> Voir Chapitre XIV./See Chapter XIV.

*Co-operation in Research, Development and Production*

Canada was represented by the Chairman of the Defence Research Board in a high level working group which reviewed the RDP programme. Its report, which will be considered by Defence Ministers at a special meeting, notes the factors which caused difficulty or delay in implementing an effective NATO RDP programme. These impediments include a unanimity rule, national responsibility for selecting equipment for armed forces, and the tendency to protect immediate national economic and commercial interests in armaments production. The report recommends formulation by the Military Committee of realistic and timely statements of NATO basic military requirements for various weapons systems, rationalization of the Armaments Committee machinery, and the strengthening of national representation concerned with RDP. While the recommendations of this report are not very far reaching, they could if followed through result in a significant improvement in the Armaments Committee machinery.

It is recommended that Canada

- (a) accept the report of the high level working group;
- (b) continue to support the proposal for the Armaments Committee to consider the economic aspects of co-operative RDP with the aim of achieving equitable national participation in programmes;
- (c) continue to support the establishment of basic agreements which would provide the framework for co-operative RDP projects;
- (d) recommend that Defence Ministers keep the RDP programme under review.

*Any Other Business – Special Defence Problems of Greece*

A NATO Working Group reported on September 12 that the Greek defence budget will require supplements of approximately \$53 M in 1963 and \$60 M in 1964 to implement the military programme considered essential by SACEUR.

The Canadian position with regard to the defence problems of Greece has been made clear on a number of occasions to the Greek authorities. While sympathetic to the problems the Greek Government is facing, in view of our own economic difficulties and the recent cuts in Canadian defence spending, we are unable to provide any budgetary aid to Greece. It is recommended that this attitude be maintained. A request has been received from the Greek Government to extend spares support for 25 F86E and 22 T-33 aircraft (originally supplied by Canada) until March 1964. Since it is understood that this support can be supplied under Mutual Aid, it is recommended that this decision be made known to the NATO Secretary-General for inclusion in his report to the Council.

*Date and Place of Next Ministerial Meeting*

The Dutch Government has withdrawn its offer to hold the Spring Meeting of NATO Foreign Ministers in The Hague in 1963. The Acting NATO Secretary-General has been informed that Canada would be agreeable to playing host to the 1963 Spring Meeting provided that this is the wish of the other members of the Alliance. For the time being no publicity is being given to this informal intimation.<sup>62</sup>

[H.C. GREEN]

[D. HARKNESS]

<sup>62</sup> Approuvé par le Cabinet le 8 décembre 1962./Approved by the Cabinet on December 8, 1962.



205.

H.C.G./Vol.10

*Note*  
*Memorandum*

SECRET

[Ottawa], December 12, 1962

NOTES FOR DELEGATION MEETING

This meeting offers perhaps the only opportunity we will have to meet as a full delegation and to set the main themes that the delegation is to emphasize in the political discussions, military discussions and in the communiqué drafting.

The order in which you might guide the business of the meeting could be the Council's agenda for the next 3 days, the first item of which is, of course, the main political discussion on December 13 under the heading "Review of International Situation." It is suggested that you might ask Mr. Ignatieff to give an outline of what he expects to be the main issues which will arise. These will likely comprise the following:

*A. Political Questions*

An assessment of Soviet motives in creating the crisis in Cuba and an assessment of the status of East-West relations in the aftermath of that crisis. In practical terms, this discussion will resolve itself into conflicting opinions as to whether to follow up the Soviet setback in Cuba with an attempt on western initiative to resolve other questions of East-West conflict, and in particular Berlin and related German questions, nuclear testing and disarmament. As noted in the Cabinet memorandum, it is the Canadian view that the West should not simply stand pat but should quickly prepare itself to seek settlements with the Soviet Union. This point of view will probably be resisted by France and Germany. Even the United States may show a tendency to wish to draw a line under the Cuban crisis before contemplating discussions with the Soviet Union on other issues. By this the Americans mean the removal of the remaining Soviet personnel in Cuba rather than an agreement on inspection arrangements, which now seems unattainable owing to Cuban intransigence.

We can uphold American efforts to wind up the Cuban affair, but we do not think that the remaining unresolved problems there should be allowed to frustrate the urgent examination of the elements of a settlement with the Soviet Union in Berlin.

As the West is already negotiating with the Soviet Union on nuclear testing and on disarmament, the focal point of dispute in the NATO Council will be on negotiations over Berlin.

In our view, NATO planning in connection with Berlin can be of two kinds:

- (i) A thorough re-examination of a possible element of a settlement of the Berlin problem with the view to making proposals to the Soviet Union. In particular Spaak's ideas of September 21, 1961, merit careful reconsideration now.<sup>63</sup>

<sup>63</sup> Voir Sydney Gruson, "Spaak Says Soviet Backs Wide Talks with No Deadline," *New York Times*, September 25, 1961, pp. 1, 3. Pour un compte rendu plus détaillé, voir OTAN Paris aux Affaires extérieures, télégramme 2385, 22 septembre 1961, † MAE/50341-40, partie 20.2. See Sydney Gruson, "Spaak Says Soviet Backs Wide Talks with No Deadline," *New York Times*, September 25, 1961, pp. 1, 3. For a fuller account, see NATO Paris to External, telegram 2385, September 22, 1961, † DEA/50341-40, part 20.2.

(ii) Contingency planning in the political sphere in the event that the Soviet Union seizes the initiative again in the Berlin crisis by signing a peace treaty. This would involve preparations for political moves comparable to the plans which have already been made in the military and economic spheres. In the NATO this is largely a task for the Council in permanent session, since the Ambassadors of the three occupying powers in Germany working in Washington, already constitute a political planning group for Berlin. Since the three occupying powers bear the principal responsibilities for Berlin security, it would not be appropriate for Canada to make specific proposals for Berlin settlement at ministerial level.

Apart from Europe, the only other matter on which Canadian views, as a member of the Commonwealth, would be particularly appropriate would be the Sino-Indian dispute. Here we would suggest three principal themes.

(a) The opportunity for a settlement of the India-Pakistani dispute.

(b) The need for NATO support for India while avoiding the NATO label in connection with it.

(c) In the long term, the need for a *modus vivendi* between India and China.

To a certain extent, your intervention on Thursday will depend upon the themes stressed by those who will precede you. It is possible that we may find it desirable to submit some comments, for example on Indo-China developments. There will be a further political discussion on Friday afternoon where we could re-enter the debate on any point of interest to us, e.g., Congo, United Nations.

*N.B.* If possible we would like to avoid a detailed paragraph by paragraph examination of your draft statement.

### B. *Military Questions*

Mr. Ignatieff can be expected to include in his remarks the principal problems which he expects to arise in the military sphere. He will probably confirm that the Americans can be expected to pursue their efforts to remedy their own balance of payments difficulties by emphasizing the need for other members of NATO to *increase their military spending* (with particular reference to percentage of G.N.P.) and to buy more of their military requirements in the United States.

The Canadian response to this campaign should not be defensive. We are experiencing the same balance of payments difficulties as the Americans, have an excellent record of fulfilling our force goals and can reasonably take the position that U.S.A. remarks are not aimed at us but at the European members of the Alliance. The Departments of Finance and National Defence have been working on a statement which Mr. Harkness will probably deliver on December 14.

The Americans can also be expected to make some reference to the proposal for a NATO seaborne MRBM force, a force which they do not regard as an urgent military requirement but which they may nevertheless desire to press in order to head off, or harness in a collective effort, the further development of national nuclear forces.

The Americans can be expected to stress, however, that the seaborne force must not be at the expense of the continued build-up of conventional forces in Europe, for they have concluded from the Cuban experience that a "measured response" involving the use of conventional force only in the early stages of a crisis, is the only way to avoid a nuclear conflict.

At this stage of the consideration of the multilateral nuclear force, it would be best to leave the Europeans and Americans to make the running. We might lend support to an unhurried continued examination of this project in the permanent Council, since such a project is not

likely to come to fruition anyway until Britain's future relationship to Europe has been settled. It is just possible that the Americans may announce an intention to proceed in the meantime with a pilot multilateral project in the Mediterranean.

Under military questions, there will also be a discussion of the Special Defence Problems of Greece. While Canada is not in a position to contribute direct budgetary aid to the \$1.65 million Greek financial short-fall, we will be in a position to announce the provision of (a) \$1 million support for F86 and T33 aircraft originally supplied by Canada; and (b) food aid of \$1 million.

#### *C. Civil Emergency Planning*

This will be dealt with by National Defence. Canada should support the greater effort in emergency planning by the international secretariat, Paris, but should avoid pressing national governments to speed up their national civil emergency readiness.

Any suggestion of common financing of NATO wartime civil agencies should be resisted.

#### *D. Co-operation in Research Development and Production*

This item is also one for National Defence. A report prepared by a high level working group on which Canada was represented by Dr. Hartley Zimmerman, Chairman of Defence Research Board, will be under consideration. The report proposes improvement in the machinery of the armaments committee and other arrangements designed to improve procedure. There is nothing in the report to which we take exception and we can therefore go along with the statement which Mr. Harkness plans to give generally endorsing the report. If Defence Production officials believe that it would be helpful in the context of Canada-U.S. production sharing, some favourable reference could be included in Mr. Harkness' statement to Canada's happy experience with the U.S. in joint projects.

#### *E. Next Ministerial Meeting*

As Iceland and Luxembourg have not adequate facilities for a spring meeting and the Netherlands (whose turn it was) has a spring election, Canada has tentatively responded favourably to an informal request that Ottawa be the site for the Spring 1963 meeting. It has been ascertained that the Centre Block will be available for the meetings and that the Chateau Laurier can make available 300 rooms provided that the meeting is *not* held in the week of May 5 to 11.

Mr. Ignatieff will be in a position to report on his discussions with the acting Secretary-General on this subject.

206.

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 2965

Paris, December 17, 1962

SECRET. PRIORITY.

Repeat for Information: London, Washington, CCOS, DM/DND from CCOS, DM/DDP  
Ottawa, DM/Finance Ottawa from Ottawa.

## MINISTERIAL MEETING: DISCUSSION OF DEFENCE QUESTIONS

Discussion of defence questions involving as it does important issues which will be of continuing importance to Permanent Delegation is summarized in this message. This discussion was preceded this year not repeat not only by usual Standing Group intelligence appreciation of Soviet threat but for the first time also by briefings by the three major commanders. These were devoted to painting a sobering picture of the deficiencies in the forces of the Alliance. In discussion, USA were the leading participants. Rusk spoke briefly repeating USA position on multilateral seaborne MRBM force. McNamara spoke at considerably greater length on need to strengthen the conventional forces of the Alliance.<sup>64</sup> (Full text of McNamara's statement was circulated as Cosmic Top Secret document C-M(62)115. Del will have returned with four copies of this document. We have retained one.) Apart from Rusk's brief statement and passing reference by Norstad and Thorneycroft, no repeat no major participant in the discussion dealt with MRBM question. In fact under agenda item II(b) (which was formally the item under which this question could have been discussed) there was no repeat no discussion at all; Ministers simply noted Secretary-General's progress report C-M(62)109 without comment. As for question of conventional forces, McNamara's request for a re-examination of NATO's strategic concepts was accepted. This will presumably provide a continuing task for the Council in the coming months which will have to be related to work being undertaken by Standing Group on instructions of Military Committee. Apart from this however McNamara's arguments were on the whole received in silence. With Strauss no repeat no longer speaking for Germany, German contribution was slight. French did not repeat not speak at all under the item and British contribution contested many of main USA points.

2. Following is a summary of discussion.

3. SACLANT referred to substantial shortfalls in the forces assigned to him. Deficiencies in anti-submarine forces were of particular concern in view of the powerful and growing Soviet submarine threat. His requirements for end of 1966 had been stated as a minimum. Yet there was a potential shortage across the board of about one-third of these forces. Therefore he had to consider assigning priorities within the tasks he had been given. A choice might have to be made between defending the Atlantic shores and defending shipping. Shortages were all the more serious since his requirements had been calculated on the premise that in a general war all enemy naval bases would be eliminated in the initial nuclear exchange. In the event of protracted periods of conventional war or war employing only tactical nuclear weapons short of a full nuclear war, enemy naval bases would not repeat not be eliminated. SACLANT's force requirements could thus increase. He had been closely involved in the Cuban affair as a National Commander. This had been a classic example of selective use of sea power. Opponent had been given time to reconsider and an avenue of escape. Crisis could not repeat not have been successfully resolved without a coordinated conventional military effort in support of the quarantine. Anti-submarine forces had been an important part in this effort. Cuba had dramatized the extent of Soviet conventional submarine threat. As a land power with their internal lines of communications USSR had a permanent advantage on the West. West would always have the greater stake to lose at sea. At moment forces were only assigned to SACLANT on declaration of a reinforced alert. Cuba had shown that ready forces quickly available at an early stage of a crisis could have a deterrent effect. Therefore he might have in future to ask for the assignment of forces before a reinforced alert. Filling gaps in assigned forces was increasingly difficult because of lengthening lead times for ship construction.

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<sup>64</sup> Voir/See *Foreign Relations of the United States 1961-1963*, Vol. XIII (Washington: United States Government Printing Office, 1994), document 161.

Nevertheless state of allied naval preparedness could be improved through speedy completion of infrastructure projects and concentration of naval research on anti-submarine techniques.

4. Commander in Chief Channel also referred to dramatically increasing Soviet submarine threat. If he had today to rewrite the MC26/4 requirements, he would put his own needs 50 percent higher because of increased Soviet submarine construction. A simple totalling of all categories of ships available to him created a satisfactory impression, but in fact there were deficiencies in Category A ships which were particularly serious because his command's priority task would be heaviest at the outset of hostilities. The 3000 ships normally in Northwest European waters would have to be evacuated quickly on the outbreak of war; they would be worth their weight in gold for resupplying Europe after an initial nuclear attack. Qualitative deficiencies in forces available to him were also serious. One-half the maritime patrol aircraft under his command, for example, were not repeat not capable of dealing with modern submarines. Unless radical changes were made there was no repeat no prospect of getting anywhere near the force goals for 1966. Situation gave particular concern since USSR was developing a nuclear missile fleet which could threaten Western Europe from its relatively undefended western and southern flanks. There was no repeat no provision at all in present forces to meet this threat. As a state of nuclear balance approached there was increased risk of limited Soviet aggression with conventional weapons. What better weapon did USSR have for such purposes than its conventional submarine fleet? Major land forces of the Alliance were deployed on what amounted to a bridgehead in Western Europe; it was the sea which gave depth to the Alliance and frequently provided its best lateral communications. Alliance had become accustomed to assuming that it had unchallenged control of the priceless strategic asset. But this could not repeat not much longer be counted on. Balance of power at sea was radically changing to the disadvantage of the Alliance.

5. SACEUR praised Ministers for having over the years resisted the temptation to plan in terms of the forces which could be easily obtained rather than in terms of forces which were needed. Under former plans, Allies' weakness had forced his predecessors to prepare defence positions behind a number of major German population centres. Now however he had ordered the adoption of the forward defence concept. This involved certain risks in assuming that MC26/4 goals would be reached. But the risks of delay in implementing forward strategy were greater. For public consumption he was accustomed to speak of having the equivalent of 25 2/3 M-day divisions. Without naming any countries, he wished to point out privately that seven of these were short one brigade each. In fact he had only 23 1/3 divisions as against the 29 2/3 called for in MC26/4, to say nothing of qualitative deficiencies. His hard conclusion was that the deterrent value of shield forces was not repeat not what it ought to be especially in the Northern and Central areas. Even a relatively modest Soviet attack – arising, for example, out of a miscalculation – could succeed in seizing something of value to the West, and leaving West with the choice of initiating escalation. Air force requirements were vital to the forward defence concept but the Allied position in the period to the end of 1966 would be “weak and becoming relatively weaker.” SACEUR's requirements had been reduced by 700 aircraft from MC/70 to MC26/4, on the assumption that MRBMs would be introduced as a substitute. These weapons were not repeat not forthcoming. Task for which they were needed still had to be done. Requirement was urgent five years ago and was certainly not repeat not less urgent today. He would not repeat not enter into discussion of the means by which this gap might be filled. Nevertheless the gap remained. (This was Norstad's only reference to MRBMs.) If forces under SACEUR's command were not repeat not improved there would be “limited deterrence, little defence and no repeat no effective forward defence.” The important thing was to accept firm force goals, setting aside if necessary preconceptions – including his own – about how these goals might best be met. There should be an end to public philosophizing on either side of the Atlantic about when and in what circumstances certain weapons would be

used. Alliance risked confusing itself and dangerously misleading USSR. Hypothetical discussion was in any event unreal. Should Alliance not repeat not simply say that, in event of aggression, Soviet force would be met by whatever means and in whatever degree was required for a successful defence?

6. Rusk said NATO could not repeat not be satisfied with present position of its forces. It should not repeat not postpone meeting the minimum military requirements while continuing to review its strategic concepts. Such a review was necessary because NATO forces in being were of such a nature as to tend to propel the Alliance in an emergency towards recourse to nuclear weapons. Progress had to be made beyond the concept of an immediate thermonuclear response to one of a more flexible, rational response. This meant improving the conventional forces of the Alliance while paying continuing attention to maintaining nuclear forces. The Alliance should undertake an exercise in analysis with a view to arriving at a new consensus on strategic ends and means. This should be related to planning cycle now beginning in the Military Committee for developing 1969 force goals. 1963 should be a year in which the Alliance moved to meet its present force goals; the allies had an obligation to demonstrate to one another that each was pulling its weight and devoting a full share of its growing resources to defence. This affected the signals which West sent to Moscow. It was important to demonstrate unity and determination of Alliance in order "to avoid the crime of tempting thieves." He was deeply concerned about what interpretation Soviet intelligence might be placing on existing allied attitudes towards meeting defence obligations. While USA was not repeat not suggesting inflexible ratios or neglect of particular problems of individual members of the Alliance, governments could hardly expect the share of GNP which they devoted to defence to decline as weapons costs rose. Indeed they should expect that defence expenditures would rise as GNP increased. If others thought USA was too insistent on this point they should remember that USA too was a member of the club. USA maintained a million men outside its borders who would rather be doing something else, supported by taxes which USA citizens would prefer not repeat not to have to pay.

7. USA intended to continue to provide information on nuclear planning to the Alliance and would shortly be ready to convey a further instalment. "Technical" exposition of the seaborne multilateral MRBM force concept was part of USA contribution to discussion within the Alliance on nuclear matters. USA considered that a seaborne force could constitute a useful way to bring about a responsible and effective deployment of MRBMs without raising insuperable political problems. USA would normally expect to participate in such a force, in same way as it participated in all the major forces of the Alliance. On the other hand, the Administration would be prepared to look "with complete sympathy" on the concept of a purely European multilateral force, although he could not repeat not conceive of separate nuclear actions within the Alliance on a national basis and therefore considered that all Alliance nuclear forces would have to be closely integrated. A seaborne force would cost a lot. USA would do its share but "major burdens" would have to be borne by others. These would be in addition to burdens arising from meeting conventional force goals.

8. McNamara's statement was virtually identical with printed text in C-M(62)115. Because of its classification we will not repeat not attempt to give an extended summary here. His thesis was that, with the two major powers approaching a balance in the strategic nuclear deterrent, the significance of conventional forces increased. USA was spending \$15 billion a year on maintaining the Western strategic deterrent. It would continue to do so. USA considered that further Western expenditures on strategic deterrence would be a diversion of resources; marginal utility of its own further expenditures on improving the nuclear deterrent was decreasing. Therefore the Alliance should concentrate on improving its conventional forces. If existing goals were met, the forces available would be adequate to repel the form of limited Soviet aggression which was more likely to take place in an age of nuclear balance when there

was less risk of either massive nuclear attack or massive conventional attack on a scale which would inevitably provoke a Western nuclear response. At the moment, allied forces in Europe fell between two strategic stools. They were too big if only a tripwire were required; on the other hand they were too small to resist limited Soviet aggression by conventional means. Furthermore, USA was carrying its full share of common defence burden while Europeans were not repeat not. For all these reasons he suggested a review of NATO strategic concepts during the coming year.

9. Thorneycroft's reaction was largely negative. He agreed to the suggestion that there should be a fresh look at NATO strategy. However, he said there were limits to what NATO countries could or ought to spend on defence. UK was actually spending 7.4 percent of its GNP and thought 7 percent about right. Certainly it did not repeat not intend to spend much more than the present GNP share. Communist threat was world-wide. Therefore the defence efforts of NATO countries could not repeat not be entirely concentrated in the narrow West European area no repeat no matter how vital. Present UK action in Borneo showed the need for readily available forces to meet threats outside Europe.<sup>65</sup> Sometimes members of the Alliance were asked to strengthen conventional forces, sometimes nuclear forces, and sometimes both. But all NATO planning since 1957 had been based on unrealistic assumptions about forces to be made available. It was premature to make decisions about the balance between nuclear and conventional forces within the Alliance, and whether certain targets should be covered by NATO forces or non-NATO forces. First step in a strategic reassessment was to complete the standing group's study of the long-term threat. It might turn out that the answer was not repeat not the goals in MC26/4. Realistic plans could only be based on the forces which actually would be available rather than on forces "devoutly to be wished for." Commanders' present force requirements never could and never would be met. Alliance therefore had either to accept a gap or to attempt a reconciliation. For his part he preferred a private confrontation between NATO Commanders and Defence Ministers of the Alliance in some much smaller forum than the Ministerial Meeting. Private talks should be blunt. Both sides might have to move but this was better than pretending that gap did not repeat not exist. Object should be "realizable" force goals.

10. The most important point made by Italian Defence Minister was to reaffirm that his government was in principle in favour of a multilateral MRBM force. Remainder of his statement was largely devoted to describing the progress Italy was making in improving the state of its forces and in arguing that the defence burden fell particularly heavily on countries like Italy with a low per capita income. He suggested that Triennial Review procedures should be modified in order to bring military requirements and national plans more closely into line. German spokesman spoke briefly, did not repeat not raise MRBM question and indicated readiness to accept review of strategic concepts asked for by McNamara. Netherlands Defence Minister supported Thorneycroft's "realistic" approach. He criticized NATO requirements planning as not repeat not effective and flexible enough. As to GNP concept as a measure of burden-sharing, he said that no repeat no single international yardstick was valid. The special difficulties of individual countries had to be taken into account. He stressed difficulties smaller countries faced in acquiring modern military equipment and criticized the slow progress being made in coordinating research development and production within the Alliance. This argument was echoed by Belgian Minister who asked that clear cut strategic decisions be taken, since small countries particularly could not repeat not afford both nuclear and conventional forces.

<sup>65</sup> Voir/See "Britain Airlifts Troops to Crush Revolt in Brunei: Isle Sultanate's Oil Installations Are Threatened," *Washington Post*, December 9, 1962, p. A1.

11. Mr. Harkness accepted McNamara's suggestion for a review of NATO strategic concepts. He said that Canada looked for further information and discussion on MRBM question in Council. He reviewed Canadian foreign exchange crisis and effect of June emergency measures on the defence programme, noting that both in Triennial Review and elsewhere, the NATO military authorities recognized that Canada was meeting its commitments despite the emergency. He referred to need for continuing improvement in Canada's current account position. From this point of view he stressed importance of increased military procurement by the allies in Canada. As to GNP concept, military goals of the Alliance were stated in physical terms. Canada had met its physical commitments and preferred to view the problem from this point of view rather than from the point of view of devoting a particular share of its GNP to defence.

12. Ministers adopted the 1962 resolution on defence in C-M(62)124 (Revised) without change. Acting Secretary-General said that Ministers' statements, particularly where they dealt with suggestions for further studies to be undertaken, would be referred to the Permanent Council for further action.

207.

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 2971

Paris, December 18, 1962

SECRET. PRIORITY.

Repeat for Information: Paris, Washington, London, PCO Ottawa, DM/Finance Ottawa from Ottawa.

NATO POLITICAL CONSULTATION AND "CRISIS MANAGEMENT"

Although ministerial political consultation concluded on an optimistic note in view of (a) support given to USA handling of Cuban crisis and consequent general feeling of increased Alliance solidarity as well as (b) obvious signs of disarray in Communist bloc and necessity for Soviets to pause before they could expect their threats to be considered credible after having publicly to withdraw their missiles from Cuba, USA Government at various levels has expressed concern about capability of NATO permanent machinery to cope with an emergency. In this connection please see particularly extracts from record of Rusk's opening statement to Council December 13 given in my immediately following telegram.†

2. I thought that I should also report comments made to me privately by Rusk during Secretary-General's luncheon at which I found myself sitting beside him concerning NATO consultation and what is now currently referred to in Washington as crisis management. Rusk said that experience over Cuban crisis had shown that NATO Council was ill-equipped to keep up with pace of developments in a crisis and that remedies should be sought as a matter of urgency to enable Council to function more effectively in any future emergency.



3. Main features which Rusk thought were apparent in NATO Council were (a) absence of authoritative expression of governmental views in Council and (b) slowness of communication between national representatives and their governments.

4. As regards (a) Rusk wondered whether it might not be necessary to have Cabinet Ministers take over in a crisis. When I pointed out differences between governmental structures among Allies and difficulties even under American system of having spokesmen of President in sufficiently close touch with Washington in view of geographical separation and fact that any minister absent from his home base inevitably gets out of touch in a political sense with his administration, Rusk admitted that perhaps (a) and (b) needed to be considered together and that remedies should be sought primarily through improvements in communication between national representatives and governments.

5. Rusk emphasized requirement that in a crisis authoritative governmental views should be exchanged if policies are to be effectively coordinated through Council and also that governmental authority has to be sought quickly for coordinated action in an emergency including authorization of alerts.

6. My private discussion with Rusk was inconclusive and led only to a comment that he would expect Council to explore improvements in methods of communication between Permanent Representatives and Governments by such methods as trans-Atlantic phone scramblers and/or teleprinter methods. I should stress that Rusk's comment was not repeat not in any way critical of Canada's role but was related to functioning of NATO permanent machinery and to his concern that it should be rendered more efficient if it is to play an effective role in inter-governmental consultations in future emergencies.

7. In addition Finletter had earlier raised question of improved communications between NATO civil and military authorities to enable Council to exercise its responsibilities in an emergency. He suggested that Council study setting up a special communications room in which members of Council could be kept in touch with facts of a developing crisis, getting sitreps from NATO commands by teletype. This would presumably involve common financing.

8. As Rusk made it clear that he intended following this up (and as his remarks in C-VR(62)58 will generate a paper on subject by international staff) I should be grateful if consideration might be given to problems raised in this telegram. In doing so you might care to have following comments. To begin with there was no repeat no real attempt to consult Council over Cuba (or for that matter even to carry on proper consultation under bilateral Canadian/US agreements) so Cuban case cannot repeat not fairly be taken as an example. I should nevertheless be bound to admit that consultation might well not repeat not have proved very fruitful under present arrangements. This is a problem of long standing. Originally there was resistance to consultation on matters outside NATO area, but since Oslo meeting<sup>66</sup> this resistance has virtually disappeared as a matter of principle. In practice however there has been considerable reluctance to consult on grounds of security. Communications problem to which Mr. Rusk referred exists, but save in a few cases it is a problem not repeat not of speed but of security. Until consultations can be kept secret from other side there can be advance planning only at risk of USSR too knowing about what is going on (as over Berlin) as evidence of firmness of purpose. Obviously such security problems can be discussed only in a bilateral or a trilateral context, not repeat not in NATO. Perhaps USA will come forward with proposals in

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<sup>66</sup> Réunion ministérielle de l'OTAN, à Oslo, du 8 au 10 mai 1961.  
NATO Ministerial meeting, Oslo, May 8-10, 1961.

NATO which will get over this problem indirectly; if not repeat not I suggest consideration should be given to bilateral discussion with USA.

[GEORGE] IGNATIEFF

208.

DEA/50102-AF-40

*Le secrétaire d'État aux Affaires extérieures  
aux chefs de toutes les Missions*

*Secretary of State for External Affairs  
to Heads of all Missions*

MULTIPLE DESPATCH NUMBERS.  
SECRET

Ottawa, January 11, 1963

NATO MINISTERIAL MEETING, PARIS, DECEMBER 1962

The mood of this year's NATO Ministerial Meeting was one of solidarity and of crisis satisfactorily surmounted. The main problems of the future political and military policy of the Alliance remained but on this occasion it was the strengths of the Alliance that held Ministers' attention.

2. Attached for your information is a copy of a Departmental paper which examines, in the light of the recent NATO Ministerial Meeting in Paris, the main problems in the political and military field that are likely to face the Western Alliance in the coming months. This paper outlines what appear to be the likely questions for decisions at the next Ministerial Meeting to be held in Ottawa May 21-23, 1963. You will already have received in Selected Document No. 51 of December 19, 1962,† a summary of the Meeting and the text of the speech made by the Minister in Paris (Telegrams DL-1782 of December 18, 1962,† from Ottawa; 2937 of December 14, 1962,† from NATO Paris; 2935 of December 14, 1962,† from NATO Paris; and 2880 of December 6, 1962†). We are including with this paper the text of the Minister's statement to the House of Commons on December 17, 1962,† and the text of the communiqué issued at the end of the Paris Meeting.<sup>67</sup>

ROSS CAMPBELL  
for the Secretary of State  
for External Affairs

<sup>67</sup> Voir « Session ministérielle de l'OTAN, » *Affaires Extérieures*, vol. 15, n° 2 (février 1963), pp. 117 à 119. See "NATO Ministerial Meeting, December 1962," *External Affairs*, Vol. 15, No. 2 (February 1963), pp. 73-75.

[PIÈCE JOINTE/ENCLOSURE]

*Note**Memorandum*

SECRET

Paris, December, 1962

NATO MINISTERIAL MEETING, PARIS, DECEMBER 1962

*Political Discussion*

In the field of East-West relations some members of the Alliance urged a new look at Western negotiating positions on Berlin against the day when realistic negotiations could begin, while others suggested that until the Soviet Union indicated a willingness to negotiate realistically, no action should be taken on the part of the Western powers. The set pieces on this subject delivered by the Foreign Ministers were relatively routine and provoked little discussion. There appeared to be four main reasons for this. First, the shape of Europe and therefore the whole future interrelationships of the Western world remained unresolved, pending the outcome of the current negotiations between the Six and Britain. Secondly, many important aspects of relations between members of the Alliance were being dealt with on a bilateral basis and indeed the Ministerial Meeting itself took place at a time when Prime Minister Macmillan was in Paris to see General de Gaulle, Dr. Adenauer had just visited President Kennedy, and Mr. Macmillan and President Kennedy were about to meet in the Bahamas. Thirdly, as a result of the success of the regular consultations on current international problems in the Political Advisers Committee, and because of the lessening of differences within the Alliance on "colonial problems," there was relative agreement on political problems not strictly related to East-West negotiations and the future of Europe. Fourthly, the German Government had in the weeks previous to Paris been undergoing re-organization and therefore the Alliance was not in a position to press for new initiatives on a Berlin settlement.

2. It is likely that the period of transition within the Alliance, caused by the uncertainty over the future of Europe, will continue for some time and will limit the amount of useful work that can be done in the Council on the subject of East-West relations unless there is a major change in the policy of the Soviet Union. With a view to reaching decisions at the Ministerial Meeting in Ottawa in May, it is possible that some progress can be made now on:

(a) political contingency planning for Berlin

(b) reviewing Western negotiating positions on Berlin and perhaps on the wider aspects of European security

(c) improving consultation in Council on global long range policy planning.

3.(a) There appears to be a fair degree of support from the Italians, Scandinavians, Dutch and Belgians for discussions in Council on what political action should be taken to meet a political initiative by the Soviet Union on Berlin such as the signing of a separate peace treaty or the convoking of a German peace conference. Contingency planning until now has remained a responsibility of the Ambassadorial Working Group in Washington (U.S., Britain, France, West Germany) and in this forum France has been able to hold up meaningful consideration of political contingency planning. There appears little likelihood that progress on political contingency planning can be made unless the discussion is somehow brought into the Council. The best method of achieving this objective would appear to be if Canada and likeminded members of the Alliance instead of waiting for the Ambassadorial Working Group to produce papers were themselves to introduce in Council their own views and perhaps plans on what the Alliance might do in the case of Soviet initiative on Berlin. If this were to be done it might

circumvent the French, produce a useful clarification of the problems involved and eventually lead to an agreed catalogue of political contingency plans for possible use by the Western powers. It may be a worthwhile objective to try to have this catalogue of contingency plans ready for approval by the time of the Spring Ministerial Meeting in Ottawa.

4.(b) The meeting in Paris brought out fairly clearly the range of views on the subject of whether or not to negotiate with the Soviet Union in the coming months. Mr. Spaak believed the West to be in a favourable diplomatic position and the USSR in a weakened one, and it was possible therefore that sensible suggestions from the West might have some appeal to the Soviet Union. He also thought that despite the contradictory nature of some of Khrushchev's recent remarks, there were some ideas worth following up, that in any case the Alliance should study the proposals on Berlin put forward in 1961 and be prepared to negotiate when the time comes. Mr. Rusk stated that U.S. talks with the Russians on Berlin had shown that the Soviet Union was not prepared to think of any solution that rested upon the continued presence of Western forces in Berlin and, since this was the case, Russia would have to change its position before realistic negotiations could begin. The initiative, therefore, for renewed negotiations rested with the Soviet Union. The French for their part still considered that now was not the time to participate in negotiations with the Soviet Union and that it was far better to wait and see and leave the initiative on Berlin to the Russians.

5. It is clear that at present there is no consensus within the Alliance concerning negotiations with the Soviet Union and also that until the Soviet Union has finished its own policy re-appraisal there is unlikely to be any progress in the U.S.-USSR dialogue on Berlin. It had been hoped that the final communiqué would indicate a more forthcoming attitude on the part of the NATO Alliance with respect to a resumption of the dialogue with the Soviet Union on Berlin. However, the French Delegation in the drafting committee resisted this and in the event the text of the communiqué on East-West relations was relatively meaningless. The most sensible course, therefore, would appear to be to look at the plans put before the Council in 1961, clear our own minds as to whether they remain valid as realistic negotiating positions for the West and, if not, bring them up-to-date.

6.(c) Mr. Rusk suggested that before the next Spring meeting there should be an exchange of views in Council on "how to adapt NATO procedures on consultation in an effort to agree on certain common policies to be carried out by the Alliance in certain eventualities, so that NATO decisions would not be delayed." He suggested that senior policy makers from the USA and other governments might visit the Council regularly to explain the reasons for policy and that more importance should be given to the long-term policy planning discussions in the Atlantic Policy Advisory Group. It appears that the USA envisages improved consultation to mean a regular flow of information to the other members of the Alliance on USA policy so that when the USA asks its allies for support on the basis of these consultations it will expect to receive such support. The arguments against such a concept of consultations are many and we, along with other members of the Alliance, should make clear in Council that, as was stated by the Committee of Three in 1956, "consultation within the Alliance is more than an exchange of information, it is more than letting Council know about national decisions already taken, or trying to enlist support for those decisions. It means discussion of problems in the early stages of policy formation before national positions become fixed."

#### *Military Questions*

7. The future direction of NATO military strategy received the main attention at the Paris meeting and Ministers were left in no doubt by the major military commanders that the forces under their command were deficient and well below agreed force plans. The U.S. Delegation made its expected attack on the disparity between USA and European defence efforts; it

supported a NATO forward strategy by means of a build-up of conventional forces. As Mr. McNamara put it,

“In our view, no single step open to us could so profoundly affect the strategic balance and enhance the security of us all, and each of us individually, as the creation of the capacity for effective non-nuclear defense. We have a superior nuclear shield and we must forge an effective non-nuclear sword. With these weapons on hand, we shall be better prepared to avoid the disastrous choice between a surrender of our vital interests and the devastation of a nuclear war.”

and [he] asked that the Alliance re-examine NATO's strategic concepts. The European reaction was muted either for reasons of domestic politics (Germany had just acquired a new Minister of Defence), because of bilateral disagreements on defence matters (the Skybolt controversy between the USA and the UK had just become public), because, as in the case of France, of a fundamental disagreement with the USA on defence policy or, as was the case for some of the smaller countries, because of confusion about the meaning of current USA military strategy and an inability to reconcile national defence policies with the increasingly high cost of modern armaments.

8. The meeting agreed to re-examine NATO's strategic concepts and this should prove a well worth while exercise if it can clear the minds of the members of the Alliance as to just what their individual military roles can be in the next decade. The Kennedy administration after it had reviewed the military posture of the USA in 1961 decided to build up conventional forces so that the USA could, anywhere in the world, react quickly, force a pause and avoid having to face the choice of whether or not to use nuclear weapons at the early stages of a crisis. This doctrine appears sound and reasonable when seen from Washington within the context of American leadership of the free world with a responsibility for a global “pax Americana.” However, when applied to Europe it comes up against a number of national factors that must be taken into account by the USA if NATO is to succeed in establishing a true forward strategy particularly in central Europe.

9. The more important factors are: (1) the three European countries who must provide the bulk of the forces for this strategy for differing national reasons disagree with USA policy. Britain for reasons of limited manpower, heavy reliance on tactical nuclear weapons and commitments outside the NATO area does not wish to bring its forces in Europe up to strength with conventional weapons. France is acquiring its own national nuclear forces and has kept a large part of its ground forces within the national borders of France rather than permitting them to move into more forward areas. Germany has had a Defence Minister who fundamentally disagrees with the USA strategy and believes that to have a credible deterrent, NATO nuclear forces must be deployed forward in Central Europe. (2) There is confusion in the minds of many European countries about what is meant by a build-up of conventional forces. Presumably the USA means by this a modernization of present weapons systems to provide increased mobility and fire power to be able to cope with dangerous situations quickly before they begin to escalate. However, to many European countries the build-up of conventional forces conjures up a return to mass land armies of national conscripts. (3) Smaller European countries do not see what their defence role is to be in the next decade and how best they can supply their own small contributions as part of a forward NATO strategy. (4) Many countries have been confused by the changes in USA military doctrine in the last decade. After the crash programme to deploy nuclear warheads and IRBMs in Europe in 1957, they are now being told that what is needed is modern conventional forces. There is some truth in Mr. Thorneycroft's remark that “sometimes we are encouraged to improve our conventional forces, sometimes to improve our nuclear forces and sometimes both.” (5) There is a general feeling amongst most members of NATO that USA has decided its military strategy first and is now trying to sell it

to its various allies. They are therefore inclined to view the current review of NATO strategy concepts not so much as a review but as a vehicle for the USA to persuade its NATO allies of a strategy already decided in Washington. (6) The formation of a multilateral nuclear force remains unresolved.

10. The Nassau Declaration, which was issued immediately after the Paris meeting, appears likely to bring about a change in the nature of the discussions on NATO defence planning. One of the main problems in the next six months will be for the Alliance to try to reconcile the discussions on “forward strategy” and the build-up of conventional forces, the study of procedures to reduce the gap between NATO military requirements and national forces, plans [for] the formation of a NATO multilateral nuclear force, and the part to be played by its members in the strategic decisions of the Alliance.

11. In his address to the NATO Council, Mr. McNamara reversed the old concept of “sword and shield” and USA strategic doctrine now calls for “an effective non-nuclear sword” to complement a “superior nuclear shield.” There appears to be little doubt that as a result of Cuba the USA is convinced that the West must have a large range of conventional forces so that the choice of non-nuclear response is sufficiently wide to avoid the extremes of either surrender or nuclear war. The main difficulty for the USA will be to persuade other members of the Alliance to face the necessity of a build-up of conventional forces, particularly now that after the Nassau Agreement discussions in NATO on defence strategy are tending to concentrate on the future shape of NATO nuclear forces.

CHAPITRE III/CHAPTER III  
ÉTATS-UNIS  
UNITED STATES

PREMIÈRE PARTIE/PART I

CONVERSATION ENTRE LE PREMIER MINISTRE  
ET L'AMBASSADEUR DES ÉTATS-UNIS,  
OTTAWA, 17 DÉCEMBRE 1962  
CONVERSATION BETWEEN THE PRIME MINISTER  
AND AMBASSADOR OF UNITED STATES,  
OTTAWA, DECEMBER 17, 1962

209.

DEA/12447-40

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

CONFIDENTIAL

[Ottawa], December 18, 1962

CALL BY AMBASSADOR BUTTERWORTH ON THE PRIME MINISTER

The new American Ambassador, Mr. W.W. Butterworth, paid his first call on the Prime Minister at 9.00 a.m. on December 17. The conversation lasted about 20 minutes and the atmosphere of the meeting could be described as correct and proper. None of the current Canadian-U.S. bilateral problems was raised by either the Ambassador or the Prime Minister and the conversation centred almost exclusively on the question of British accession to the Common Market.

2. In his introductory remarks welcoming Mr. Butterworth to Ottawa, the Prime Minister commented that the Ambassador would be in the company of a number of other Rhodes scholars in Ottawa, both in the House of Commons and in the Civil Service. Mr. Butterworth noted that in the past in the United States, particularly when the *Chicago Sun* was carrying on a campaign against Rhodes scholars, this was not always an advantage. This reminded the Prime Minister of Col. McCormick of the *Tribune* and of the antics of the former Mayor Thompson of that city.<sup>1</sup>

3. The Prime Minister opened serious discussion by asking if the Ambassador could give any information concerning the forthcoming Bahamas talks between President Kennedy and Prime Minister Macmillan. Mr. Butterworth countered by stating that he had left Washington before this meeting had been arranged and therefore knew nothing about the agenda or the briefs being prepared for President Kennedy. In reply to a further question from Mr. Diefenbaker concerning the recent speech by Dean Acheson<sup>2</sup> and its possible effect on this meeting,

<sup>1</sup> Voir/See Frank C. Waldrop, *McCormick of Chicago: An Unconventional Portrait of a Controversial Figure* (Englewood Cliffs, N.J.: Prentice-Hall, 1966), pp. 182-194.

<sup>2</sup> Voir/See D.C. Watt, ed., *Survey of International Affairs, 1962* (London: Oxford University Press, 1970), p. 163.

Mr. Butterworth said he hoped Mr. Diefenbaker had read the entire statement. He believed that Mr. Acheson's remarks in full context could not possibly create serious difficulties at the Nassau meetings.

4. Again in reply to a question from the Prime Minister, Mr. Butterworth said he had no information concerning the recent Macmillan-de Gaulle conversations<sup>3</sup> but from his personal knowledge of the French leader he could not anticipate a change in the French position, especially after de Gaulle's recent election triumphs.<sup>4</sup>

5. The Prime Minister then asked the Ambassador for his own personal view as to whether or not Britain would join the Common Market. Mr. Butterworth replied that while he realized negotiations would be difficult to the very end he believed the final result would be that Britain would join the Six.

6. On the question of agriculture and temperate foodstuffs, Mr. Butterworth commented that the United States and Canada appear to find themselves in the same position insofar as British entry is concerned. He mentioned wheat specifically and said that if the Six set a high internal price, this could inevitably [sic] result in over-production leading to subsidized exports which would create serious difficulties for other exporting nations. The Ambassador said that in fact one of the key questions which will determine the basic economic philosophy of the Common Market countries is the price to be fixed for the producer of agricultural products. If this is low it will mean the community has adopted an outward-looking constructive attitude; if the price is too high it will indicate that these countries have settled for an inward-looking protective entity which will eventually create economic difficulties for themselves and for the United States and Canada, as well as other countries. At this point he mentioned that the German attitude rather than the French is the key to this particular difficulty, although in his view the way the community is developing if five of the six take a strong stand on such a basic issue, the pattern is that the sixth country will eventually prove accommodating.

7. Mr. Butterworth said that he does not believe the French are any more strongly opposed to British entry than some of the other countries; however, the French have consistently taken the view that Britain must pay the full entrance fee and annual membership dues to the club. At this point the Prime Minister questioned the Ambassador's previous assessment that Britain eventually would join. He asked how the proper safeguards promised at the Commonwealth Prime Ministers' Conference could be reconciled to the present attitude of the Six as exemplified by the French. Mr. Butterworth said that Britain was well aware of the basic terms for entry when application for membership was made and while Britain would certainly work out the best possible arrangement for her Commonwealth and EFTA partners, nevertheless Britain would perforce be required to go a long way toward meeting the terms of the Six. At this point the Prime Minister said there was certainly no such understanding during the September conference of the Prime Ministers in London. He added that while countries outside the Commonwealth have over the years been unhappy with the system of Commonwealth preferences, nevertheless this system had built up a community of interests, the value of which was perhaps under-estimated by other countries. Mr. Butterworth quickly professed that he was not speaking as an advocate for the Six and added he himself had a good understanding of

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<sup>3</sup> Voir/See Piers Dixon, *Double Diploma: The Life of Sir Pierson Dixon, Don and Diplomat* (London: Hutchison, 1968), pp. 293-314.

<sup>4</sup> En octobre 1962, les gaullistes ont remporté les élections nationales et, par la suite, le président de Gaulle a remporté un référendum visant à modifier la constitution française pour autoriser l'élection directe du président.  
In October 1962, the Gaullists won the national elections and, following that, President de Gaulle won a referendum changing the French constitution to allow for direct election of the President.



the Commonwealth because of his long service in London and in Ottawa where he had seen the Ottawa Agreements signed in the early thirties.<sup>5</sup>

8. The Prime Minister then asked Mr. Butterworth's views on the transitional arrangements for Commonwealth countries as proposed by the Six. The Ambassador in reply did not go into detail but emphasized that in his assessment the concept of the CET constituted at present the one basic unifying force within the Six. He said each country recognized that it is essential to adhere without deviation to the Common Tariff, at least until other institutions such as the common monetary policy can be developed. He added that there may be differences in emphasis among the Six concerning this principle, but there is no reason to believe that any significant modification can be anticipated for any newcomer wishing to join the Club.

9. The conversation ended at this point with an exchange on deep-sea fishing – the relative merits of tarpon as compared to blue marlin. Mr. Diefenbaker thanked the Ambassador for calling on him and once again wished him well at his new post. Mr. Butterworth in turn expressed his appreciation for the talk and reiterated that he would be at the disposal of the Prime Minister at all times.

O.W. D[IER]

2<sup>e</sup> PARTIE/PART 2

QUESTIONS DE DÉFENSE ET SÉCURITÉ  
DEFENCE AND SECURITY ISSUES

SECTION A

NÉGOTIATIONS DES ARMES NUCLÉAIRES  
NUCLEAR WEAPONS NEGOTIATIONS

210.

DEA/50210-F-40

*Note de l'adjoint spécial, 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

[Ottawa], December 27, 1961

In Mr. Harkness' attached letter dated December 19, 1961 he has proposed that a separate arrangement for the provision of nuclear air-to-air weapons for the CF-101 be added to the other components of the proposed agreement with the United States Government for the provision of nuclear warheads for Canadian forces. The Minister has given the following instructions in connection with that proposal:

(1) The agreement between the Canadian and U.S.A. Governments governing the provision of the CF-101s be carefully examined to ascertain whether the proposal now made by Mr. Harkness is within the letter and spirit of that agreement.<sup>6</sup>

<sup>5</sup> Voir/ See Ian M. Drummond, *Imperial Economic Policy 1917-1939: Studies in Expansion and Protection* (Toronto: University of Toronto Press, 1974), pp. 219-289.

<sup>6</sup> Note marginale :/Marginal note:

I think it is not [inconsistent?] – but should be checked against a) memos to the Minister on Swap Deal b) agreement itself c) what PM said in House [George Ignatieff?]

(2) The draft schedule attached to Mr. Harkness' letter of December 19 be checked against similar draft schedules for its acceptability both in form and content.

2. The Minister did not say whether a reply should be sent to Mr. Harkness' letter. If you feel that an interim acknowledgement is desirable, would you please prepare one for his signature.

R. C[AMPBELL]

[PIÈCE JOINTE/ENCLOSURE]

*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, December 19, 1961

My dear Colleague:

I refer to your letter of 30 March, 1961,<sup>7</sup> relative to the proposed agreement with the United States Government governing the provision of stockpiles of nuclear warheads for Canadian forces. In your letter you proposed that appropriate officials of our two departments undertake "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."

Subsequent to receipt of your letter interdepartmental discussions and exchanges of proposed drafts occurred, and it is my understanding that you have given your approval to the latest draft and forwarded it to the Prime Minister for his concurrence. A copy of this latest draft has been made available to my department.

Since the time when the original drafts were prepared, agreement has been reached with the United States whereby Canada acquired F101 aircraft to replace the CF-100 in the Air Defence force. The F101 is equipped to carry bomber-destroying missiles using atomic warheads.

Since nuclear weapons began to be made available for air defence a few years ago, there has been a steady reduction in the numbers of interceptors of various types programmed for the air defence forces of the United States and Canada. You will recall, for example, the very large cut-back effected last year by the United States in the Bomarc B programme. In our case, in addition to accepting a reduction of 75 percent in the missile strength originally contemplated for the two Canadian Bomarc bases, we are now in the process of replacing 162 CF-100 air defence interceptors with only 66 CF-101 interceptors – which number resulted purely from availability and is short of operational requirements. These reductions are to only a small extent justified by a decrease in the estimated bomber threat. The real justification stems from the equipping of these various weapons with nuclear armament. Without such armament, the combined strength of the United States and Canadian air defence forces would be woefully inadequate, resulting in an obvious and serious gap in our deterrent posture.

In addition to significantly increasing the kill potential of any given air defence force, nuclear air defence weapons generally are designed to destroy not only the bomber but also the bombs it is carrying, with only minor release of radioactive fall-out materials. Considering the

<sup>7</sup> Voir/See Vol. 28, document 339.

fact that any bombers brought down by our CF-101 interceptors would most likely be over Canadian territory and in the general vicinity of our most populated areas, and that any bombs these aircraft carried which were not destroyed by the air defence weapons would most likely produce a full-scale ground level nuclear detonation, the desirability of employing nuclear weapons on our interceptors is, it seems to me, most obvious.

One additional point that should be considered is that these F-101 interceptors were made available to Canada by the United States for use in our mutual defence, out of and with a resultant reduction in their own operational air defence inventory. Before their transfer, these aircraft were equipped with nuclear weapons and made a significant contribution to our mutual defence posture. If we should now limit the armament of these aircraft to non-nuclear weapons, the result would be a significant reduction in NORAD's defence capability.

For the foregoing reasons I would ask that the proposed agreement with the United States be expanded to include arrangements for the provision of nuclear air-to-air weapons for Canadian CF-101 interceptors. To that end I enclose herewith a draft Schedule for inclusion in the agreement,† which has been composed to correspond to the form and content of the other Schedule as last drafted by your department.

Yours sincerely,

DOUGLAS S. HARKNESS

211.

DEA/50219-AL-2-40

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

CONFIDENTIAL

[Ottawa], January 10, 1962

PRIME MINISTER'S REQUEST FOR INFORMATION ON DEFENCE MATTERS

I attach an outline which I discussed yesterday with Mr. Ignatieff and D.L.(1) Division and on which I had not then had an opportunity to consult the Prime Minister. Mr. Diefenbaker gave me certain comments this morning.

2. With a view to Parliamentary requirements, the Prime Minister is preparing himself to meet opposition criticism on this matter. The purpose of the present enquiry is to assist him in answering the question: "Why can't we be more decisive?" He wishes to show that, no matter how effectively governments may plan the various aspects of their defence programmes, changing circumstances and requirements often necessitate cancellations and adjustments which could not have been foreseen in the planning stage. Exact future needs cannot always be predicted, and major expenditures on defence weaponry may turn out to be wasted in the light of changes in the threat and in the response required. The Prime Minister is thinking of arms programmes in general and particularly nuclear weapons.

3. To illustrate the dilemma, the Prime Minister would like to have available factual information which would enable him to show that other governments have in the past several years found themselves obliged to abandon major weapons programmes, to embark on fresh allocations of their resources, and to tolerate the financial implications of such decisions. The examples which the Prime Minister gave are the Blue Streak programme in the United Kingdom and, on a smaller scale, the recent British decision not to proceed with the offer of bombs for Canberra aircraft in the Congo. In discussing this, however, the Prime Minister said that he had seen reports of equally relevant and more substantial cancellations and adjustments

affecting the United States. He thought he recalled an article (which we should try to trace) in the *Christian Science Monitor*, analyzing the weapons programmes which had had to be abandoned or cut back at enormous cost to the United States Treasury.<sup>8</sup> The foregoing information should, I think, be prepared in a memorandum, double spaced, in a form which the Prime Minister could readily adapt for use in the House.<sup>9</sup>

H.B. R[OBINSON]

[PIÈCE JOINTE/ENCLOSURE]

SUMMARY OF CHANGES THAT HAVE TAKEN PLACE  
— FOR PUBLIC USE —

- a) NATO
- b) Nations of NATO in General
- c) United Kingdom

CHANGES SINCE 1957

- a) Arms in General
- b) Nuclear Arms

OTHER QUESTIONS

- a) Changes that have taken place in policy on arms and costs of discarded arms
- b) Full summary of Blue Streak in United Kingdom
- c) United Kingdom decision recently on furnishing bombs to Congo and withdrawal of offer.<sup>10</sup>

212.

DEA/50210-F-40

*Note du chef de la 1<sup>ère</sup> Direction de liaison avec la Défense  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Director, Defence Liaison (1) Division,  
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], January 19, 1962

BOMARCS — POSSIBLE ALTERNATIVES

The arrangement at present contemplated is that the question of nuclear warheads for the BOMARCS will be one part of a package deal covering various nuclear warheads for the use of the Canadian Armed Forces; that the two BOMARC squadrons will be manned and operated

<sup>8</sup> Pour un article auquel Diefenbaker pourrait avoir pensé, voir Neal Stanford, "Defense Cutbacks Scored," *Christian Science Monitor*, March 30, 1961, p. 13.

For one article that Diefenbaker might have been thinking of, see Neal Stanford, "Defense Cutbacks Scored," *Christian Science Monitor*, March 30, 1961, p. 13.

<sup>9</sup> Note marginale :/Marginal note:  
Noted. [N.A.] R[obertson]

<sup>10</sup> Note marginale :/Marginal note:  
Mr. Ignatieff: Could we discuss this. H.B. R[obinson]

by the RCAF with a small U.S. custodial detachment at each site, the United States retaining ownership of the warheads until such time as they are released from storage for use by the RCAF.

2. Possible alternatives to the foregoing are as follows:

(1) *To separate the BOMARCs from the package and to conclude with the United States a separate agreement covering them.* This would have the advantage of paving the way to settling the most glaring instance of the dilemma over nuclear weapons. It would also provide evidence of good faith to honour our commitments to strengthen the continental air defence system, and also get us out of an increasingly embarrassing situation in our defence relations with the United States which is contributing \$77 million to the project as against Canada's \$13 million. On the other hand, the conclusion of a separate agreement would compromise the Canadian Government's position insofar as it rests on the case against the proliferation of nuclear weapons beyond the existing nuclear powers and while disarmament negotiations are going on. There would be immediate pressure from the RCAF presumably to proceed with air-to-air rockets for the Voodoos and the 104s, from the Army for the Honest Johns, and so forth, once the position of principle were breached. A further disadvantage would be the difficulty of explaining convincingly to the public why it is necessary to proceed with the BOMARCs and not with the others, and would leave the Government vulnerable to criticisms of attacking the problem on an ad hoc basis.

However, a very good case – and one capable of effective and convincing public presentation – can be made for considering that the implications of giving the BOMARC a nuclear head would relate exclusively to the armament of the Voodoos. It is quite arguable that the air defence of North America requires, for the protection of Canadian and American cities and of the Strategic Air Command, the use of the more effective protection of nuclear warheads. This same factor does not govern the employment of strike aircraft or tactical ground-to-ground weapons in Europe or anti-submarine weapons; these are separate problems which must be examined separately and to which a different set of governing considerations seem to apply.

(2) *To equip the BOMARCs with conventional warheads.* This would have the advantage of avoiding the political complications attendant upon the acquisition of nuclear warheads, but would be unacceptable to the RCAF on technical grounds. Moreover, although it appears that a conventional warhead for the BOMARC B was designed, no prototype was ever developed and tested, let alone produced in quantity. To embark upon a programme of conventional warheads would not only take time but would cost a good deal of money. Since according to our information the USAF BOMARC B squadrons are not being equipped with conventional warheads and the USAF is not interested in such warheads, it would be difficult, if not impossible, to work out a cost-sharing formula with the United States.

(3) *To turn over the two Canadian squadrons to the USAF.* This would enable Canada to maintain a position of principle against the acquisition of nuclear warheads and at the same time would strengthen the continental air defence system in the manner intended. It is conceivable that the USAF, which attach much importance to this matter, would be willing to undertake this commitment. On the other hand, it is open to a number of objections: for example, it would involve stationing more U.S. Forces in Canada, would substantially reduce the degree of control Canada could exercise over the storage arrangements, release and use of the weapons, and might be as difficult to justify publicly as the present proposed arrangement.

(4) *To work out an arrangement with the United States whereby the warheads would remain in the United States on the undertaking that in the event the international situation*

*should deteriorate seriously, the two governments would consult immediately with a view to determining whether the risk of an attack were sufficiently great to warrant placing the forces under NORAD in a state of alert, which state would involve as one of its predetermined measures the arming of the BOMARCs with the warheads which would be flown by air from the U.S.A.* One advantage of such an arrangement would be that it could be tied to the agreement which already exists with the United States on the question of increasing the state of alert of NORAD forces. Also since the period of warning for a bomber attack is expected to be in terms of hours rather than minutes (as in the case of ICBMs) it might be less objectionable from a military point of view. This idea is based on the kind of arrangement which Norway has with the U.S.A. and might be objectionable to the USAF and RCAF on technical grounds, i.e., the length of time it might take to transport the warheads to the BOMARC sites and have the weapons made ready for firing. It would also be objectionable on more general grounds since it does not take into account the possibility of a surprise attack, in which event the BOMARCs would be caught unarmed.

(5) *Leave matters as they are.* Such a course can be justified on the grounds that it is wise to acquire the necessary hardware and to be in a position to acquire nuclear warheads if and when circumstances dictate the advisability of such a course. The principle objections to doing nothing are primarily political in nature as the Government is left open to the charge of having acquired an expensive weapon system which could not be used should North America be attacked by manned bombers before the necessary agreements are concluded, and that as a consequence until such time as the BOMARCs are given a nuclear capability the Canadian people are not being provided with any additional defence for the investment the BOMARCs represent.

The foregoing comments are of course based on the assumption that it is too late to reverse the decision to acquire BOMARCs, and that as a consequence they must be considered to be an integral part of the continental air defence system.<sup>11</sup>

L.A.D. STEPHENS

213.

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], January 25, 1962

NUCLEAR WEAPONS FOR THE CF-101s

You asked that we examine the draft schedule covering nuclear weapons for the CF-101s, forwarded to you by the Minister of National Defence under cover of his letter to you of December 19, with a view to ascertaining whether it is within the letter and spirit of the "Swap Deal" Agreement and whether it is similar in form and content to the other schedules as they stand.

<sup>11</sup> Notes marginales :/Marginal notes:  
Noted. [N.A.] R[obertson]  
Mr. Ritchie to see. N. [A. Robertson]

The Exchange of Notes of June 12, 1961 (the “Swap Deal”)<sup>12</sup> refers to the question of armament only in paragraph 1A(3) of the Memorandum of Understanding which reads as follows:

“(3) furnish for the 66 F-101B aircraft spares and other related equipment including flight simulators and a mobile training unit, to a total cost of U.S. \$32.7 million, and *armament as mutually agreed*. The cost of all items transferred to Canada under this paragraph (I.(A)(3)) will be shared on the basis of the United States paying one third. Title to all items transferred to Canada under the provisions of this paragraph (I.(A)(3)) shall be vested in Canada.”

The significance of this paragraph derives from the particular circumstances in which the Swap Deal was concluded. You will recall that the final negotiations were only able to proceed once the State Department had been able to convince the United States Department of Defence that nuclear armament for the F-101Bs should not be a pre-condition to the conclusion of the Exchange of Notes. In these final negotiations it was agreed that the interests of each Government would not be served by attempting to draft language which would commit either government to the nature of the armament one way or another, and that this matter should be left for negotiation at a later date.

In a memorandum which you sent to the Prime Minister on the final negotiations of this agreement the above paragraph is commented on as follows:

*“Armament of the F-101B*

“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. By implication the transfer of title means that the armament is conventional, since by U.S. law title to nuclear armaments cannot be transferred. In any case this point could be made explicit in any statement made in the House of Commons on this agreement. Consideration was given to the possibility of designating explicitly the armament to be provided, but this was found not to be feasible since the weapons to be obtained from time to time cannot all be specified in advance.”

You will recall that when the Prime Minister announced the Swap Deal in the House he said that “These aircraft ... will be armed with conventional weapons.”<sup>13</sup>

As to the question of whether the draft schedule is similar to the other schedules, the RCAF have followed closely the format and substance of the others. Most paragraphs are the same. In others certain changes have been introduced, and paragraphs have been borrowed from different schedules to suit the particular weapon system. Attached is a copy of the draft schedule† with the particular changes noted. Passages underlined are additions made by the Department of National Defence. Passages in parenthesis are either words or phrases which have been altered or deleted from the corresponding paragraphs of the other schedules.

The following detailed comments are offered:

#### *Introductory Paragraph*

(a) “Canadian” in front of “CF-101 air defence interceptor squadrons” might either be deleted or replaced by “RCAF” for editorial uniformity with the same phrase in paragraph 1.

<sup>12</sup> Voir *Recueil des Traités du Canada, 1961, n° 5*/See *Canada Treaty Series, 1961, No. 5*.

<sup>13</sup> Voir Canada, Chambre des Communes, *Débats*, 1960-61, vol. 6, pp. 6399 à 6400.  
See Canada, House of Commons, *Debates*, 1960-61, Vol. 6, pp. 6179-6180.

(b) The second sentence of this paragraph does not have a counterpart in the other schedules. The term, “nuclear weapon,” is not defined in the Annex but it is there stated that, “The term ‘warhead’ includes ‘weapons’ where the two cannot practically be considered as physical separate components.” The RCAF attach importance to the addition of a definition of “nuclear weapons” in this schedule as air-to-air rockets, such as the MB-1, and the warheads for them are readily separable.

*Paragraph 1*

(a) The words, “the required type of,” have been deleted after “shall provide.” These should perhaps be restored for the sake of editorial uniformity with the other Schedules.

(b) The word, “the,” should be inserted before “RCAF CF-101 interceptor squadrons” for the sake of editorial uniformity with the same phrase in the introductory paragraph.

*Paragraph 2*

This paragraph as drafted is identical to the corresponding paragraphs in the other Schedules. However, because a “nuclear weapon” has been defined in the Introductory Paragraph, paragraph 2 will require amendment in order not to conflict with paragraph (I(A)(3)) of the Swap Deal Agreement which provides for title to the armament for the F-101s passing to Canada. The first line of the paragraph might be amended to read as follows: “Ownership of all stocks of the nuclear warheads for these weapons made available ...”.

*Paragraph 3*

(a) The words, “warheads for these,” have been inserted between “nuclear” and “weapons” to make it clear that maintaining and assembling the non-nuclear parts of the missiles would be a Canadian responsibility. This is an improvement.

(b) The last word of the paragraph, “base,” has been used rather than “site” as the warheads would be stored at more than one site at each RCAF station. There would be at least one storage site proper and under the terms of paragraph 4(b) quick reaction alert areas, i.e., areas where aircraft are armed and ready to take off on a moment’s notice, are also deemed to be storage sites. Thus, the U.S. detachment at each station would service both types of sites.

*Paragraph 4*

This paragraph corresponds to paragraph 4 of Schedule D. Provision has been made for the mating of the warhead and the rocket to be accomplished inside the inner compound. This would appear to be a useful addition because of the close connection between the warhead and the rocket.

*Paragraph 10*

Inasmuch as the Canadian and United States release officers are to be at the sites (see paragraphs 7 and 8) and not at “the appropriate Combat Operations Centre,” subparagraphs (b) and (d) require amendment accordingly. The relevant phrases could be altered to read, “... its respective national release officers at each site and its senior officer at the appropriate Combat Operation Centre through appropriate channels.”

*Paragraph 17*

The above comment applies to this paragraph as well.

*Paragraph 21*

The last sentence has been added, but you will recall that you asked that a similar sentence be deleted from an earlier draft of the other Schedules.



A number of self-evident editorial changes are required to be made. These can be indicated.

As we were not certain as to the reasons for which certain phrases or words have been used in this draft and to ensure that you have the most accurate information on the passages in question, we obtained clarification directly from the RCAF. We have learned informally that, under instructions from the Chief of the Air Staff, the RCAF is re-examining not only this draft but also the other Schedules of concern to the RCAF with a view to recommending, if necessary, amendments to reflect more accurately the physical arrangements being proposed, particularly as regards the storage sites, communications and security. We do not know whether the Army is similarly examining in detail the Schedule covering the Honest Johns, but you will recall that some time ago at your request we had asked the Department of National Defence to review all the Schedules as we had drafted them precisely in order to see whether they were satisfactory from the technical point of view. This they did not do at the time, mainly, we assume, because they were not prepared to accept the concept of separate Schedules for each type of warhead.

It is possible therefore that before long we may receive a complete new set of drafts of the Schedules from the Department of National Defence. If so, it would of course be necessary to examine all of them closely before the Schedules as they now stand are considered by the Cabinet. Otherwise the Cabinet might be placed in a position of having to consider two different sets of drafts.

N.A. R[OBERTSON]

214.

DEA/50210-H-40

*W.H. Stuart au secrétaire d'État aux Affaires extérieures*

*W.H. Stuart to Secretary of State for External Affairs*

CONFIDENTIAL

Victoria, March 7, 1962

Dear Mr. Green:

You will recall the conversation which I had with you at the Rotary Club luncheon last Thursday at Victoria. It was then that I promised to present to you several of my economic graphs, copies of certain of my political editorials and a printing of my report produced at New York on June 1, 1960, covering the cancellation by Washington of the ten American SAGE-SCC (deep-underground) projects which were to be identical in every degree to the Super-Combat-Center now nearing completion at North Bay. The original "chain" was to consist of eleven links.

I forwarded to you on the 2nd economic graphs, etc. which I am sure you will find to be of interest, and I shall enclose herewith for your personal information an additional classified copy of my SAGE-SCC report. I might mention that several copies of my report have been in Ottawa since 1960. Illuminating reports of this nature are not always released because conflicting ideas can often militate against officially accepted programs, thereby failing to separate the wheat from the chaff.

My report on SAGE-SCC, dated June 1, 1960, was the culmination of a series of warnings I had sent to Canada from New York for over a year in which I emphasized my conviction that there would occur the cancellation of ten proposed American SAGE deep-underground projects. The prompt and fearless action of cancellation by Washington should have been the policy of Canada with reference to North Bay. Canada, instead, continued the work which was then in preliminary stage, with the result that there has prevailed confusion and contradictory

ambiguities surrounding the whole perplexing issue of BOMARC and nuclear warheads in general.

The turmoil now confronting nuclear weapons can be traced back to imperfect political reasoning and immature defence action which the present Ottawa government inherited to some degree from the previous federal administrators. The Diefenbaker cabinet had the courage to cancel the Avro Arrow and they should have been equally courageous in blotting out the whole North Bay project, and especially when the Department of Transport at Ottawa refused to become involved in that deep-underground operation. The "cease-work" order covering the North Bay SAGE unit could have been attributed to revised technical programs and to the changed concepts in electronics.

Had Canada abandoned the North Bay project no reason would have arisen for consideration of the contentious Bomarc principles and other related hypotheses. Whatever contribution Canada may be in a position to render, in the sphere of nuclear warfare, would be so infinitesimal as to have no practical bearing upon the nuclear offensive and defensive power of the United States in the protection of this continent. Canada should not have joined the nuclear thinking in so far as is concerned the erection of the ineffectual and perilous conception such as Canada unwisely proceeded with at North Bay. If conscience had the power, as it has the right, it would rule the world and, certainly, a combination of *pro bono publico* and political heroism should have removed the North Bay development from exploitation in 1959 when the United States Atomic Defence Engineering set forth in unequivocal terms that "DEEP TUNNEL PROTECTIVE CONSTRUCTION APPEARS UNWARRANTED."

When Canada's financial outlay at North Bay was considered at Washington it was the consensus that the United States Government would reimburse Ottawa to take care of all expenditures incurred. Technological revisions in electronic and nuclear patterns and programs are understood because of occurring constantly.

It was within my hearing that certain American defence authorities made clear that the SAGE-SCC chain should have been confined to American territory. They emphasized that there was no physical or scientific requirement for the North Bay installation in view of the developing capability to span right across the Canadian area by the full utilization of facilities at Sawyer in Michigan, and units of instrumentality on American soil which would "bridge" Canadian territory.

I am pleased to respond in accordance with your request that this report be sent to you under confidential cover. I have great respect for you as a man, and unbounded regard for your mental and personality faculties, political acumen and penetrating perception in analyzing the conclusions of thinking people. You are a tremendous credit to Canada in the House of Commons, in the hustings and at the United Nations. I can well imagine that you and Charles S.A. Ritchie will be an invincible "team" in dealing with the never-ending problems which are, and which must be, discussed in amicable understanding in the great triangle consisting of Ottawa, Washington and the United Nations.

It was Socrates who said: "Beware of Greeks bearing gifts." I am retired but not retiring, for gardening does not hold appeal for my efforts and energies. I do not seek favours or concessions in any sense from any political level, despite my always being interested in economic and political matters pertaining to the development of Canada. It did appear a short while ago that I would assume on *pro tem.* basis responsibilities in economic research but, as things stand, it is likely that I shall finish the course of my career and existence in the United States.

I would ask your confidence in maintaining the secrecy of my presentations to you on SAGE-SCC and along such other lines as I have seen fit to deal with in this writing.

With kind regards and every good wish. You and I have in common the friendship of A.C. Ashforth with whom you appeared in [a] photograph a short while ago. While in New York I had correspondence with your former very able Deputy Minister, General Young, whom I regard as being one of the most competent administrators in Canada.

Yours sincerely,

W.H. STUART

[PIÈCE JOINTE/ENCLOSURE]

CONFIDENTIAL

New York, June 1, 1960

*Rapport*

*Report*

REVIEW OF SAGE-SCC OPERATIONS

U.S.-CANADA JOINT DEFENCE W.H. STUART, M.E.I.C.

COVERING PERIOD: MAY 14, 1959 TO MAY 31, 1960

1. My assignment as Manager of the New York office terminated yesterday as a result of Washington having cancelled the ten SAGE-SCC (DUG) projects in the United States.

2. The eleventh link in the SAGE-SCC chain is in Canada and this is the only location at which deep-underground work was commenced prior to the Americans' final decision to cease all operations.

3. Canada, as was said recently by Prime Minister Diefenbaker, is in the foothills and not at the summit. This indicates that the United States is the senior partner, and rightly so, in shaping policies in relation to U.S.-Canada Joint Defence. I desire to record a full and frank assessment for my personal files of the year just completed covering my stewardship of the New York office and the administration directed by my efforts.

4. The pattern of SAGE-SCC appeared to be relatively clear and sound in May 1959. All the conferences which I attended in New York and Washington during the summer and autumn convinced me that there was no unanimity, and little agreement, among the various authorities associated with the innumerable segments of this enlarging circle of electronic developments.

5. It was ascertained that much theory relating to SAGE-SCC could not be reduced to solid and economical practice. The wide divergence of opinion and all the fundamental uncertainties compelled further searching studies of the deep-underground principles. This agonizing period of indecision was understandable amid the perplexities which surrounded this whole question.

6. The United States felt the clear and compelling need to make [a] positive approach to all the problems so as to protect against any disillusionment later on. Further research assessments were sponsored under the direction of the Atomic Energy and Applied Science Branch of the Atomic Defence Engineering and, in September 1959, a summary of conclusions established the condition that a general policy of deep tunnel protective construction appears unwarranted.

7. The United States planned to start with two SAGE-SCC projects, one at Whitehorse Mountain at West Point, and the other at Albuquerque. Tenders were called and the official openings were set for 10 November. On 9 November the U.S. Corps of Engineers received instructions from the Pentagon not to open the tenders. It is significant that the tenders were not opened but were finally returned to the contractors who bid.

8. The entire SAGE-SCC strategy was vague at Washington despite the fact that it remained under continuing review. As early as last October, I expressed my conviction without hesitation that there was lack of coordination of minds which prevented the firming up of IBM and other related components in connection with structural and electronic developments.

9. It became obvious in November that the United States would not proceed with the SCC (deep-underground) features of SAGE, and that the “soft” concepts rather than the “hardened” concepts (deep-underground) would be approved by the Department of Defence at Washington. The cancellation, as was certain from last October, by Washington of SAGE-SCC was officially received by all agencies in the United States on March 18.

10. The pattern of SAGE-SCC continued to be woven but never reached the accepted and finished stage. In carefully and calmly assessing this whole issue, I would point out that no criticism should be aimed at either Washington or Ottawa over what now is the acknowledged “demise” of SAGE-SCC. The speed of technological progress has changed some verdicts of a year ago.

11. New discoveries and changes in technological realms justified revisions of concepts, and other factors have swept certain programs from the scene. The impact of wavering circumstances have drawn fire rather than understanding from uninformed critics who invariably become prone to express their half-baked ideas from a tremendous fund of ignorance.

12. I was neither a Cassandra nor a Pollyanna when I entered upon my duties at New York in early May of last year. But I did become a realist opposed to super-combat-centers underground after studying the viewpoints of USAF, U.S. Corps of Engineers, USN, IBM, MITRE, WECO, Standard Research Foundation, Colorado School of Mines, et al.

13. I recently heard a senior RCAF officer assert that only fools would be opposed to SAGE-SCC ... the greatest lesson in life is, as Churchill once said, to know that fools are right sometimes. The same RCAF officer asked an American of high rank how far advanced were the American underground rock operations at the time of Washington’s cancellation of SAGE-SCC. The Americans had not started on any deep-underground SCC and now, of course, they will not start at all.

14. There was disregard of some important conclusions at the time Canada acted in haste in proceeding with the deep-underground operations at North Bay. Procrastination is rarely said to be a virtue but, in this case, procrastination would have been distinctly advantageous. I think the North Bay operation is following a cul-de-sac and, regardless of the volume of work performed in this hard-rock mining project, I would recommend the immediate cessation of all underground construction and, further, I would suggest that the facility as a whole be proceeded with on the surface for which the steel has been ordered. Should this change-over from “hardened” to “soft” concept be adopted, the completed operation at North Bay will then be a standard link in every way with twenty-seven other links presently in operation in the United States.

15. In the United States, defence is not Republican nor Democratic. It is National, and non-partisanship pretty well prevails when policies are laid down or changed. The mechanics of politics should not pose difficulties when problems of this nature arise. In Canada the Avro Arrow was wisely cancelled, Bomarc “B” has been downgraded, and there should be no political claptraps over the revision of SAGE from “hardened” to “soft” concept. I am speculating over whether or not full measure of thought has been given to all the expense and inconvenience that would be involved in transporting maintenance staffs, equipment and materials in and out of the 6500 ft. tunnel to and from the underground operation at North Bay.

16. Under study by IBM is the “technical feasibility of installing an FSQ-7 in the SCC underground facility at North Bay.” The increased cost, because of differing from “unhardened” facility, will be several million dollars to take care of re-engineering of cabling and all the other costs attributable to this special contract. Delivery of this new Q-7 installation will require from twelve to eighteen months and IBM expresses the opinion that the RCAF

will require five additional months for redesign of drawings. IBM sets the tentative operational date at July 1963.

17. I join the increasing number of technical people in the United States who are frankly sceptical over the present deep-underground project at North Bay. It is later than it should be, but it is not too late to lick wounds and remedy this grotesque error. Political and professional pride may well ride for a fall if this ugly situation is not rectified. I am sure that unsound advice is being fed to that very fine, able and honourable Minister of Defence, General Pearkes, who would be justified in defending himself and the Canadian Cabinet for following the course laid down by Washington in cancelling SAGE-SCC as a result of the frustrating uncertainties which surround the issues. The SAGE-SCC (deep-underground) at North Bay is both uneconomical and unnecessary.

18. If more sane judgment does not prevail, and if this monstrous SAGE-SCC is carried through to completion, it will become Canada's greatest "White Elephant" and will be no credit to all and sundry who have been connected in any way with the prosecution of the project. I am personally relieved over the decision to suspend the now unrequired New York office, of which I have acted as Manager since its inception a year ago, in mustering electronic and other criteria for design purposes in Canada. There should now follow the suspension of deep-underground operations at North Bay and there should be undertaken the immediate commencement of construction covering a Direction Center on the surface, such as exists at Sawyer and other points in the United States.

19. Political ferment is the by-product of unfortunate situations involving the cancellation of almost anything undertaken by government. In this case there would be no just cause to criticise Ottawa, for the whole matter could be attributed to the onward-march of science and to the constantly broadening dimensions of defence. We are living in a rapidly changing world. Only a bitter political partisan could hold Ottawa responsible for having started work on the SAGE-SCC project at North Bay.

20. I cannot suspend my responsibilities in New York without paying tribute to the exceptionally fine cooperation which I have received during the past year from personnel on all levels of Western Electric, USAF, U.S. Corps of Engineers, USN, IBM, MITRE, Stanford Research Foundation, Doctor Nathan Newmark, et al.

W.H. STUART

215.

DEA/50210-H-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 8, 1962

SAGE SITE VULNERABILITY

You asked for us to look into the substance of a report given you by Mr. W.H. Stuart of Victoria to the effect that Canada should have taken action similar to the United States by way of cancelling the "hardening" of the SAGE centre at North Bay.

According to the information on our files, the basic situation outlined by Mr. Stuart is correct in that, when completed, the SAGE centre at North Bay will be the only "hardened" SAGE centre in the NORAD complex. All the U.S. centres will be "soft," i.e., above ground.

When the system was in the initial planning stages in the early 1950s a “hardening” of all sites had been actively considered. In the event, however, and based on intelligence estimates at that time, on “hardening” cost factors and on a planned dispersal of thirty-two Direction Centres and eight Combat Centres, a decision was made in the mid 1950s to proceed with the construction of “soft” centres capable of withstanding approximately five PSI over-pressures. As the state of the computer art developed, it became apparent in 1958 that the “soft” SAGE system as originally conceived could be significantly improved by conversion of the whole programme to a system of nine Super Combat Centres equipped with transistorized computers. Such a computer would have four times the capacity of the type planned and a higher reliability factor. This caused the question of “hardening” to be examined once more and eventually a decision was taken to put them underground. Since there were to be only nine of them it could be done at less cost. Moreover, the accomplishments of the Soviet Union in the ICBM field indicated the advisability of “hardening.”

By early 1960, however, the combination of higher priority military requirements and the drastic cuts made by the U.S. Congress in appropriations for the SAGE-BOMARC programme made it necessary for the USAF to look at the matter again. The conclusion was reached that the cost of “hardening” for the U.S. sites was considered to be excessive in comparison to the operational gain that could be expected. As a consequence the programme was drastically revised once more and the decision taken to construct in the United States a total of twenty-two “soft” Direction Centres and three “soft” Combat Centres. In the meantime, however, construction of the “hardened” facility at North Bay was well underway and it was agreed between the two Air Forces to proceed with it; instead of installing a computer appropriate to a Super Combat Centre it was decided to install a single computer for both control and direction functions.

Because of the vulnerability of its “soft” sites, the USAF is now proceeding with a programme expected to cost over \$100 million to provide a manual back-up system at a number of centres, to be completed this year, and a semi-automatic back-up system at 34 stations, to be completed by 1965. These will be tied in with NORAD Alternate Control Centres.

The situation outlined above provides a good example of the difficulties constantly faced today in the military field when at some stage firm decisions have to be made in the face of continuing technological developments, new intelligence assessments, etc., and the altered concepts these dictate. The fact that Canada will have the only “hardened” safe site, however, is not expected to commit the RCAF to any additional significant expenditures over those originally estimated. Under the terms of the agreement to extend the SAGE-BOMARC programme to Canada, the United States is obligated to pay two thirds of the cost. This formula was accomplished in practice by Canada assuming all construction costs, and the U.S. the cost of all equipment (computers, BOMARCs, etc.). A “soft” SAGE Centre would of course have cost much less to construct, but then Canada might well have been faced with a request to re-negotiate the cost-sharing formula or to assume some share of the cost of the equipment required by the programme.<sup>14</sup>

N.A. R[OBERTSON]

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<sup>14</sup> Note marginale :/Marginal note:  
No further reply to Stuart needed. R. C[ampbell] 18/5

216.

DEA/50210-F-40

*Note du président, section canadienne,  
Commission permanente canado-américaine de défense  
pour le secrétaire du Cabinet*

*Memorandum from Chairman, Canadian Section,  
Permanent Joint Board on Defence,  
to Secretary to Cabinet*

SECRET

[Ottawa], May 11, 1962

MAY MEETING OF PERMANENT JOINT BOARD ON DEFENCE

Over the last two years the question of acquisition of nuclear weapons by Canadian forces and the related question of storage of air-to-air defensive weapons in Canada for U.S. use have been on the agenda of the Board. Any statements I have made as Chairman of the Canadian Section have been cleared beforehand with either the Secretary of State for External Affairs and/or the Minister of National Defence.

Prior to the Board's regular quarterly meeting earlier this month, the U.S. Section was informed that, as the Canadian Section would have no statement to make or have nothing to add to those made at previous meetings, it would prefer not to have the item on the agenda. The U.S. Section, however, asked that the item be retained.

It transpired at the meeting that the U.S. Section wished to make a statement for the record on the purely military aspects of the question in relation to North American defence. In introducing his statement Dr. Hannah, the U.S. Chairman, emphasized this.

After pointing out that the forward deployment of the BOMARCs and CF-101 interceptors without nuclear armament lessens defence capabilities below the level which would have been achieved had they been deployed just below the border, the statement went on to say that important industrial centres in both countries are therefore more vulnerable to successful attack and maximum available protection is not provided to the deterrent forces. The point is also made that a nuclear warhead increases the probability of destroying not only a carrier but its weapons as well. From the military point of view weapons should be stored in place if confusion in any emergency is to be avoided and timely engagement of an attacking force is to be ensured. USAF interceptors stationed at Goose Bay are estimated to be doubly effective if equipped with nuclear weapons.<sup>15</sup>

I have been unable to find out at what level of the U.S. Government the statement was approved.

L.D. WILGRESS

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<sup>15</sup> Voir/See document 221.

217.

DEA/50219-AL-2-40

*Note de 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 15, 1962

SOVIET "STATEMENT" ON CANADIAN NUCLEAR WEAPONS POLICY

The following paragraphs review the events of yesterday in connection with the above subject, and give a preliminary assessment of the possible significance of the Soviet move. A copy of the text of the Soviet "statement" is attached for reference.†

2. On the evening of June 13 the Soviet Ambassador requested an appointment with you for June 14. On being informed by Mr. Campbell that you would not be available, he arranged to see me but gave no reason as to why he wished to call. He arrived at about 11.30 on the morning of the 14th, and proceeded to hand me what he insisted on describing as a "statement" and not a note, which he said he had been instructed by his Government to transmit to you. Having read it through, I said I thought it an odd and ill-timed communication, and an attempt at interference in Canadian affairs which would be resented by all Canadians. Nevertheless, I would bring it at once to your attention. I told him you were in Vancouver, and that you would be back on Wednesday and would undoubtedly have some observations to make on the "statement." He said nothing whatever about making its contents public.

3. After Mr. Campbell had communicated the contents of the "statement" to you, and we had received your instructions that it should be rejected as unacceptable, I asked the Ambassador to come to the East Block and returned it to him about 2.15 p.m. Also on your instructions, a press release about the incident was issued shortly afterwards.

4. By this time the text of the "statement" had already been released to the press at Soviet initiative.<sup>16</sup> (Subsequently, the Soviet Embassy also published it in their "News Bulletin" which is given wide circulation.) When I drew this fact to the attention of the Soviet Ambassador, he replied that the text had been released by TASS, both in Moscow and here in Ottawa.

5. The motives lying behind the Soviet action are far from clear, but the following reasons may have been at least partly responsible:

(a) It might be tied in with a Soviet calculation that the Canadian Government intended to acquire nuclear weapons from the United States after the election, and that they could encourage public opposition to such a move. In view of recent statements by the Prime Minister and yourself, it is difficult to imagine on what grounds the Soviet authorities might have reached such a conclusion, but it is possible that reports from their Embassy or allegations in the Canadian Communist press had convinced them of the need for action. They might, in other words, have been deluded into believing their own propaganda.

(b) It could be related to the tough line which the Soviet Union has taken recently against the USA and the West generally, alleging that their "warlike actions" (high altitude nuclear tests, President Kennedy's alleged threat that the United States might launch a pre-emptive nuclear war against the Soviet Union, etc.) have sabotaged the disarmament conference and efforts to reduce international tension. The purpose of the Soviet "statement" could then be to tar Canada

<sup>16</sup> Voir/See "Text of Soviet Statement Protesting Canada's Nuclear Weapons Policy," *Globe and Mail*, June 15, 1962, p. 3.



with the same brush as the United States as pursuing a policy "hostile to peace" while publicly espousing the cause of disarmament. (Compare, for example, the similar Soviet action concerning the United States-Japanese security treaty during a previous Japanese election.) In their eyes, this would also weaken the Canadian position at the Disarmament Conference and blacken our reputation with the neutrals.

(c) It could be designed as retaliation against Canadian statements about Soviet colonialism, which the Soviet leaders may regard as interference in their internal affairs. Recent telegrams from our Ambassador in Moscow have suggested that Mr. Khrushchev and others have been irritated by comments made by the Prime Minister on this subject, and they may have felt that they could suggest by their latest action that they could retaliate in kind if the Government pursued this policy or developed it at the United Nations in the autumn.

(d) It may represent simply a heavy-handed attempt to intervene in the election campaign, possibly to provide ammunition for the Canadian Communist Party. There had been some suggestion earlier that a Communist Party rally was scheduled to be held in Toronto yesterday, and in that event the Soviet "statement" could have provided a starting point for an attack on the Government. However, on further checking, we have learned that no major Communist meeting was held in Toronto yesterday, and that the R.C.M.P. are not aware of plans to hold one. Nevertheless, the Soviet action could still be linked to a desire to provide support for Canadian Communists in the election campaign, or to offer them an excuse for attempting to interfere with or interrupt campaign meetings being held by members of the Government.

6. It is difficult to judge which of the above reasons may have been dominant in Soviet thinking. If the Soviet Union had seriously considered it possible to alter Canadian policy (as they may see it) on the acquisition of nuclear weapons, they would surely have concluded that the poorly drafted "statement" which they in fact delivered was not the way to go about it. Instead, they might have followed their usual procedure of submitting a formal note containing lengthy and at least superficially persuasive arguments. The fact that the Soviet Ambassador did not seem to be very happy with the affair also suggests that this was not a carefully thought out *démarche* designed to alter Canadian policy.

7. Nor does it seem likely that the Soviet action was intended as simple retaliation on their part for Canadian comments about Soviet colonialism. If this were the case, one would think that the "statement" would have chosen somewhat different language which would have made some effort to link their accusations against Canada with this question, at least indirectly. Nonetheless, it may have been designed as a "shot across the bow" to warn us of the consequences of seeking a quarrel with the Soviet Union.

8. On balance it seems most likely that the main motives behind their action were twofold: first, to weaken the Canadian position on disarmament by alleging that our support for this goal was hypocritical; and second, to increase opposition in Canada to "bellicose" American policy in general, and to possible arrangements with the United States for the acquisition of nuclear weapons in particular. Both these elements may of course have been combined in their thinking with a desire to weaken the Government (and perhaps the major opposition parties as well) at a key moment in the election, when they may have thought it would assist their own supporters in Canada. Certainly the timing of their action could not have been lost on those who decided to transmit the "statement," and equally certainly it must have been at least a few days in preparation. Nevertheless, I do not believe it is possible to say with certainty whether it was primarily a deliberate attempt to intervene in the election, or an attack on the Government for other reasons whose affect it was believed would be reinforced or enhanced by the timing of the action.

9. If you agree, I would propose to send a telegram based on the above assessment to our NATO Delegation and other interested missions.<sup>17</sup>

N.A. R[OBERTSON]

218.

DEA/50219-AL-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 450

Moscow, July 2, 1962

CONFIDENTIAL

Reference: Your Tel S-277 Jun 22. †

Repeat for Information: London (Priority), Washington, Permis New York, Paris, NATO Paris, Bonn, Brussels, Hague, Rome, DisarmDel Geneva from London.

SOVIET STATEMENT JUNE 14

Dated July 2. Just what Soviet Government hoped to achieve in handing Canadian Government their patronizing and somewhat threatening statement and at once releasing it to press can only be conjectured. Soviet Government clearly wished to influence Canadian thinking on question of nuclear weapons and apparently thought election campaign particularly promising time for this. This illustrates typically ursine heavy-handedness and clumsiness of so much of Russian policy. Another motive was I suspect domestic and related to current propaganda line about Western preparations for initiating nuclear attack and therefore necessity of Soviet public accepting higher food prices.

2. But whether Russians wished to influence Canadian elections in favour of one party rather than another is not repeat not clear and may be doubtful. Soviet Government obviously resents Prime Minister Diefenbaker's charges about Soviet colonialism, and Soviet press recently has suggested that drop in Conservative support in recent Canadian election is due in part to his anti-Soviet policies. On other hand there seems no repeat no reason to think Soviet leaders would prefer Liberal government in Canada. (Their malevolent calculation would I think be based on assessing which of two major Canadian parties would be least likely to cooperate amicably and effectively with USA and Britain in defence and economic and other fields, and least likely to strengthen Western influence in UN etc. They would probably consider that on balance there was little to choose on these criteria between Conservative and Liberal leadership.)

3. Soviet Government might have calculated that their statement could help NDP. Normally Soviet leaders dislike Western Social Democrats, but I understand Canadian Communists supported NDP except where Communist Party itself ran candidates. Despite majority vote in NDP convention, Soviets may well consider an NDP Government might at least weaken and perhaps end Canadian participation in NATO.

4. I am inclined to think, however, that more important than any Soviet calculation about relative merits for them of individual Canadian parties was their desire to encourage anti-

<sup>17</sup> Note marginale :/Marginal note:  
OK. H.C. G[reen] 20/6.

nuclear and Minifie-type neutralist sentiments<sup>18</sup> which I suspect they considered as not repeat not unimportant among general public and within sections of all parties except perhaps Social Credit.

5. At my Canada Day reception I mentioned to Malik (Deputy Foreign Minister) the resentment that Soviet statement had caused in Canada and said I was puzzled to understand just what Soviet motive could have been to deliver such "statement" and particularly to release it to press in midst of Canadian election campaign. Malik took line Soviet purpose was to discourage diffusion of nuclear weapons, which he said Soviet Government rightly considered most serious problem of our time. I said Canadians did too and therefore wished Soviet Government would agree to nuclear test ban and disarmament with suitable verification provisions. But what really puzzled me was to guess Soviet purpose in issuing public statements about Canadian leaders and public issues in midst of election campaign. Was Soviet Government trying to assist one party rather than another and if so, which? I suggested that Malik with his long personal experience living in London and New York must realize that Soviet attacks on any policy or person were often counter-productive in West and apt to have directly opposite effect of strengthening public support for whatever Moscow attacked. Malik looked shocked at this, but finally grinned and acquiesced albeit somewhat uncomfortably. But he insisted that Soviet statement had not repeat not been intended to favour any particular party and even asserted that Canadian election campaign was coincidental.

6. I myself think election was very relevant, at least in timing, but I am inclined to credit Malik's disclaimer about any clear party preference. Incidentally Minin, official of Second European Division MFA, recently returned from Ottawa posting, said to Seaborn [that the] fact that position of Liberals and Conservatives on nuclear arms was almost identical proved that Soviet statement could not repeat not properly be construed as interference in election campaign.

7. Timing of Soviet statement in electoral context probably reflected Soviet desire to create maximum impression on Canadian public opinion and perhaps even create fear of Soviet displeasure which would follow on any decision to stockpile nuclear weapons. Russian tactics here as so often were brutish and stupid but I am inclined to take their international purpose mainly at face value.

8. Russians would undoubtedly regret decision to locate nuclear weapons on Canadian territory for obvious reasons of strategy. To extent that such advance storage in Canada would improve North American continental defences and thus increase defence capability of USA, Russian strategists would consider it contrary to their interests, which I think they regard without much sophistication as enhanced by any relative weakness of Western world in general and of North America in particular. I do not repeat not think Russians are yet mature enough to recognize that increased security of other side's second-strike capacity may decrease danger all round, and vice versa. Similarly Russians are always naively trying to discourage any form of cooperation among Western countries and are thus opposed to Western cooperation whether in NATO, NORAD or European Common Market. It is I think basic Soviet doctrinal tenet that the more the rest of world is divided among itself and the weaker it is, the better for Russia. Whether this crude doctrine is ultimately defensive or offensive its underlying motive is a big psychological question, though in a sense probably academic in last analysis.

9. Soviet concern over possibility of decision to store nuclear weapons on Canadian territory is not repeat not new. It has long been favourite subject of conversation for Soviet Foreign Ministry Officials and has also been expressed in Soviet Press (see our letters 338 April 11/61,

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<sup>18</sup> Voir/See James M. Minifie, *Peacemaker or Powder-Monkey: Canada's Role in a Revolutionary World*. Toronto: McClelland & Stewart, 1960.

569 June 12/61, 665 July 4/61 and 1221 December 8/61). Gist of argument used by Foreign Ministry Officials is that location of nuclear arms in Canada would impede good Soviet-Canadian relations, bring Canada under greater USA dominance and increase danger of massive destruction in Canada should war break out.

10. Frequently Russian tactics have been counter-productive precisely because they make obvious naïve and ugly Russian goal of seeking maximum distrust and minimum cohesion within non-communist world. But quite apart from this factor, Russian methods, in June 14 statement, as so often, were singularly crude. Russians find it difficult to recognize even now that threats to NATO countries usually have had boomerang effect, e.g. galvanizing British public opinion last summer by suggesting Britons were Khrushchev's hostages over Berlin question or Khrushchev's contribution to re-election of Greek Prime Minister through his threat to bomb Acropolis. Khrushchev sometimes humorously admits in conversation that his accolade is apt to prove kiss of death in West. But despite this occasional realism at top level, the bear's age-old heavy-handedness continues.

11. Another factor in frequent counter-productivity of Soviet tactics is hypocrisy. This too is illustrated in June 14 statement. But I think here, as often, one-way street aspect underlying so much of Soviet policy is unconscious. Russian communists genuinely lack self-critical ability to see themselves as others see them. Thus I doubt if Russian leaders would necessarily see humorous and hypocritical one-sidedness in their statement that Soviet Government cannot repeat not help being concerned if Canada should stockpile nuclear arms on Canadian territory, since we are neighbours. I doubt if they genuinely realize how vulnerable this argument is to "tu quoque" riposte from Canadians, since it would not repeat not occur to many Russians to equate their territory or policy with ours.

12. Another relevant point may be propensity of Soviet officials to act "for record." When they think consideration is being given to possibility of stockpiling nuclear weapons in Canada, Soviet Foreign Ministry might feel it only proper that they should publicly and formally express their viewpoint. Russians suffer even more than de Gaulle from view that world is divided into two categories of nations (a) great powers and (b) rest of us. Russian leaders tend to think it only right that they should express their viewpoint on affairs of lesser countries without expecting any resentment, still less any impertinent desire of these small powers to demand similar behaviour from USSR as USSR suggests from them. This almost subconscious Russian great power complex is shown not repeat not only in international relations but also in Soviet domestic affairs in relations between Russians and their minority nationalities.

13. For all these reasons I do not repeat not personally think Soviet motives in presenting statement just before Canadian election were particularly subtle in terms of international policy toward Canadian political affairs.

14. Nevertheless I would certainly consider one Machiavellian and cynical aspect of Soviet domestic policy very relevant. As you know I have been emphasizing during past few months importance of recent Soviet propaganda campaign that USA is contemplating possibility of preemptive nuclear war. This irresponsible and dangerous line is I think at present motivated primarily by desire to help sell austerity, including recent thirty percent increase in meat and butter prices, to Soviet public. Unfortunately I think it is having some success in this regard. Given present basic Soviet domestic propaganda line, further news reports and occasionally diplomatic actions designed to dramatize for Soviet public possibility of nuclear encirclement must probably be expected.

ARNOLD SMITH

219.

DEA/50210-F-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures*  
*Memorandum by Assistant Under-Secretary of State for External Affairs*

SECRET

[Ottawa], July 17, 1962

## U.S.-CANADA DEFENCE RELATIONS

When Mr. Willis Armstrong, the Chargé of the U.S. Embassy, paid his farewell call on the Minister this morning he referred to the fact that some problems existed in our defence relations, particularly in respect of Bomarc's, interceptors, etc.

2. Mr. Armstrong expressed the hope that the Minister and the Prime Minister might have an opportunity to read the paper which the U.S. military authorities had supplied to the recent meeting of the Permanent Joint Board on Defence. This paper expressed the military views of the United States on the problem of atomic warheads for some of these weapons.

3. Mr. Green indicated that the question of the acquisition of nuclear warheads by Canada was even more difficult now than it had been before the election. He remarked that if a Liberal government were to be formed it would take at least as hard a line on these matters.

4. Mr. Green stated that the Government had not discussed these issues since the election but he personally wondered whether it might be possible to work out something which would enable Canada to secure warheads "in a hurry" if that became necessary. While the NDP would no doubt object to even this kind of an arrangement, it seemed possible that the Liberals might be able to go along with it. Mr. Green did not know whether it would be acceptable to the Canadian Government but he thought the possibility worth looking into.

5. Mr. Armstrong considered that the question of atomic weapons was one of the most troublesome issues between the two countries. If some progress could be made on it the atmosphere would be substantially improved.

6. Mr. Green observed that Canada was not alone in having difficulties over the acquisition of nuclear weapons. In fact, much the same kinds of problems had arisen in virtually every case where there had been a suggestion of locating weapons in foreign countries where the governments of those countries were expected to take some responsibility for the control of such weapons. The difficulties had been avoided in only those cases where the United States had been allowed to install weapons which remained under their own control. Mr. Armstrong agreed that the problems relating to the acquisition of nuclear weapons were not peculiar to Canada but they took on a different appearance when they occurred in a country so close as Canada.

7. The Minister enquired again towards the end of the conversation about the possibility of the United States' authorities studying the feasibility of an arrangement for the quick delivery of warheads for use in Canada in an emergency. Mr. Armstrong thought the paper submitted to the PJBD set out quite clearly the military difficulties in such an arrangement. The comments presented to the PJBD were based of course on purely military considerations.<sup>19</sup> If the United States Government were to be asked for its view as a government, those comments might be modified by important political considerations. The political as well as military possibilities might be well worth looking into if the Canadian Government so desired. Mr. Armstrong did

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<sup>19</sup> Voir/See documents 216, 221.

not consider, however, that the United States Government could volunteer an appraisal of the case. In his view the initiative now rested with the Canadian Government.<sup>20</sup>

A.E. R[ITCHIE]

220.

D.H./Vol. 57

*Note du président du Comité des chefs d'état-major  
pour le ministre de la Défense nationale*

*Memorandum from Chairman, Chiefs of Staff,  
to Minister of National Defence*

SECRET

Ottawa, August 17, 1962

The Minister.

1. The Chiefs of Staff have noted with some concern statements that have been made about the possibility of Canada adopting a policy of readying the nuclear carriers in our air defence forces but not providing for the storage of the warheads on the site in Canada. The suggestion has been made that nuclear warheads need not be stored in Canada but could be moved from storage sites in the United States to the weapons bases in Canada in an emergency. This is not regarded as an acceptable military solution.

2. The air defence system has been designed to take advantage of the greatest possible warning. In normal conditions this would be the two hours afforded by warning of aircraft crossing the DEW Line. There are always chances that they will not be detected in certain areas and that the warning time will be considerably less than this.

3. Under the best of conditions it is estimated that approximately fifteen hours would be required to transport warheads from the United States bases to bases in Canada and fit them to carriers. This time assumes transport aircraft and crews standing by at the bases in the United States twenty-four hours a day every day, it assumes flying weather that would enable aircraft to take off and land at the weapons base, and it assumes fully trained crews at the weapons base that can handle the complex weapons for the first time with the safety that is imperative.

4. You can see from the above why the Canadian Chiefs of Staff cannot support the proposal as a sound military one. I have prepared the attached letter to the Prime Minister for your signature drawing these facts to his attention. I think it is necessary for him to be aware of them so that he is in no doubt as to our views on the merits of this proposal.

F.R. MILLER

<sup>20</sup> Note marginale :/Marginal note:  
Seen. N.A. R[obertson] 18.7.62

[PIÈCE JOINTE/ENCLOSURE]

*Le ministre de la Défense nationale  
au premier ministre**Minister of National Defence  
to Prime Minister*

SECRET

[Ottawa], August 17, 1962

My dear Prime Minister:

I do not know whether the minutes of the May meeting of the Canada-United States Permanent Joint Board on Defence have been brought to your attention. At this meeting the United States Chairman made a careful statement on the United States views on the use of nuclear warheads in relation to North American defence. In that statement he established that the United States did not view the stockpiling of nuclear warheads in the United States for use in Canada in an emergency as a satisfactory arrangement. He gives reasons associated with the various weapons for taking this view. Canadian military authorities support this view.

The North American Air defence system has been planned to have the fastest possible reaction capability. The DEW Line and its subsidiary warning systems will provide approximately two hours' warning against bomber aircraft. Under many conditions it is possible that the warning time available will be less than this. Therefore, any part of the system that cannot be ready within two hours cannot be considered as an effective part of the air defences. There is no method of which we are aware that would enable warheads to be transferred from the United States to a site in Canada, attached to weapons, and be ready for firing within this time. Under ideal conditions of transport aircraft availability, weather and training of crews, it has been estimated that at least fifteen hours would be required for this operation.

The arguments that the military authorities have advanced seem to me to be sound and I would counsel that we do not consider adopting a policy requiring the storage of air defence weapons in the United States and their transportation to Canada in an emergency.<sup>21</sup>

Yours sincerely,

DOUGLAS S. HARKNESS

221.

DEA/1415-40

*Note**Memorandum*

SECRET

[Ottawa], August 23, 1962

VISIT OF MR. RUSK  
NUCLEAR WEAPONS QUESTIONS

We are aware that Mr. Rusk is carrying a brief which takes as its point of departure the statement on Nuclear Weapons Policy made by Dr. Hannah, Chairman of the United States

<sup>21</sup> Note marginale :/Marginal note:  
Orig[inal] sent by hand Aug. 20.

Section, at the May meeting of the Permanent Joint Board on Defence. This statement presented the military case against non-acquisition and no stand-by arrangements for nuclear warheads. It was made explicitly "without reference to the political considerations involved."

The statement read as follows:

"This agenda item has a complicated political aspect which is properly in the hands of our political authorities in Ottawa and Washington. It is not my intention to comment on that feature of the problem here. On the other hand, it is a function of this Board to provide a continuing exchange of military information on matters of joint defence interest. In this way we help assure that when military information is relevant to political decisions by our Governments, it is available and current.

"This is the basis on which I would like to outline some of the adverse military consequences of our present nuclear posture. The inadequacy of our continental air defence has been of serious concern for a considerable time. It has only become more dramatically apparent with the deployment to North Bay of a BOMARC squadron lacking armament, and the deployment in Canada of 66 F-101B aircraft not armed for maximum effectiveness. Forward deployment of these weapons without nuclear armament not only foregoes planned improvements in North American air defence; it actually degrades our air defence capability below the levels we would have achieved by deployment just below the Canadian border. Because we are not capable of employing our full military capabilities, we cannot be confident of preventing heavy damage, in the event of attack, to important industrial and administrative centres in both our countries. Further, we are not providing the maximum available protection to the Strategic Air Command and to the retaliatory forces of the Navy. These deterrent forces are important to the entire free world and the basic free world strategy is based upon them. It must be assumed that the potential assailant understands the nature and location of this weakness in our air defences, consequently, the credibility of the deterrent is thereby degraded.

"In regard to the BOMARC squadrons, you will recall that these units were originally intended for deployment in the northeastern United States. Militarily, the relocation to North Bay and La Macaza has decided advantages. (1) It brings such Canadian cities as Ottawa, Montreal, and Toronto within the effective defence perimeter. (2) The forward deployment permits an earlier response to high speed attack, using a weapon of 400 mile range, 2.7 mach speed, and effective within 1,000 yards of its target. The nuclear warhead also creates a strong probability that we can destroy not only the carrier, but its nuclear weapons as well. Combined with interceptors based in Canada and the U.S., these BOMARC sites give us a capability for repeated engagement of incoming bombers before important Canadian and U.S. population centres can be reached.

"The F-101B, a high capability aircraft, can carry two MB-1 nuclear and two GAR-2A conventional missiles. The 66 aircraft in question are deployed only with the latter armament. The GAR-2A must strike the carrier to disable it, and its employment is adversely affected by bad weather. The MB-1 is effective up to 500 yards from its target, functions in any weather conditions, and is capable of destroying not only the carrier but its nuclear bomb load. These are critical advantages against high-speed targets. Until they are realized, we must consider that these F-101Bs will be performing at a small fraction of their combat capability.

"A similar analysis could be made of the USAF F-102A aircraft at Goose Bay. In this case, the present armament and capability of the aircraft, which differs from that of the F-101B, are such that conversion to nuclear air defence weapons would more than double its combat capability.

"From the military standpoint, planning emergency transportation of nuclear weapons to forward locations in Canada is not an effective answer to the problem. Nuclear weapons must



be in place with trained crews before an emergency arises or they will be employed only after a great deal of confusion and after disruption of priority tasks already assigned to other units.

“Present air defence capabilities in the U.S. were developed taking into consideration the joint planning for nuclear air defence in Canada. Further, reliance on capabilities in the U.S. will not assure timely engagement of an attacker with our best available weapons at the maximum possible range from his objectives. We have reached the conclusion that without arrangements for the employment of our full nuclear air defence capability, major targets in Quebec, Ontario and the western provinces, and major targets in the northeastern, north central, and northwestern United States and particularly our deterrent capability cannot be adequately defended. The survival of our two nations and the general security of the free world is linked to the military security of targets like these.”

222.

DEA/50210-F-40

*Note de la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Memorandum by Defence Liaison (1) Division*

TOP SECRET

[Ottawa], August 29, 1962

NUCLEAR WEAPONS FOR CANADIAN FORCES

A meeting was held in Mr. Campbell's office at 3:00 pm on August 28 attended by Messrs. Menzies, McCardle, and Black, to discuss the question of the armament of the CF-104 aircraft and Canadian Government policy on nuclear weapons for Canadian forces.

2. Mr. McCardle said that Mr. Ignatieff took the view that no agreement with the U.S. on nuclear weapons was possible before another Canadian general election and since the CF-104 aircraft (with a nuclear capability) was due to arrive in Europe in December/62-January/63, the Government would soon be faced with a full scale defence crisis. Mr. Ignatieff suggested, on the assumption that the Canadian Government will not formulate a policy on nuclear weapons now, that a way be found to postpone arrival of the CF-104s in Europe and instead retain the F-86 aircraft due to be phased out of operational use at the end of 1962. Mr. McCardle pointed out that if this was done there would also have to be a modification to the Canadian reply to the Annual Review which commits Canada to the delivery of the CF-104s.<sup>22</sup>

3. Mr. Campbell said that he believed that the logical consequence of the statements made by the Prime Minister in the House of Commons and during the election campaign was that the Prime Minister would agree to the opening of negotiations now for a stand-by agreement with the U.S.<sup>23</sup> Such an agreement would have to ensure that nuclear weapons would not be physically located on Canadian soil in peacetime, but would provide for detailed arrangements whereby Canadian forces either in Canada or Europe could rapidly acquire nuclear weapons in wartime. Mr. Campbell was sure that Mr. Green would agree to a stand-by agreement.

4. It was agreed that stand-by arrangements for Canadian forces in Europe should not prove too difficult to arrange as the nuclear weapons could be stored near Canadian planes and as the weapons themselves were not on Canadian soil. Canadian Voodoo interceptors attached to NORAD could acquire their nuclear weapons in a short period of time from depots in the U.S.

<sup>22</sup> Note marginale :/Marginal note:

CCOS has specifically declined to amend the Can. reply. [Auteur inconnu/Author unknown]

<sup>23</sup> Voir/See “Use Nuclear Arms if War Comes, PM Hints,” *Globe and Mail*, February 26, 1962, p. 1; “Aim of Democracy,” *Vancouver Sun*, May 31, 1962, p. 12.

The main problem related to the Bomarc missiles as these weapons would have little operational use if they had to await the delivery of nuclear warheads from the U.S. before being used.

5. It was pointed out that the U.S. has already taken a position in the PJBD that stand-by arrangements are impractical in relation to the defence of North America. It was suggested that the U.S. Government might be persuaded that a second best arrangement whereby Canadian forces could use nuclear weapons subject to certain conditions would be better than none at all.

6. Difficulties arising from CF-104 aircraft being used on "alerts" duty in Europe were not considered insuperable, as, under a stand-by arrangement, while the nuclear bomb would be on the aircraft the nuclear device required to make the bomb operational would still be under U.S. custody. The problem posed by the refusal of France to have nuclear weapons on her territory could probably be overcome by some form of pick-up arrangement between the Canadian Air Force in France and Germany [sic].

7. A stand-by arrangement might involve a detailed agreement signed with SACEUR relating to the physical arrangements for the storage of nuclear weapons and the exercise arrangements necessary to ensure speedy pick-up together with a more general agreement with the U.S. outlining the principles of the stand-by agreement.

8. Mr. Campbell was strongly of the opinion that if a defence crisis was to be avoided the Department of External Affairs should take the initiative now to approach the Government to obtain approval for negotiating a stand-by arrangement with the U.S. It was agreed that the co-operation of the Department of National Defence was essential in approaching the Government. No decision was taken at this meeting as to what would be the next move.

223.

H.C.G./Vol. 11

*Le président, section canadienne,  
Commission permanente canado-américaine de défense  
au secrétaire d'État aux Affaires extérieures*

*Chairman, Canadian Section,  
Permanent Joint Board on Defence,  
to Secretary of State for External Affairs*

SECRET

Ottawa, September 17, 1962

Dear Mr. Green,

I attach for your information a copy of the *Journal* of the recent meeting of the Permanent Joint Board on Defence.†

On nuclear weapons (Item 1, page 4) you will notice that the United States Chairman, Dr. Hannah, re-emphasized the importance which the U.S. Government attaches to this matter, while I read into the record the statement which had been approved by yourself and Mr. Harkness.

You will also be interested to know that there was a long discussion on Canadian concern at the possible effects of the U.S. Secretary of Defense's recent directives on the defence production sharing programme.<sup>24</sup> I think it fair to say that the U.S. Section fully appreciated the Canadian position, and the impression I gained was that account would be taken of the joint defence production sharing programme in implementing the directives of the Department

<sup>24</sup> Voir/See document 254.

of Defense. In any event in a private conversation the Chairman of the U.S. Section told me that it was his intention personally to bring our concern to the attention of President Kennedy.<sup>25</sup>

Yours sincerely,

L.D. WILGRESS

224.

DEA/50219-AL-2-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures  
pour le chef de la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Memorandum from Assistant Under-Secretary of State for External Affairs  
to Director, Defence Liaison (1) Division*

SECRET

[Ottawa], October 1, 1962

NUCLEAR WEAPONS POLICY

The Minister has informed me that the Minister of National Defence has again stated in Cabinet that the lack of an appropriate agreement with the United States is preventing Canadian forces from receiving training and information about the operation and maintenance of the nuclear delivery systems already acquired by the Canadian armed forces from the United States.

2. My recollection is that we have checked this matter before and found that Canada has already signed the same agreement as other NATO members have signed with the United States which permits training and exchange of information on nuclear weapons to proceed on a bilateral basis. According to my records, the agreement in question is the Canada-U.S.A. Agreement for Cooperation on the Use of Atomic Energy for Mutual Defence Purposes, signed on the 22nd of May 1959 and tabled in the House of Commons by the Prime Minister on the 25th of May 1959. While it may well be true that the United States armed forces are withholding certain training facilities and information from the Canadian armed forces as a form of pressure to bring about the acquisition of warheads by Canada, our earlier research into this matter seemed to confirm that, if this were so, it was not for lack of the proper enabling agreement between our two countries.

3. I should be grateful if you would confirm the above facts and prepare an appropriate memorandum for the Minister.

R. C.[AMPBELL]

<sup>25</sup> Note marginale :/Marginal note:

19.9. SSEA wants this brought fwd. on return to Ottawa. GB.

225.

DEA/50219-AL-2-40

*Note**Memorandum*

SECRET

[Ottawa], October 2, 1962

NUCLEAR WEAPONS POLICY  
STATUS OF DRAFT AGREEMENT

In August 1961 Cabinet gave preliminary consideration to a draft of a proposed agreement with the United States for the stockpiling of nuclear warheads for Canadian forces.<sup>26</sup> The draft comprised:

- (a) A Note proposing "that this agreement will be brought into effect when both Governments have confirmed, by a further Exchange of Notes, their intention to do so";
- (b) An annex outlining the general principles to govern stockpiling for Canadian forces;
- (c) Schedule (A) containing the detailed arrangements for stockpiling in Canada for Bomarc. (Other schedules were contemplated but were not submitted to Cabinet, viz., Schedule (B) covering nuclear anti-submarine weapons for the RCN and RCAF Maritime Command; Schedule (C) covering nuclear warheads for the 762 MM Rocket (Honest John) for the Canadian Army in Europe; Schedule (D) covering air-to-ground weapons for the First Air Division of the RCAF.)

The attached draft Note, annex and schedules incorporate amendments to the Annex and Schedule (A), which we understand had been discussed in Cabinet. No written Cabinet conclusion was ever received in this Department.

On September 1, 1961, the additional Schedules (B, C and D) were submitted by the Minister to the Prime Minister asking whether he desired that they be submitted to the Cabinet. A minute on a memorandum to the Minister dated September 12, 1961, states that the Prime Minister had informed the Minister that he had decided to take the schedules to the Cabinet. There is no record in this Department of any further consideration by the Cabinet.

On March 30, 1961, prior to Cabinet consideration of the draft agreement, the Minister had written to Mr. Harkness to suggest that appropriate officials of the two Departments undertake "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."<sup>27</sup> At that time the Department of National Defence did not accept the concept of a comprehensive agreement. However, in a letter to the Minister dated December 19, 1961, Mr. Harkness explained the importance of providing nuclear weapons for the CF-101 interceptor and proposed that the draft agreement be expanded to include arrangements for the provision of nuclear air-to-air weapons for the CF-101s.<sup>28</sup> To that end, he transmitted a draft schedule, following the format of the existing draft schedules, for inclusion in the agreement.

This seemed to imply that the Department of National Defence had accepted the concept of a comprehensive agreement and there was reason to believe that a new set of draft schedules

<sup>26</sup> Voir/See Volume 28, documents 354, 355, 356.

<sup>27</sup> Voir/See Volume 28, document 339.

<sup>28</sup> Voir/See document 210.

might be forthcoming. That being so, it was thought that it would be necessary to examine them closely before the schedules as they stood, and as they had been submitted to the Prime Minister, were submitted to Cabinet; otherwise, Cabinet might have two different sets of drafts.

On August 14, 1962, Mr. Harkness again wrote to the Minister proposing:

(a) that draft Schedule (b) be revised to provide for nuclear weapons for Canadian maritime forces in the Pacific area and as well release to Atlantic forces prior to their formal assignment to SACLANT;

(b) revision of the CF-101 schedule which he had submitted to you with his letter of December 19, 1961, "to reflect accurately the understanding shared by the USAF and the RCAF" as to the format of the schedules;

(c) that the other schedules be similarly amended.

This letter seemed to imply that the Department of National Defence had no further suggestions on the schedules.

There were no further developments until October 2 when Mr. Harkness submitted a memorandum to the Cabinet.

226.

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], October 2, 1962

#### NUCLEAR WEAPONS POLICY

Yesterday afternoon Brigadier R.L. Purves, the new Co-ordinator of the Joint Staff, called at the Department to discuss nuclear weapons policy. Brigadier Purves understood from the Chairman, Chiefs of Staff, that Mr. Harkness had in mind submitting to the Cabinet the Draft General Agreement on acquisition of nuclear weapons along with the Schedules (amended as might be agreed between our two Departments). The Schedules, however, would be submitted only for information purposes. The arrangements provided for in the Schedules would constitute agreements to be entered into at the Service level. The General Agreement, as the present draft provides, would only come into force with the signing of a subsequent exchange of Notes. Brigadier Purves understood that Mr. Harkness had in mind thereby that Canada would be entering into a "stand-by" arrangement with the U.S. The Brigadier intimated that a "stand-by," which would provide for weapons to be transported into Canada only in an emergency or in the event of hostilities, was "impractical" from a military point of view.

It was pointed out to Brigadier Purves that, according to our understanding, the Schedules were to form a package with the General Agreement. As far as the Schedules themselves were concerned, there seemed to be some helpful suggestions in the proposals which Mr. Harkness had made to Mr. Green in December and again in August. However, it seemed that, before amending the Schedules and contemplating an Agreement in the form previously considered, clarification would be required of the intention of recent statements by the Prime Minister which had suggested that nuclear weapons would not be acquired for forces in Canada in peacetime. The kind of "stand-by" arrangement which might be envisaged in such a statement might not be the same kind of agreement as had previously been considered. The present draft contemplated its coming into force in peacetime and was a "stand-by" only to the extent that it

would come into force following a further Exchange of Notes. Another consideration was that, in the light of the passage of time and also in view of the recent statements by the Prime Minister, the United States would be suspicious of an agreement which was to come into force only at some unspecified time when the Canadian Government should so decide. There was also the consideration that the Government would want to consider very carefully any initiative on nuclear policy in view of the parliamentary situation.

Brigadier Purves agreed that it was important to clarify what was intended, on his own Minister's part, by a "stand-by" arrangement and said that he would endeavour to find out what Mr. Harkness had in mind. Meanwhile, he asked to be provided with a copy of the latest version of the draft agreement, which was supplied.

N.A. R[OBERTSON]

227.

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, October 3, 1962

ACQUISITION OF NUCLEAR WEAPONS

We have obtained from the Cabinet Secretariat the attached copy of a memorandum dated October 2, 1962, which has been submitted by the Minister of National Defence, but has not yet been cleared with the Prime Minister as a Cabinet agenda item. It proposes that negotiations with the United States be opened immediately on the basis of the existing draft general agreement and that you and the Minister of National Defence go to Washington to open the discussions.

2. The draft general agreement and its annex and schedules, to which reference is made in Mr. Harkness's submission, are those which are attached to this memorandum, to which we believe consideration was last given by Cabinet in August, 1961.<sup>29</sup>

3. Mr. Harkness's memorandum draws attention to two points of key significance:

- (1) it stresses "that the general agreement does not provide for warheads"; and,
- (2) it asserts that such a general agreement is "a necessary preliminary step which must be concluded before negotiations of subsequent agreements for the various warheads can be entered into."

4. Point (1) is accurate in the sense that the existing draft agreement did require a further exchange of Notes to bring it into force and permit the actual acquisition of warheads. On the other hand, the agreement as drawn at present contemplated the acquisition of nuclear warheads for Canadian forces in peace time. If it is the Government's intention to proceed with peace time acquisition in mind, the existing draft would form a reasonable basis on which to open negotiations. If however it were the intention to follow the line of policy indicated by the Prime Minister in public statements during the summer to negotiate only a standby agreement making provision for the acquisition of warheads only in time of actual or threatened emergency, the existing draft agreement would not form a suitable point of departure for discussions with the United States. Indeed to use this draft with only war time acquisition in

<sup>29</sup> Voir/See Vol. 28, documents 354, 355.

mind would give the United States Government renewed cause to question Canadian good faith in opening negotiations.

5. Before contemplating the opening of negotiations it is essential to have a clear understanding of the kind of arrangement to which the negotiations are intended to lead – to acquisition in peace time as soon as a satisfactory agreement has been negotiated; or a standby agreement making provision for acquisition in time of emergency. In the latter event, something akin to the present schedules would still be required, but the covering general agreement would be of an entirely different character.

6. If it is an emergency standby agreement which the Government intends to negotiate, our present thinking is that it would involve two stages. The *first stage*, to come into force immediately following signature, would:

(a) define the emergency circumstances in which the Canadian Government would request the transportation into Canada of nuclear warheads. This decision would be related to the Canadian Government's recognition of a general state of emergency under existing NORAD and NATO states of alert;

(b) provide for: technical readiness of the weapons systems, construction of storage facilities in Canada and related financial terms;

(c) training in the use of the system;

(d) detailed practice arrangements for the rapid pick-up and siting in Canada of the warheads for each of the weapons systems.

The *second stage* would include provisions:

(a) for custody during the time the weapons were on Canadian territory;

(b) for control over their operational use; and,

(c) for related provisions similar to those in the present schedules.

It would, of course, be necessary to negotiate the details of the second-stage agreement in conjunction with the negotiation of the first-stage agreement.

7. The second point made in Mr. Harkness's memorandum concerning the need for the negotiations of "subsequent agreements" is not consistent with what we understood to have been agreed at an earlier stage, viz., that the general agreement and the detailed schedules governing individual weapons systems should be an integral whole and negotiated together on an inter-governmental basis. Mr. Harkness's wording would revive the suggestion that only the covering agreement should be on an intergovernmental basis and the details concerning individual weapons systems left to negotiation on a service-to-service basis.

8. The provision of warheads, either now or on a standby basis for Canadian forces in Europe, presents an entirely different set of problems to those affecting storage on Canadian soil. Adequate arrangements for Europe could be readily incorporated into a two-stage agreement covering acquisition of warheads for all Canadian weapons systems, or could be made the subject of a separate agreement. No copies of agreements which other members of NATO have concluded with the United States are available in Ottawa and it is unlikely that anything but a "pro forma" agreement would be made available. In any event, a Canadian agreement for Europe would not be analogous to those concluded by European countries with the United States inasmuch as we would have a "third country" storage problem probably requiring a three-way agreement.

9. In summary, there are three choices open to the Government on which a decision would have to be taken before contemplating the opening of negotiations with the United States:

(a) to have an agreement along existing lines providing for peacetime acquisition of warheads for Canadian forces;

(b) to draft a new two-stage emergency standby agreement; and/or,

(c) to draft a separate agreement to make provision for the arming of Canadian weapons systems in Europe with warheads. (Having particularly in mind the imminent delivery of the F-104Gs.)

10. Depending on the Government's decision on the foregoing, you might find it useful to suggest:

(a) that an interdepartmental working group be established to either review the existing agreement or to draft a new standby agreement; to make proposals concerning our forces in Europe; and to make recommendations concerning the best method of initiating negotiations with the United States;

(b) that consideration be given to the position to be taken in Parliament and in public regarding the present stage of the Canadian Government's policy on nuclear weapons.

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Le ministre de la Défense nationale  
au Cabinet*

*Minister of National Defence  
to Cabinet*

SECRET

[Ottawa], October 2, 1962

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 United States Government on this matter. In the meantime, in accordance with Government policy, preparations have gone forward to acquire and deploy the weapons for which atomic warheads are necessary. In many instances these programmes are well advanced and negotiation for the atomic warheads should be instituted as soon as possible.

3. An essential pre-requisite to obtaining nuclear warheads for the weapons systems which Canada has agreed to provide is the negotiation of a general agreement with the United States Government. Cabinet has seen proposed drafts of this agreement. It is possible that, because of the nature of this Canadian draft, considerable time may be required for the negotiation with the United States Government. It is stressed that the general agreement does not provide warheads. It is a necessary preliminary step which must be concluded before negotiations of subsequent agreements for the various warheads can be entered into.

4. It is recommended that we open negotiations immediately with the United States on this general agreement. To ensure that the start of the negotiations is made with the proper understanding by both parties, it is suggested that the Secretary of State for External Affairs and I go to Washington for discussions with the appropriate United States governmental representatives to ensure that the Canadian position is made clear to them.

[DOUGLAS S. HARKNESS]



228.

DEA/50210-F-40

*Note de la 1<sup>ère</sup> Direction de liaison avec la Défense*  
*Memorandum by Defence Liaison (1) Division*

SECRET

[Ottawa], October 16, 1962

## NUCLEAR WEAPONS POLICY

Messrs. Campbell, Menzies, Nutt and Bow met with the Minister this morning to discuss the Memorandum to the Minister of October 3 on Mr. Harkness' proposal that negotiations be resumed with the United States on an agreement to govern the stockpiling of nuclear warheads for Canadian forces.

2. The Minister said that at a recent Cabinet discussion it was apparent that there were no objections to proceeding to an agreement for the stockpiling of warheads for Canadian forces in Europe, i.e., Honest Johns of the Army and CF104s of the RCAF. As far as acquisition for forces in Canada was concerned, agreement would have to be on the basis of our receiving the warheads as quickly as possible when they were needed and not on the basis of stockpiling them in Canada in peacetime. The Minister believed that we were therefore faced with drawing a new agreement. It was suggested to the Minister that two agreements might be preferable – one covering stockpiling for our NATO forces in Europe which would presumably be of first priority and the other a stand-by agreement for forces in Canada. The latter would be a two stage agreement, the first [stage] to cover the period before the weapons were brought into Canada and [it] would, among other things, define the conditions under which they might be brought in, and the second stage to cover the period after they had been introduced into Canada and, among other things, would deal with matters such as operational use. In re-drafting these agreements it might be desirable to bear in mind the possibility that the Government would wish to table the basic agreements in Parliament.

3. It was also suggested to the Minister that it would be helpful if Cabinet could give a written directive since there had been no directive on weapons policy since 1960. More particularly,

(a) it would be helpful if Canada could indicate readiness to negotiate stockpiling arrangements in respect of Canadian forces in Europe. The United States would then undoubtedly provide the basic *pro forma* draft agreement for the purpose of negotiations;

(b) it would be necessary to work with National Defence in drafting agreements and an interdepartmental working group would be necessary to draw satisfactory draft agreements;

(c) it would be necessary to reconcile the understandings of the Departments of External Affairs and National Defence as to the type of stand-by agreement which the Government had in mind for forces in Canada. (It was pointed out that the Department of National Defence considered the present draft agreement, which would come into force at a time to be subsequently agreed but which contemplates storage on Canadian territory during peacetime, to be a stand-by agreement, whereas this Department's concept of a stand-by agreement was one which would contemplate storage on U.S. territory and transportation to Canada in an emergency. In this context it was also mentioned that both the Department of National Defence and the U.S. authorities considered such a stand-by arrangement to be impractical and that it might therefore be proposed that a feasibility study be undertaken which would conclude that such arrangements were not militarily feasible.)

3. The Minister agreed that it would be desirable to work with National Defence in drafting agreements for discussion with the United States. Meanwhile, he desired that the Department undertake to prepare [the] first draft of an agreement covering stockpiling for Canadian forces

attached to NATO and subsequently a first draft of a stand-by agreement for forces in Canada. The Minister was reminded that there was also outstanding a request by the U.S. to stockpile nuclear weapons forces at Harmon Air Force Base and Goose Bay for use by USA forces. The Minister agreed that this aspect should be left to be raised by the U.S. should they see fit.

J.S. NUTT

229.

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, October 19, 1962

PROVISION OF NUCLEAR WARHEADS

As you requested, a memorandum to the Cabinet on this subject has been drafted for your consideration. This draft questions the suitability of the proposal contained in Mr. Harkness' Memorandum to the Cabinet of October 2. In particular it points out the inadequacies of the present draft agreement [and] the requirements of a new draft agreement, and makes some suggestions on the procedure which might be followed in drafting the new agreement and opening negotiations with the United States.

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note du secrétaire d'État aux Affaires extérieures  
pour le Cabinet*

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

SECRET

[Ottawa], October 19, 1962

PROVISION OF NUCLEAR WARHEADS

The memorandum of October 2 submitted by the Minister of National Defence recommends that negotiations with the United States be opened immediately on the basis of the draft general agreement given preliminary consideration by Cabinet in August 1961, as a preliminary step before negotiation of subsequent agreements for various warheads.

*Inadequacies of the Present Draft*

The present draft agreement provides that it will come into force only when both governments have confirmed their intention to bring it into force by a further Exchange of Notes. Such an arrangement would be a suitable basis for negotiation if it were intended to bring into force arrangements for the stockpiling of nuclear weapons for forces in Canada immediately and without reference to the international situation. As an agreement providing for bringing warheads into Canada in an emergency only it has certain shortcomings:

(a) To use this draft agreement, having in mind that warheads would be provided for use of Canadian forces in Canada only in an emergency, would give the United States Government

cause to question Canadian good faith, since it would leave unanswered the question as to when warheads would be brought into Canada.

(b) Since the existing draft agreement would not come into force until there had been a further Exchange of Notes at a later date, it would not provide any authority for preliminary arrangements such as training, over and above that which exists at present. The 1959 agreement between Canada and the United States for Cooperation on the Uses of Atomic Information for Mutual Defence Purposes, provides in Article II:

“Each Party will communicate to or exchange with the other Party such classified information as is jointly determined to be necessary to:

- A. the development of defense plans;
- B. the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;
- C. the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy;
- D. the development of delivery systems compatible with the atomic weapons which they carry; and
- E. research, development and design of military reactors to the extent and by such means as may be agreed.”

(c) The existing agreement does not make provision for speedy supply of warheads for Canadian forces: for instance it does not provide for the allocation, in advance, of warheads for eventual use in Canada nor does it provide for their storage at convenient sites in the United States.

It is submitted that in the present circumstances it would be desirable to have an agreement which would provide a clear statement of the framework under which nuclear warheads would be made available for use by Canadian forces. So that Cabinet will see the full implications of such an agreement it is essential that the agreement encompass its practical application in respect of each weapons system. Such a comprehensive agreement would provide the necessary information to enable the Cabinet to take a decision regarding the provision of warheads for various weapons systems; it would avoid misunderstandings between the United States and Canada; and it would provide a surer basis for cooperation in training and other preliminary arrangements. To achieve these purposes the present draft agreement would require to be redrawn.

#### *Requirements of a New Draft Agreement*

The premise of such a redraft would be that nuclear warheads would be brought into Canada only on a finding by Cabinet that an emergency exists and a concomitant request to the United States Government to provide the warheads. In brief the agreement would make certain provisions for the period when the warheads earmarked for Canadian forces would be stored on United States territory, e.g. it would:

- (a) outline the circumstances in which the Canadian Government would be prepared to consider requesting transport of the nuclear warheads to Canada;
- (b) provide for the allocation of warheads in advance and their siting at convenient storage depots in the United States;
- (c) provide for the technical readiness of the weapons systems already in Canada, construction of storage sites in Canada and related financial terms;
- (d) provide for the training and readiness of personnel who would be involved in handling and storage of the warheads;
- (e) provide for training in the use of the weapons;

(f) provide for transport and practice arrangements for rapid pick-up and/or delivery to sites in Canada.

In addition the agreement would have a section which would only be brought into operation after the Canadian Government had requested the supply of warheads. This section would make provision for the period when the warheads would be in Canada, e.g. it would provide for:

- (a) custody of the warheads in Canada;
- (b) control over their operational use;
- (c) miscellaneous arrangements relating to security, safety, publicity, claims, command and communications, etc.

The agreement would consist of a statement of principles enunciated in the preceding paragraph and to which would be attached schedules containing detailed provisions relating to the various weapons systems: Bomarc, anti-submarine weapons, the F101 interceptor for Canada; and, if so desired, the Honest John rockets and CF104 aircraft for Europe. The statement of principles could be drafted with a view to their being unclassified and so available for tabling in Parliament.

#### *Canadian Forces Assigned to NATO in Europe*

Arrangements for the provision of warheads for Canadian forces in Europe could be incorporated in a general agreement of the sort outlined above either on a standby or immediate basis depending on the Government's decision in this matter. Alternatively, the requirements in Europe could be met by a separate agreement.

#### *Procedure*

For the purpose of drafting the requisite agreement or agreements for consideration by the Cabinet it would be desirable to establish an inter-departmental group comprising officials of the Department of External Affairs and National Defence and of other departments as necessary. After Cabinet consideration of the draft Agreement prepared by the interdepartmental group, negotiations could be initiated by presenting to the United States Embassy in Ottawa a Memorandum of the conditions under which the Canadian Government would be prepared to negotiate for the provision of nuclear warheads for Canadian forces. A copy of the draft Agreement would be attached to the Memorandum. To facilitate closer supervision by the Government of negotiations at the official level, it could be proposed that negotiations take place in Ottawa.

#### *Recommendations*

The undersigned therefore recommends:

- (a) that a comprehensive agreement be drafted envisaging the provision of nuclear warheads for use by Canadian forces in Canada in an emergency, to serve as a basis for negotiations with the United States;
- (b) that a decision be taken as to (i) whether nuclear warheads should be made available to Canadian forces in Europe on a standby or on an immediate basis and (ii) whether a comprehensive agreement should cover the requirements of forces in Canada only; or Canadian forces in Canada and Europe; or whether a separate agreement should be negotiated for Canadian forces in Europe;
- (c) that an inter-departmental group be established comprising officials of the Departments of External Affairs and National Defence and officers of other departments and agencies as required, and that the group be charged with preparing the required draft agreements for consideration by Cabinet;

(d) that following development of an agreement acceptable to the Cabinet the United States Government be informed by means of a Memorandum delivered to the United States Embassy in Ottawa of the Canadian Government's willingness to negotiate in Ottawa agreements for acquisition of nuclear weapons on the basis outlined in this memorandum.

230.

H.C.G./Vol. 11

*Le secrétaire d'État aux Affaires extérieures  
au premier ministre*

*Secretary of State for External Affairs  
to Prime Minister*

SECRET

Ottawa, October 26, 1962

## PROVISION OF NUCLEAR WARHEADS

The Minister of National Defence's Memorandum to the Cabinet of October 2 recommends that negotiations with the United States be opened immediately on the basis of a draft general agreement as a preliminary step before negotiation of subsequent agreements for various warheads, which presumably would be concluded on a service-to-service basis.

2. If you will remember, the draft document under consideration earlier was all-inclusive with schedules concerning the various weapons systems and was designed to be negotiated on a government-to-government basis.

3. Furthermore it was intended to provide for the introduction of nuclear warheads rather than for making them available on a stand-by basis for emergency use only.

4. In my view what is required is a comprehensive agreement which would provide a clear statement of the framework under which nuclear warheads would be made available for use by Canadian forces, with all the necessary information to enable the Cabinet to take a decision regarding the provision of warheads for various weapons systems; it would also avoid misunderstandings between the United States and Canada; and it would provide a surer basis for cooperation in training and other preliminary arrangements.

5. The premise of such a comprehensive agreement would be that nuclear warheads would be brought into Canada only on a finding by Cabinet that an emergency exists and a concomitant request to the United States Government to provide the warheads. Thus the agreement would make certain provisions for the period when the warheads earmarked for Canadian forces would be stored on United States territory, e.g.,

(a) outline the circumstances in which the Canadian Government would be prepared to consider requesting transport of the nuclear warheads to Canada;

(b) provide for the allocation of warheads in advance and their siting at convenient storage depots in the United States;

(c) provide for the technical readiness of the weapons systems already in Canada, construction of storage sites in Canada and related financial terms;

(d) provide for the training and readiness of personnel who would be involved in handling and storage of the warheads;

(e) provide for training in the use of the weapons;

(f) provide for transport and practice arrangements for rapid pick-up and/or delivery to sites in Canada.

In addition the agreement would have a section which would only be brought into operation after the Canadian Government had requested the supply of warheads. This section would

make provision for the period when the warheads would be in Canada, e.g. it would provide for:

- (a) custody of the warheads in Canada;
- (b) control over their operational use;
- (c) miscellaneous arrangements relating to security, safety, publicity, claims, command and communications, etc.

The agreement would consist of a statement of principles as enunciated in the preceding paragraph and to which would be attached schedules containing detailed provisions relating to the F101 interceptor and the Bomarc.

6. Arrangements for the provision of warheads for Canadian forces in Europe (the Honest Johns and CF104 aircraft) should be the subject of a separate agreement. This will entail a negotiation, not only with the United States governing the provision of warheads, but also with the NATO Supreme Commander, Europe and/or the host country in respect of storage arrangements.

#### *Procedure*

7. For the purpose of drafting the requisite agreements for consideration by the Cabinet it would be desirable to establish an inter-departmental group comprising officials of the Departments of External Affairs, National Defence, and Finance and others as necessary.

8. Mr. Harkness has suggested that he and I go to Washington to start the negotiations to ensure proper understanding by both sides. I think this would attract undue attention. In my view it would be more appropriate to initiate the negotiating process by my calling in the head of the United States Embassy in Ottawa and presenting to him a Memorandum setting out the conditions under which the Canadian Government would be prepared to negotiate for the provision on a stand-by basis of nuclear warheads for Canadian forces in North America and in Europe. A copy of the draft agreements, which by then would have been approved by the Cabinet, would be attached to the Memorandum. To facilitate closer supervision of the negotiations, which I would envisage being conducted by a mixed group of officials and service representatives from both countries, I would recommend that negotiations take place in Ottawa. In respect of forces in Europe it may be necessary to conduct some aspects of the negotiations there.

#### *Recommendations*

9. I would therefore recommend for your consideration:

- (a) that a standby agreement, with accompanying schedules covering each kind of warhead, be drafted envisaging the provision of nuclear warheads for use by Canadian forces in Canada in an emergency and their storage in the United States in the meantime;
- (b) that a separate agreement be drafted which would make available warheads for Canadian forces in Europe on the same standby basis;
- (c) that an inter-departmental group be established comprising officials of the Departments of External Affairs, National Defence, Finance and others as required, and that the group be charged with preparing the required draft agreements for consideration by Cabinet;
- (d) that following development of draft agreements acceptable to the Cabinet the United States Government be informed, by means of a Memorandum delivered to the head of the United States Embassy in Ottawa, of the Canadian Government's willingness to negotiate in Ottawa agreements concerning nuclear weapons on the basis I have outlined.

[HOWARD C. GREEN]

231.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 30, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny)  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

. . .

## GENERAL AGREEMENT WITH THE UNITED STATES ON NUCLEAR WEAPONS

36. *The Minister of National Defence* stated that some time before the Cabinet had decided that arrangements might be made by which the nuclear warheads for the Bomarc and the Voodoo aircraft might be held in the United States, to be brought into Canada at the time of a war, to be used by the Canadian forces in the carriers they have ready here, and also that arrangements might be made to have nuclear weapons available for the F-104s in Europe and the warheads for the Honest John rockets. It would be necessary to undertake negotiations to make these arrangements and until these negotiations were carried on, it would not be possible to tell what Canada could get out of them. The Government was in a vulnerable position because it was being asked what arrangements it is making to arm the weapons which it has acquired.

37. *The Prime Minister* said that he thought it would be necessary to proceed with these negotiations but on the understanding that if there was any leak concerning the negotiations, they would stop forthwith. He had done this with President Eisenhower at one time and it had worked effectively. As a result of the negotiations, a general agreement might well be reached to carry out the decision of December 1960. He referred to some recent press reports concerning divisions of opinion in the Cabinet on this subject.

38. *During the course of a lengthy discussion* on this subject, the following points were made:

(a) Consideration should be given to the possibility of Canadian forces going to the United States for their warheads if NORAD is alerted. If it is proven that cannot be done, then one should go to the next alternative.

(b) One needs a comprehensive agreement even to hold the weapons in the United States to be brought into Canada if an emergency occurs.

(c) Various suggestions were available for the procedure to be followed in the negotiations but it hardly seemed necessary to discuss them in detail until some agreement had been reached on principles.

(d) The negotiations should take place in Ottawa as quickly as possible.

(e) There would need to be a separate agreement to cover the forces in Europe.

(f) Papers on this subject for the Cabinet at present should not be prepared by officials but by Ministers.

(g) Some questioned the wisdom of starting any negotiations on this subject in view of what had just happened in Cuba and the U.N. efforts to keep the peace.

(h) An account was given of various aspects of the U.N. and NATO considerations of the Cuban crisis and the reaction of various members of the Alliance to it.

(i) The Secretary of State for External Affairs, the Minister of National Defence and Mr. Churchill should represent the Cabinet in approaching the U.S. Ambassador or others on these negotiations.

(j) The negotiations should be based on the storage of the warheads for the Bomarc and the 101s in the United States and the storage of weapons for the Canadian forces in Europe on bases in Europe.

39. *The Cabinet* agreed:

(1) that negotiations be undertaken with the U.S. Government to work out an agreement or agreements between the two Governments under which:

(a) nuclear warheads would be held in storage for and made available to the Canadian forces in Europe under NATO command for use in CF-104 aircraft and the Honest John rockets; and

(b) nuclear warheads would be held in bases in the United States to be moved to Canada to be available to the R.C.A.F. for use in Bomarc missiles and interceptor aircraft, on request by the Canadian Government when war appears imminent; and

(2) that such negotiations be commenced forthwith by Mr. Green, Mr. Harkness and Mr. Churchill, jointly, with the Chargé d'affaires of the United States in Ottawa.

...



232.

DEA/50210-H-40

*Projet de note**Draft Note*

SECRET

Excellency:

I have the honour to refer to Articles 20 and 21 of the Communiqué issued by the North Atlantic Council on December 19, 1957<sup>30</sup> and to conversations which have taken place between the Supreme Allied Commander Europe (SACEUR) and the Governments of Canada and of the United States regarding the stockpiling of atomic weapons in Europe for Canadian forces.

It is the understanding of my Government that in the course of these conversations agreement in principle was reached to the establishment of elements of a stockpile of atomic weapons to be provided by the United States in support of Canadian forces in Europe. In order to implement this agreement in principle my Government suggests the following arrangements:

(1) The location of the stocks for the support of Canadian forces assigned to NATO in Europe will be determined by SACEUR in accordance with approved NATO military plans and in agreement with Canadian and United States military authorities and, if necessary, the appropriate authorities of the country in which stocks are to be located.

(2) Except as otherwise agreed, the costs of construction, development and maintenance of the storage sites and associated facilities, including those required for the support of the U.S. special weapons custodial and support personnel, shall be borne by Canada. Arrangements for providing the land involved, without cost to the United States, will be the responsibility of the Canadian Government. To the extent that the North Atlantic Council agrees to the NATO infrastructure funding of NATO atomic stockpile site construction costs, the apportionment of costs will be subject to NATO infrastructure procedures. Installations and facilities for atomic weapons storage and maintenance will be built and maintained at least in accordance with NATO standards and criteria. Installations and facilities for normal logistic support (housing, messing, offices, etc.), which may not be specified under NATO criteria, will be built and maintained as mutually agreed.

(3) It is recognized that the custody of any stocks of atomic weapons provided by the United States will be the responsibility of the United States and that United States personnel will be assigned to the stockpile sites for this purpose.

4. When the weapons are released by appropriate authority, they will be employed in accordance with procedures established by SACEUR.<sup>31</sup>

(5) United States forces will be responsible for the maintenance, surveillance and assembly of the atomic weapons, including the provision of personnel and technical equipment for the performance of these functions.

(6) Except as otherwise agreed, external security of all atomic weapons in storage or during movement within the country concerned will be the responsibility of the Canadian forces. The

<sup>30</sup> Voir Conseil de l'Atlantique Nord, *Textes des communiqués finals, 1949-1974* (Bruxelles: Service de l'information OTAN, s.d.), pp.113 à 122.

See North Atlantic Council, *Texts of Final Communiqués, 1949-1974* (Brussels: NATO Information Service, n.d.), pp.108-120.

<sup>31</sup> Note marginale :/Marginal note:

See SHAPE 128/A/58 para 5f [Auteur inconnu/Author unknown]

details of external security arrangements will be determined by the appropriate United States and Canadian military authorities in accordance with directives of SACEUR.

(7) United States forces will be responsible for the movement of the atomic weapons to points of entry in the country concerned and from points of exit. Canadian forces, except as otherwise agreed, will be responsible for the transportation of the weapons within the country concerned, subject to paragraph 3 above.

(8) A reliable means of signal communications will, except as otherwise agreed by the appropriate authorities of the two governments, be provided by the Government of Canada to meet the purposes of this Agreement.

(9) Canada will, in general, provide at no expense to the United States Government reasonable administrative and logistical support for United States forces and dependents in support of Canadian units. This support will include common items of supply, organic transportation, and such other support as may be mutually agreed.

(10) Supplementary Service-to-Service arrangements, within the scope of this agreement pertaining to the various delivery systems and associated installations, will be negotiated separately, as may be appropriate, between the appropriate military authorities of the United States and Canada.

I propose that if the foregoing is acceptable to your Government, this note and your reply indicating such acceptance will constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.<sup>32</sup>

233.

DEA/50210-H-40

*Projet de note du secrétaire d'État aux Affaires extérieures,  
du ministre des Affaires des Anciens combattants,  
et du ministre de la Défense nationale  
pour le Cabinet*

*Draft Memorandum from Secretary of State for External Affairs,  
Minister of Veterans Affairs,  
and Minister of National Defence  
to Cabinet*

TOP SECRET

[Ottawa], December 5, 1962

1. In accordance with Cabinet decision of 30 October 1962, the United States Chargé d'Affaires was invited to prepare a proposal which would meet the requirements set out in the Cabinet decision. In response to this request an American team arrived in Ottawa with copies of a possible agreement on European and Canadian storage arrangements, together with two possible proposals to meet the North American emergency arrangements. In respect of Europe, the form of agreement was the standard one under which warheads, under USA custody, are held available for use by other NATO allies in an emergency.

2. The American officials outlined two possible ways whereby warheads for Canadian weapons could be stored in the USA and transported to Canada in an emergency. This first method, applicable both to the BOMARC and the CF101, involved the cargo airlift of complete warheads. This would entail keeping 26 large transport aircraft on immediate alert at

<sup>32</sup> Note marginale :/Marginal note:  
Left by US negotiating team 21/11/62 [Ross Campbell]

US bases twenty-four hours a day, with warheads and weapons loaded aboard. On specific alert conditions and weather permitting they would take off and fly to Canadian operational sites. On arrival at these sites the Canadian interceptors could be fully armed with the weapons flown in in a period of six to eight hours and the BOMARC within a twenty-four hour period.<sup>33</sup>

3. The second method, applicable to the CF101 aircraft only, involved the tactical ferrying of Canadian fighter aircraft to American weapons storage sites, where they would be armed with nuclear weapons (MB1) and would remain there until a state of emergency was declared (DEFCON 1) which would permit the President to release the weapons to Canadian forces. No time can be estimated for this because aircraft would only return to Canada when released for operational sorties or stood down.

4. As the time interval involved by both these proposed methods failed to come within the stringent warning requirements of the defence system as a whole (maximum three hours for bomber attack), it was decided alternative possibilities should be canvassed and the Americans were asked to examine the possibility of providing nuclear weapons for storage in Canada but less some essential part, that part to be flown in in the event of an emergency. They were also asked to re-examine the possibilities of reducing the time lag by increasing the numbers of handling crews on sites, or by activating the cargo airlift at an earlier stage of an alert, or a combination of both.<sup>34</sup>

5. The Americans reported that in the instance of the removal of an essential part, in the case of the BOMARC one small part which could be replaced without any difficulty in about ten minutes was a possibility, and that the piece was small enough that the requirements of a whole BOMARC station could be carried by one CF100 type aircraft, which could be maintained at instant readiness at an American base. It is estimated that the total time to ferry the part to Canada and to incorporate it into the weapon would be approximately two hours. In the case of the MB1, two possibilities were presented. One involved the removal of a part of the warhead essential to its operation but the reinstallation of which involved a rather lengthy check-out period (one hour and ten minutes); and the other the removal of a part of the aircraft essential to the arming of the weapon which could be replaced in five minutes. Both these parts were small enough that the requirements for a single squadron could be carried by a CF100 type aircraft. The total elapsed time for arming a squadron by flying in these essential parts was, in the case of the weapon, five hours and thirty minutes and in the case of the part of the aircraft in the order of one hour and ten minutes.<sup>35</sup>

6. It was considered that the time interval associated with the replacement of the part of the weapon was longer than desirable in relation to warning time and it was doubtful that the replacement of the part of the aircraft, which did meet the time element, met the terms of reference of the Cabinet decision.<sup>36</sup>

7. It was decided in respect of the MB1 to request the Americans to explore further two alternatives: revised arrangements for tactical ferrying; and the possibility of selecting some

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<sup>33</sup> Note marginale :/Marginal note:

They would at all times be in USA custody [Howard C. Green]

<sup>34</sup> Note marginale :/Marginal note:

Explain [Howard C. Green]

<sup>35</sup> Note marginale :/Marginal note:

Depends on crews. [Howard C. Green]

<sup>36</sup> Note marginale :/Marginal note:

Only for first [not illisible/word illegible] [Howard C. Green]

part of the MB1 weapon itself, of a size and nature which would improve on the reinstallation time associated with the part they had already selected.

8. There are no obvious obstacles to the conclusion of an agreement for the stockpiling of warheads for Canadian forces in Europe. We consider that the suggested method for dealing with the BOMARC missiles is satisfactory, but possible arrangements for the MB1 still require further investigation and will be reported on as soon as possible.<sup>37</sup>

[H.C. GREEN]

[G.M. CHURCHILL]

[D. HARKNESS]

234.

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*Note du secrétaire d'État aux Affaires extérieures,  
du ministre des Affaires des Anciens combattants,  
et du ministre de la Défense nationale  
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs,  
Minister of Veterans Affairs,  
and Minister of National Defence  
to Cabinet*

TOP SECRET

[Ottawa], December 8, 1962

In accordance with the Cabinet decision of October 30, 1962, the United States Chargé d'Affaires was invited to have the United States authorities prepare a proposal that would meet the requirements set out in the Cabinet decision. In response to this request, an American Defence Department team arrived in Ottawa with the following documentation:

(a) a possible agreement on European storage arrangements. This was the standard agreement under which warheads under U.S.A. custody are held available for use by other NATO allies in an emergency;

(b) a possible agreement on Canadian storage arrangements. This draft agreement did not take account of the requirement that nuclear warheads would be held in bases in the U.S.A. for use by Canada in an emergency;

(c) the results of an American study showing the time lapse, personnel and equipment requirements involved in an arrangement whereby warheads for Canadian weapons could be stored in the U.S.A. and transported to Canada in an emergency.

Under (c) above, two possible methods had been considered: cargo airlift of complete warheads; and tactical ferrying of Canadian fighter aircraft to American weapons storage sites.

*Cargo Airlift of Complete Warheads*

This method, applicable to both the Bomarc and CF-101, would involve the pre-positioning of ground equipment in Canada, the assignment of the necessary USAF and RCAF loading and technical crews on site and the stationing of RCAF transport aircraft at U.S.A. bases at constant alert, ready to load the warheads.

<sup>37</sup> Note marginale :/Marginal note:

Draft prepared by DND – not put to Cabinet. [Ross Campbell]

For the purposes of working out estimated times, personnel, etc., support bases in the U.S.A. were chosen on the basis of proximity to RCAF bases and the availability of adequate U.S.A. storage facilities, as follows:

<u>Air Defence Unit</u>	<u>Supporting Base</u>	<u>Distance</u> (miles)	<u># of Warheads</u>
Chatham	Loring	100	60 MB-1
Bagotville	Loring	150	60 MB-1
Uplands	Kincheloe	370	60 MB-1
North Bay	K.I. Sawyer	350	60 MB-1
Comox	McChord	190	60 MB-1
North Bay	McGuire	420	28 BOMARC
La Macaza	Westover	260	28 BOMARC

The details of the application of cargo airlift to complete warheads were as follows:

*A. For BOMARC*

Using 4 loading teams, each consisting of 2 RCAF and 2 USAF, at each BOMARC site, each loading crew could install one warhead in 3 hours for a total of 21 hours for loading all BOMARCs. Taking into account 2 to 3 hours air transport time (see chart above) and 1 hour ground transport time at North Bay, the BOMARC unit (28 missiles) at La Macaza could be completely operational in 24 hours; and at North Bay in 25 hours.

*B. For CF-101*

Using 4 loading teams, consisting of 8 USAF and 16 RCAF maintenance and loading technicians at each base, one squadron (12 aircraft) could be brought to operational readiness (2 MB-1s per aircraft) in 5 hours. Taking into account transport time from the U.S.A. support base, all CF-101s could be brought to operational readiness at their home base in 6 to 8 hours.

*Note:*

- (1) The above estimates for cargo airlift of both BOMARC warheads and MB-1 missiles would require the stationing of a total of 26 RCAF transport aircraft on 15-minute alert at USAF bases 24 hours a day with warheads and weapons loaded aboard, but still under U.S.A. custody. The latter requirement would necessitate the stationing of USAF air policemen at 5 U.S.A. bases on an around the clock basis who would accompany the weapons on the transport aircraft.
- (2) The times involved in bringing the weapons to operational readiness could be reduced by:
  - (a) increasing the number of loading personnel and technicians at each base;
  - (b) having the cargo airlift inaugurated at an early stage of alert. (In this connection, BOMARCs at 8 sites in the United States are kept at 2-minute alert; USAF fighters are kept 1/3 at 15-minute alert, 2/3 at 3-hour alert.)

### *Tactical Ferry of MB-1 Missiles*

This method, applicable only to the CF-101 aircraft, would involve the flying of the Canadian fighters to weapons storage sites in the U.S.A. at any stage of alert which the Canadian Government might decide. There they would be armed with their nuclear weapons (MB-1s) and remain until released to the Canadian forces under Presidential authority. Without a U.S.A. custodian, such authority could not be granted by the President at a stage of alert earlier than DEFCON-1 (Re-enforced Alert). All of the above propositions would involve the airlifting of complete warheads.

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In an effort to improve upon the time factors involved in the above propositions (for BOMARC, 24-25 hours for CF-101, 6-8 hours), the American experts were asked to examine:

- (a) the effect of increasing the numbers of handling and maintenance crews on sites;
- (b) activating the cargo airlift at an earlier stage of alert;
- (c) the possibility of reducing the cargo burden (and therefore transport and handling time) by confining the emergency airlift to some essential part of the warhead without which the part of the warhead pre-positioned in Canada would be inoperable.

#### *(a) Increased Personnel*

As transport time would remain constant, increasing the personnel would affect only the loading time at the Canadian site. The basic time data is as follows:

*BOMARC*: one loading crew (2 RCAF and 2 USAF) can install one warhead in 3 hours. There are 28 BOMARCs to be loaded at each site.

*MB-1*: one loading crew (2 USAF and 4 RCAF) can load 2 MB-1s in 1 hour 40 minutes. At each of 5 Canadian bases there are 12 CF-101s each carrying 2 MB-1s.

By adding to the loading crews, the time for bringing a complete BOMARC site or CF-101 squadron to a state of operational readiness can be proportionately reduced.

*Note*: These basic figures do not take account of shift requirements for 24-hour manning, sickness, leave, etc.

#### *(b) Activating the Cargo Airlift at an Earlier Stage of Alert*

Providing that U.S.A. custodial personnel were available at all times and accompanied the warheads to their sites in Canada, it would be within the discretion of the Canadian Government to order the cargo airlift at any time. Problems would arise in connection with the CF-101 which is not suitable for the carrying of custodial personnel.

#### *(c) The "Missing Part" Formula*

Several alternatives were presented under this heading. The two warheads under consideration are both sealed units. To render them non-operational would require the removal of one essential part. The American experts suggested that this part might be, in the case of the BOMARC, the "warhead arming plug"; and in the case of the MB-1, either the "umbilical power cable" (a part of the warhead) or the "ejector rack cartridge" (a part of the weapon system in the aircraft).

All three parts are small enough that the requirements of a whole BOMARC station or an entire CF-101 squadron could be carried in one CF-100 or T-33 type aircraft. By keeping these aircraft on 15-minute alert at USAF bases 24 hours a day, the missing part could be brought to the BOMARC and interceptor bases in Canada in times ranging from 35 minutes to one hour, depending upon the distance from the support base in the U.S.A. Once the necessary parts

were on site, each BOMARC could be rendered operational in 10 minutes and each CF-101 in one hour 35 minutes. As none of the “missing parts” considered is a nuclear component, the problem of U.S.A. custodial personnel during the airlift phase does not arise.

The requirements under this alternative are as follows:

- a. Weapons including warheads minus critical “power plug” on site.
- b. MB-1 storage areas for each RCAF base complete.
- c. USAF and RCAF custody, security, maintenance, load personnel on site (MB-1 site, 40 U.S.) (BOMARC, 26 U.S.).
- d. Six (6) CF-100 standing 15-minute alert at U.S. support base (North Bay dual site) (1 Back-up aircraft at each base) Total 12.
- e. One (1) T-33 standing 15-minute alert at U.S. support base (1 Back-up) Total 2.
- f. Delivery aircraft will average 400 K ground speed.
- g. One (1) helicopter standing alert North Bay.
- h. Each CF-101 base will have four load crews always available.
- i. Each BOMARC site will have four crews always available to install warhead arming plugs.
- j. Each CF-101 base will have 12 aircraft always available, as follows:
  - (1) Four (4) aircraft and eight (8) MB-1s on MF-9 trailers near aircraft (QRA).
  - (2) Eight (8) aircraft – not on alert with their MB-1s on MF-9 trailers in storage sites.

*For BOMARC:*

10 minutes would be needed to install the missing part in each BOMARC missile using a loading crew of one USAF and one RCAF personnel. With a normal complement of 4 loading crews, the 28 BOMARC missiles at each site could be armed in 1 hour and 10 minutes. This could be reduced to a *total* loading time of 10 minutes if 28 loading crews were available. To each of these times would have to be added transport time, ranging from approximately 45 minutes to one hour, depending upon the distance from the U.S.A. supporting base.

Thus the total time factors are as follows:

*with 4 loading crews* all the BOMARCs could be made operational within 1 hour 55 minutes to 2 hours 10 minutes;

*with 28 loading crews* all the BOMARCs could be made operational within 55 minutes to 1 hour and 10 minutes.

*For CF-101:*

*(a) Using Umbilical Power Cable (part of the missile itself).*

This part is small and easily transportable but cannot be installed while the weapon is loaded aboard the aircraft, and after it is installed a series of checks must be carried out to test the missile’s safety and operational readiness.

*Using one loading crew* (2 USAF and 4 RCAF personnel) these procedures could be accomplished in one hour 10 minutes for the two MB-1 missiles carried by one CF-101.

*With a normal complement of 4 loading crews* (8 USAF and 16 RCAF personnel) 12 aircraft could be loaded in 4 hours 40 minutes.

*Using 12 loading crews* (24 USAF and 48 RCAF personnel) this time could be reduced to 1 hour 35 minutes for 12 aircraft.

To each of these times there must be added the time it would take to fly the missing part from the U.S.A. This will range from 35 to 45 minutes depending on the distances involved.

Thus the period in which all the CF-101s could be given an operational capability would be approximately 5 hours 15-20 minutes with 4 crews; 2 hours 20 minutes with 12 crews.

(b) *Using the Ejector Rack Cartridge (a part of the aircraft).*

This is an integral part of the MB-1 weapon system and essential to the missile's operational capability. Without it, the MB-1 missile cannot be lowered into firing position and would thus be rendered inoperable. It can be installed in each aircraft in 5 minutes. To this loading time would have to be added the time it would take to fly the missing part from the U.S.A. Thus, the period in which all the CF-101s could be given an operational capability using this missing part would range from 40 to 50 minutes. The ejector rack cartridge is not however a part of the warhead and its selection as the "missing part" might not be reconcilable with the Cabinet directive.

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In respect of the MB-1 missile, the American experts have been asked to explore further:

- (a) revised arrangements for tactical ferrying, combined with the possibility of instituting the tactical ferry at an early stage of alert; and,
- (b) the possibility of selecting some part of the MB-1 missile itself of a size and nature which would permit a faster installation time.<sup>38</sup>

[H.C. GREEN]  
 [G.M. CHURCHILL]  
 [D. HARKNESS]

235.

DEA/50210-H-40

*Note de la 1<sup>ère</sup> Direction de liaison avec la Défense*  
*Memorandum by Defence Liaison (1) Division*

CONFIDENTIAL

[Ottawa], December 18, 1962

CLOSING OF U.S. SAGE SITES

A/V/M Annis told me that they had just received today a message from Air Commodore Newsome of the Canadian Joint Staff, Washington, indicating that Secretary McNamara had issued a directive requiring the closing down of six SAGE sites and 17 Prime Radars in the northern United States. These are quite close to the Canadian border and apparently are regarded by the RCAF as part of the ground environment system for air defence.<sup>39</sup>

2. A/V/M Annis did not know whether a notice of this U.S. intention would be transmitted through diplomatic channels.

3. He proposed that this subject should also be discussed at an early date.

A.R. M[ENZIES]

<sup>38</sup> N'a pas été présenté au Cabinet./Not submitted to Cabinet.

<sup>39</sup> Note marginale ./Marginal note:  
CADIN AGT. [Auteur inconnu/Author unknown]



236.

DEA/50210-H-40

*Note de la 1<sup>ère</sup> Direction de liaison avec la Défense  
pour le chef de la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Memorandum from Defence Liaison (1) Division  
to Head, Defence Liaison (1) Division*

SECRET. CANADIAN EYES ONLY.

[Ottawa], December 20, 1962

PHASING OUT OF U.S. SAGE SITES

*SAGE, etc., in Canada*

By an exchange of notes, dated September 27, 1961, entitled in the U.S. Treaty Series "Defense: Improvements in the Continental Air Defense System,"<sup>40</sup> Canada and the USA agreed to construct and install in Canada

- (a) seven new heavy radar sites (in the Pinetree system)
- (b) forty-five gap filler radar sites (also in the Pinetree system)
- (c) one SAGE Combat Centre/Direction Centre (at North Bay)
- (d) certain modifications to existing radars
- (e) two Bomarc missile squadrons (approximately 30 missiles to each squadron at North Bay and La Macaza)

The facilities are expected to be fully operational in 1963.

2. The notes recognize that the "facilities in Canada (were) required to strengthen and extend the continental air defence system" and stemmed from "recommendations of the Commander-in-Chief, North American Air Defence Command" and discussions in the Canada-United States Ministerial Committee on Joint Defence. The notes specify that where the two governments do not agree on the continued requirement of the facilities, the PJBD, in considering the question of need, "will take account of the relationship of the facilities to any similar installation established in the mutual defence interest of the two countries."

*SAGE in the USA*

3. In 1960 a reappraisal of the air defence programme was presented to Congress by the USAF Chief of Staff and supported by the Department of Defense. This reappraisal had been considered by NORAD, including the RCAF, and it was the subject of discussion and correspondence between the Minister of National Defence and the U.S. Secretary of Defense. The correspondence and circumstances suggest that consultation on what was admitted to be "major changes to the air defence structure of North America" was virtually coincidental with the event and perhaps, from the point of view of the opportunity afforded Canada to comment effectively, no more than *pro forma*. For Canada's part, the main concern was to safeguard the CADIN Agreement. Thus, when at one stage during Congressional consideration funds for the whole programme were deleted, the Canadian Government made representations to the Administration.

4. In the result, the counterpart programme as planned in the USA was drastically curtailed, e.g., Bomarc sites were reduced from 18 to 10. The SAGE units, instead of being underground, were to be built above ground and were to be far less sophisticated.

5. In September of this year, according to information provided us informally yesterday, December 19, by the RCAF (see attached RCAF memoranda†), the RCAF received informally

<sup>40</sup> Voir *Recueil des Traités du Canada, 1961, n° 9*/See *Canada Treaty Series, 1961, No. 9*.

information concerning the revision of air defence planning by NORAD. This report centered on the introduction of the improved manned interceptor (a long range aircraft carrying its own radar devices for detecting aircraft) into the air defence system and the incidental cutting back of existing ground environment systems in the USA. The USAF was cautioned by the RCAF on the need to consult with appropriate Canadian officials.

6. Later (October 2) it was learned that USAF comments on the NORAD report had indicated that the revised plans would require revision of the CADIN and DEW Line Agreements. It was also pointed out that the proposed reduction (as a USA unilateral decision in the NORAD system) could have a serious impact “on Canada’s internal affairs and on Canada/United States relations.” (See paragraphs (d) and (e) of RCAF memorandum of October 2, 1962.) According to information early in December, the NORAD proposals had been submitted to the Secretary of Defense and an analysis of the proposals for the improved manned interceptor concept and a consequent reconfigured ground environment system was being undertaken. It was also inferred that a much broader study of the future air defence of North America was being contemplated. While a decision on the overall system was not anticipated in the near future, the RCAF had concluded that cuts in the existing SAGE environment could come in either USA Fiscal Year ‘64 or ‘65. It was also reported that U.S. Department of Defense was aware of the need to consult prior to taking action which would lead to changes in the NORAD system. (RCAF memorandum of December 3, 1962.)

7. On December 19 the Air Member of CJS(W) reported to CAS that the “Secretary of Defense had returned the USAF budget in the form in which it will go to Congress in early January.” The budget showed a deletion of \$35 million based on the proposed phasing out of 6 Direction Centres (out of a total of 23) and 17 radar sites (out of a total of 130) of the United States SAGE system. The main SAGE centres (8) are apparently unaffected at this time. Recommendations as to which sites are to be affected have to be available to USAF HQ by January 15. The USAF will seek RCAF participation “in an observer capacity” to ensure that any system cutbacks are thoroughly aired on a bilateral basis.” (See attached telegrams from CANAIRWASH to CANAIRHED.†)

8. On December 18 the Vice Chief of the Air Staff informed Mr. Menzies of the information received from Washington and proposed that the matter be discussed with us at an early date. Yesterday, December 19, G/C Sheffield left with me a copy of the telegram from Washington and related RCAF memorandum,† for our informal background information pending the proposed meeting.

*Comments:* It would appear that the RCAF’s watching brief has been overtaken by Secretary McNamara’s decision. Apart from the question of inter-governmental consultation, raised below, and the moot point whether we should not have been alerted sooner, the question is raised of the adequacy and efficacy of the inter-service (RCAF-USAF) consultative process and, more serious, the functioning of NORAD as an integrated command, assuming, as seems to be the case, that the Secretary’s decision stems from NORAD proposals. (Is the answer that NORAD is integrated only for operational purposes and not for planning? The purpose of the Agreement is to establish an integrated headquarters to exercise “operational control” over forces of the two countries made available to it. This surely implies consultation on planning and, in any event, the agreement specifies that the integrated arrangements “increase the importance of fullest possible consultation between the two governments on all matters affecting the joint defence of North America.”) In any event, as far as the RCAF is concerned (and perhaps the Canadian Government also), it is confronted with a *fait accompli*, being granted only “observer” status in the consequent discussions as to which USA sites should be phased out now.

*Questions Posed by the Secretary of Defense Proposals*

9. (1) What is the extent of the USA decision and what will be the immediate effect of the phase-out as planned for Fiscal Year '64 on the Canadian element of the Continental Air Defence System (CADIN), i.e., is its completion and subsequent sustained operation supportable militarily?
- (2) What are the longer run defence implications for progressive phasing out of the USA SAGE system and development of the IMI concept for CADIN (e.g., Will BOMARC and Voodoo continue to be supportable defensive weapons?) and for Canada's role in air defence of North America?
- (3) Notwithstanding the actual military implications, what are the likely domestic political implications, assuming the USA decision becomes public, as is likely? It would seem, for one, that the Government could be open to criticism that it is supporting an obsolete system in SAGE and BOMARC (and Voodoo?). The argument against nuclear weapons could be fortified.
- (4) Does this situation permit a valid charge to be levied that the RCAF's participation in NORAD has been rendered ineffective on the planning side as opposed to command, etc.? This depends on whether NORAD is integrated for planning as well as operations. The references to a NORAD report may have strictly meant CONAD (Continental Air Defence). On the other hand, if it were a NORAD report, should it not be submitted to the Minister of National Defence?<sup>41</sup>
- (5) In any event, the report is a NORAD one in effect and the spirit, if not the letter, of the CADIN and NORAD Agreements and of joint defence generally would appear to have been violated by absence of consultation (assuming there has been no formal consultation with Ministers). This is exacerbated by the fact that such consultation was conceded in the NORAD report to be desirable, if not required.
- (6) What are the implications of the USA action in this case on joint defence? Have they decided to go it alone on North American Defence?

*Suggested Course of Action*

10. (1) An immediate meeting with RCAF (and presumably the Deputy Minister of National Defence's office) to obtain any possible elaboration of the above and to discuss implications and the course to be recommended to Ministers.

Subject to the foregoing:

- (2) Inform the Minister and the Prime Minister.
- (3) Ask the Embassy to enquire formally of the USA Government's intentions and plans regarding publicity.
- (4) In the light of the Embassy's information, reconsider with all departments which might be concerned, e.g., DND, DOT, DDP.
- (5) Consider whether further action – e.g., representations, if any, should be recommended, and on what – e.g., substance of the USA decision, timing of it, lack of consultation.<sup>42</sup>

J.S. NUTT

<sup>41</sup> Note marginale :/Marginal note:  
Note terms of reference of CINC NORAD. [Auteur inconnu/Author unknown]

<sup>42</sup> Note marginale :/Marginal note:  
Seen. R. C[ampbell]

237.

DEA/50210-H-40

*Aide-mémoire de l'ambassade des États-Unis**Aide-mémoire by Embassy of United States*

TOP SECRET

Ottawa, January 11, 1963

The Embassy has been authorized to give to the representatives of the Government of Canada the following statement of views in response to questions raised by the Canadian representatives at the last meeting:

1. After a most careful review of the proposal for fly-down, the conclusion has been reached that such an arrangement is not attainable. Aside from tactical disadvantages and serious practicable difficulties, such as the RCAF going at the wrong time in the wrong direction, legal advisers within the United States Government have confirmed the previous view of the impossibility of the United States Government releasing control of the weapons for free flight, including return to Canadian bases, until the military emergency was far advanced. At such stage of emergency the usefulness of RCAF aircraft would be greatly degraded at a critical time for effective defense purposes since they would not be in a normally prescribed defense location.

2. The Department of Defense after a most careful technical study has concluded that there is no practicable alternative to the umbilical cable or the ejector rack for the CF-101 problem if the "missing part" concept has to be adhered to.

3. The official level in Washington believes that very considerable reluctance exists at a high policy level to entering into any contrived agreement on the nuclear question which would not meet urgent and effective defense requirements. In this connection it should be recalled that talks to this date have been exploratory and that no United States Government position has yet been taken on this vital question. In view of this and because the U.S. negotiating team could only report the findings outlined in paragraphs 1 and 2 above, the proposed meeting to discuss the foregoing at this time would not appear useful.

238.

DEA/50210-H-40

*Aide-mémoire de l'ambassade des États-Unis**Aide-mémoire by Embassy of United States*

TOP SECRET

Ottawa, January 15, 1963

It will be recalled that at the informal discussion on January 11, 1963 the representatives of the Canadian Government raised several questions regarding the meaning of numbered paragraph three of the Embassy's Aide-Mémoire of January 11, copy attached. The Canadian representatives requested these clarifications in order that they might inform their principals of current thinking by the United States Government on the question of a nuclear stockpile agreement. In pursuance of this desire on the part of the Canadian representatives, the Embassy has transmitted their questions to the Department of State and has now received a reply as follows:

1. We believe there may not have been full clarity on the Canadian side at Paris as to the basic thrust of United States views. We understand that in the Paris conversation the United

States side indicated its preparedness to try to meet the Canadian problem but pointed out that any arrangements reached must provide for an effective defensive posture.<sup>43</sup>

2. The importance of this latter essential continues to prevail in United States thinking. Consequently, while the cartridge approach for the CF-101 and the idea of moving “missing parts” to Canadian bases at a DEFCON level as low as four would represent a considerable improvement in the operation of the missing piece concept, such improvement would be insufficient to meet an urgent and effective defense requirement which really calls for the ability to respond within likely time of any warning without running the risks of possible last minute difficulties in moving missing parts to Canada in time of emergency.

3. While the most practical solution would be the normal stockpile agreement of the type which the United States has with most other allies, the United States Government is prepared to negotiate with Canada an arrangement involving the missing piece concept, provided the missing piece is stored in Canada and is one which can be installed with minimum delay. The missing piece could possibly be under either United States or Canadian custody.

4. With reference to the views expressed in the Aide-Mémoire of January 11 the United States Government had no thought of discontinuing the talks or of changing the channel of talks, but simply saw no need for a team to go to Ottawa at this particular time since the Embassy could convey the substance on the two outstanding factual questions set forth in numbered paragraphs one and two of the Aide-Mémoire under reference.

239.

DEA/50210-H-40

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

*Memorandum by Assistant Under-Secretary of State for External Affairs*

TOP SECRET

Ottawa, January 19, 1963

As a follow-up to the two Aide-Mémoires presented on January 11 and [15], Ivan White called on January 18 to show me the text of a telegram Mr. Rusk had sent to the U.S. Embassy in Ottawa under date of December 20 concerning the Ministerial talks in Paris. The telegram was to the following effect:

Rusk and McNamara met alone with Green and Harkness on December 19 to discuss Canada's nuclear problem. We said we were ready to help the Canadians meet their difficulties so long as the method did not impair the objective of regional defence. In this connection we made clear that there was no point in having a solution so contrived that it would not achieve this objective.

<sup>43</sup> Green, Harkness, Rusk et McNamara se sont rencontrés à Paris le 14 décembre 1962. Les ministres canadiens ont alors eu l'impression que le gouvernement américain souhaitait donner suite au projet de « pièce manquante ». Ulérieurement, McNamara a téléphoné à Harkness pour lui faire savoir que ce projet était en fait considéré comme irréalisable. À l'époque, Green n'a pas été informé de cette conversation : c'est le département d'État qui a mis au courant l'ambassade du Canada à Washington le 25 janvier 1963. Voir H. Basil Robinson, *Diefenbaker's World: A Populist in Foreign Affairs* (Toronto: University of Toronto Press, 1989), p. 299, 334 n.3.

Green, Harkness, Rusk and McNamara met in Paris on December 14, 1962. The Canadian ministers received the impression that the American government was willing to pursue the “missing part” idea. Subsequently, McNamara telephoned Harkness to say that the proposal was in fact considered unworkable. Green was not informed of this conversation at the time; the Canadian Embassy in Washington learned about it from the State Department on January 25, 1963. See H. Basil Robinson, *Diefenbaker's World: A Populist in Foreign Affairs* (Toronto: University of Toronto Press, 1989), pp. 299, 334 n.3.

In short, there was no meeting of minds regarding a satisfactory solution. It was agreed that talks at the official level were to continue.

R. C[AMPBELL]

240.

J.G.D./MG01/XII/F/100

*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], January 30, 1963

Attached is a copy of the statement released to the press simultaneously, in Washington by the State in Washington and in Ottawa by the United States Embassy at 6.15 p.m. today concerning United States-Canadian negotiations regarding nuclear weapons.<sup>44</sup> Half an hour before release time, officers of our Embassy in Washington and of the Department of External Affairs in Ottawa were given advance notice that the release was being made and were given the text.

2. In Ottawa, the text was made available by the United States Embassy without comment. In Washington, presentation of the text (to Mr. H.B. Robinson) was accompanied by the following oral comments, after an apology for the shortness of the notice:

(1) There had been four years of discussions between the two governments on the question of nuclear weapons for the Canadian forces. All had proved abortive and not for technical reasons.

(2) With respect to the negotiations relating to nuclear weapons systems in Canada, the U.S. authorities had thoroughly examined the idea of storing some component parts in the U.S.A. but had arrived at the considered view that such an arrangement would be a contrived solution which might not only fail to strengthen continental air defence, but might create added confusion at a time of emergency and might mislead people as to the state of continental defence.

(3) The U.S. authorities do not see the relevance of the references to the Nassau Agreement, in your statement in the House on January 25, in relation to the question of nuclear warheads for Canadian forces in Europe.<sup>45</sup> They do not see that Nassau would justify delays in providing the warheads since the weapons available to Canadian forces in Europe only become effective with nuclear warheads.

(4) Regarding your references to the problem of obsolescence in modern armaments, there is in the United States view a difference between scrapping weapons which are becoming obsolete and immobilizing modern weapons which are not effective without nuclear warheads.

3. In addition to the foregoing points, some of which are touched upon in the public release, Robinson was informed that the following additional factors entered into the United States decision to issue the release:

<sup>44</sup> Voir/See "U.S. and Canadian Negotiations Regarding Nuclear Weapons," *Department of State Bulletin*, Vol. 48, No. 1234 (February 18, 1963), pp. 243-244.

<sup>45</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-1963, vol. 3, pp. 3276 à 3289. See Canada, House of Commons, *Debates*, 1962-1963, Vol. 3, pp. 3125-3137.

(a) The United States had felt obliged to set out in factual terms the status of the problem as seen by the United States in the light of your statement of January 25.

(b) There had been considerable public speculation, mainly in Canada but some in the United States, which had made it necessary for the United States to state its side of the case.

(c) The fact that the disclosure about the secret negotiations had been made in Ottawa without prior notice to Washington had caused much concern in Washington, even though no reference was made to this aspect in the public release.

4. Robinson was also informed that the public release had been so drafted as not to preclude further negotiations. United States authorities realized that publication would cause controversy in Canada but they had found it impossible to withhold it after careful consideration of all the circumstances.

5. The Embassy in Washington will be reporting the above oral comments more fully by telegram.

N.A. R[OBERTSON]

241.

J.G.D./MG01/XII/C/206

*Note du ministre de l'Agriculture  
pour le premier ministre*

*Memorandum from Minister of Agriculture  
to Prime Minister*

[Ottawa], February [1], 1963

When I heard the news about the USA Statement last night, I phoned Kohaly about the Legion reaction.

He outlined the Legion thinking on the nuclear warheads and gave me the resolution finally accepted. (It backed your stand.) On the Sovereignty issue he thought it would bring strong reaction from the Legion in favour of Canada making its own decision.

Mervyn Woods came down to see [me]. After a long discussion, he thought if the issue was put the right way (the right of Canadians to make own decisions and control own military action) then the soldiers' attitude in 2 wars would rally behind the Government in its efforts to preserve Canadian identification. (In 2 wars we struggled to free ourselves from British control of our military actions.) In his judgment it would be easier to raise this issue against the USA. In other words, the Canadian serviceman would resent British domination less than American domination.

In general I detected a feeling that Pearson made a mistake in changing his policy. Most people are not opposed to nuclear warheads. That is not the issue. The issue now is "Are the Americans pushing us around?"

I thought these observations might be worthwhile. The general political climate in the West is good.

ALVIN HAMILTON

242.

DEA/50210-H-40

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

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

TOP SECRET

Ottawa, February 4, 1963

DEFENCE NEGOTIATIONS WITH U.S.A.

The Aide Mémoire of January 11 contained in its third paragraph language which implied that the views of the Ministers of the USA Government had not been ascertained on the various proposals which had been the subject of the negotiations to that date. Because we were aware that Ministerial conversations had taken place in Paris, in which you participated, we asked that this aspect be clarified before any attempt be made to present views in writing. As a result, the second Aide Mémoire dated January 15 was presented. For all practical purposes it is only that memorandum to which consideration need be given. Its main elements are:

- (1) an assertion that the proposal to airlift missing parts to Canada while a "considerable improvement," would still be insufficient to meet operational requirements;
- (2) a counter-proposal that the missing part in respect of each system be stored in Canada;
- (3) a re-affirmation of the intention to continue the negotiations through existing channels.

2. Points (1) and (2) of the USA communication of January 15 raise considerations which ought to be explored further with the USA. These are discussed in detail below.

- (1) The idea of moving missing parts from locations in the United States to Canadian bases, even if the airlift were to take place at as low an alert level as DEFCON-4, is not acceptable because it would be insufficient to meet defence requirements, which are defined as "the ability to respond within likely time of any warning without running the risks of possible last minute difficulties in moving missing parts to Canada in time of emergency."

*Comment:*

This position can be questioned on several grounds:

(a) The judgment about the military effectiveness of "the missing part" concept was being applied to the "warhead arming plug" in respect of the Bomarc; and to the "ejector rack cartridge" in the case of the MB-1. In so far as the latter is concerned it had already been indicated to the American team that this piece of equipment, because it is not part of the warhead, might not be reconcilable with the Cabinet directive and that their attention should be directed to the search for missing parts of the warhead itself. Thus the USA appear to have included in their rejection a missing part which on our side might not have been acceptable.

(b) The judgment is made that the time in which these two weapons systems could be brought to operational readiness using the above-mentioned two missing parts (with 4 loading crews, for Bomarc 1 hr. 55 min. to 2 hr. 10 min.; for CF-101, 40-50 min.) does not meet operational requirements even if activated at DEFCON-4. This statement can be questioned on two grounds:

- (i) A review of NORAD alerts shows that 3 times in the last six years NORAD has been placed on DEFCON-4 alert. (July 15 to August 2, 1958 – Lebanese crisis; May, 1960 – U-2 incident; October, 1962 – Cuban crisis.) On any of these occasions, which were not followed by immediate transition to higher states of alert, the airlift of the missing parts could in fact have been accomplished without encountering "last minute



difficulties ... in time of emergency” as claimed by the Americans. The record demonstrates that NORAD goes on to DEFCON-4 in periods of sharply rising international tension.

(ii) The only contingency in which the missing part concept would not meet operational requirements would be that of surprise, all-out nuclear attack on North America. Quite apart from the unlikelihood of such a contingency arising without any warning through intelligence channels, there has never been an intention on the Canadian side to try to meet that contingency. To do so would require the acquisition and stationing of nuclear warheads in Canada in peacetime, and that alternative was specifically excluded from the terms of reference governing the negotiations to date. Had there been any intention to allow for that contingency, no negotiations would have been needed. Our purpose throughout has been to find a means of satisfying to the greatest degree possible the requirements of effective defence by reducing to the absolute minimum the time lapse in which the warheads could be made available from sources in the USA for Canadian delivery systems. Specifically, the object has been to find a means of arming all the Canadian delivery systems in under 3 hours, the warning time for impending bomber attack – the only kind of attack against which the Canadian nuclear defence weapons would be effective. The whole missing part concept was devoted to this end.

(2) The USA has made a counter-proposal, still purporting to be within “the missing part” concept, that the missing part be stored in Canada separately from the warhead under either USA or Canadian custody.

*Comment:*

This counter-proposal fails to meet the clearly stated Canadian objective: to find an arrangement which still would not amount to having on Canadian soil in peacetime operational warheads. If both parts were located in Canada, regardless of who held custody of “the missing part,” it would be difficult, if not impossible, to maintain this policy objective.

The only possible attraction of the proposal to locate the missing part in Canada is the offer of Canadian custody of it. If agreed to, such custody might be claimed to give Canada more complete control over the weapons than would the standard “two key” arrangement in use in other NATO countries.

3. To re-start the negotiations, it is recommended:

(a) that if the American counter-proposal to have both parts located in Canada is unacceptable, the USA be so informed with the explanation that it fails to take account of a fundamental Canadian policy objective as outlined above;

(b) that the American assertion that “the missing part” concept, when reduced to an operational readiness time factor of less than two and a half hours for all delivery systems, fails to meet the requirements of effective defence, even when coupled with activation at DEFCON-4, be questioned on the record of this state of alert in the past. It probably should be reiterated to the Americans that we are not seeking through these negotiations to meet the situation of total surprise attack; the objective is the most effective arrangement to meet any emergency short of that single contingency.

4. Before putting those views either orally or in writing to the Americans, it would be necessary for Ministers to consider again whether they were prepared, in relation to the MB-1, to accept the feasibility of using "the ejector rack cartridge" as the missing part or whether they would wish to revert to the earlier position, viz., that the USA experts should continue their search for a suitable part which is a part of the warhead itself.

N.A. R[OBERTSON]

243.

DEA/50210-H-40

*Extrait du journal du procès-verbal de la 105<sup>ième</sup> réunion  
de la Commission permanente canado-américaine de défense*

*Excerpt from Journal of the 105<sup>th</sup> Meeting  
of Permanent Joint Board on Defence*

SECRET

San Diego, February 4-8, 1963

...

#### 8. REDUCTION OF AIR DEFENSE FACILITIES (SECRET)

The U.S. Chairman requested that the USAF Member make a presentation on this subject.

The USAF Member reported that the U.S. Secretary of Defense, in submitting his budget recommendations for FY 1964 to the President, had indicated the desirability of phasing out soft SAGE Direction Centers, which were particularly vulnerable because of their location at SAC bases, and of prime radar locations which would be redundant to the needs of a modified system. This change in the Air Defense program was motivated by the concept that any enemy bomber attack would follow an initial strike performed by missiles. Given their location at some SAC bases, that is, at prime targets, the ability of the Direction Centers to survive was placed in serious doubt. This, in turn, would mean that they could not be counted on to perform their function in defense against any enemy bomber strike. For these reasons, engineering studies were being undertaken to identify which of the facilities would have to be inactivated. All of the Direction Centers in question were located in the United States.

The USAF Member went on to say the USAF and RCAF were working closely together on this problem. The action contemplated was not to be considered as reducing the importance of the overall U.S.-Canadian air defense system, but rather involved a change in the configuration of the system to meet a changing pattern of potential missile and bomber strike threats. The entire air defense system was under scrutiny and the study would embrace weapons as well as ground environment. The USAF Member believed it important that the Board know of this program, not only because it could have an effect on NORAD but also because of its bearing on other aspects of the joint defense effort. He hoped that it would be possible to provide more specific details at the Board's next meeting, since a deadline of May 15, 1963 had been placed on the study. At present, all he was able to report was that six Direction Centers and 17 prime radar sites in the United States would be affected, although their locations had not yet been determined. No budgetary request had been submitted to the U.S. Congress for FY 1964 for these facilities.

The External Affairs Member stated that, naturally, such an important change as was forecast by the proposed overall study would be of concern to Canada, and hence a question for inter-governmental consideration. The External Affairs Member also stressed the sensitivity which might arise from any premature publicity on either side regarding these matters which were, by agreement, for joint consultation.

The RCAF Member said that any substantial change or withdrawal of Air Defence facilities in the U.S.A. would have an effect on Air Defence installations in Canada since the network was so closely tied together. For this reason, when any change was contemplated unilaterally, the impact on the North American Air Defence system as a whole should be considered before any final decisions were made.

The USAF Member acknowledged the importance of Canadian-U.S. coordination on plans and programs and publicity concerning NORAD and believed adequate consultation between the USAF and RCAF was taking place in these matters.

The Board agreed that this was an important question and that it should remain on the Agenda.

244.

J.G.D./XIV/D/17

*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 7, 1963

Mr. Ritchie has just telephoned from Washington to inform us that a few minutes ago he had a telephone call from McGeorge Bundy, Special Assistant to the President, conveying the information that a clear and sharp instruction had gone out from the President that there was to be no comment on the Canada-U.S.A. controversy at any level of the U.S. Government, and that this silence was to be maintained throughout the Canadian election campaign. (Presumably this directive means that the President will decline comment on this subject at his press conference scheduled for 4 p.m. this afternoon.)

McGeorge Bundy also told Ritchie that the President knew nothing in advance about the State Department release of January 30 which triggered the current controversy. Bundy said "it was a case of stupidity and the stupidity was mine."<sup>46</sup>

N.A. R[OBERTSON]

245.

PCO

*Extrait des conclusions du Cabinet  
Extract from Cabinet Conclusions*

SECRET

[Ottawa], February 8, 1963

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Secretary of State for External Affairs (Mr. Green),  
The Minister of Justice (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 Public Works (Mr. Fulton),  
The Minister of Finance (Mr. Nowlan),

<sup>46</sup> Notes marginales :/Marginal notes:

Mr. Ritchie to see. N.A. R[obertson]

Seen by Mr. Wilgress [Auteur inconnu/Author unknown]

The Postmaster General (Mrs. Fairclough),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny)  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

#### NUCLEAR WEAPONS POLICY

39. *The Minister without Portfolio* said it would be useful if the Secretary of State for External Affairs would report on the status of negotiations with the United States on the subject of nuclear weapons.

40. *The Secretary of State for External Affairs* said that the situation had not changed since his last report to the Cabinet on the subject. While he and the former Minister of National Defence were in Paris recently they had discussed it with the U.S. Secretaries of State and Defence who had indicated that the proposed arrangement would be acceptable to the United States if the details could be worked out satisfactorily. Later, the U.S. Minister in Ottawa had handed an Aide Mémoire to officials of the Department of External Affairs but had been persuaded to withdraw it. Subsequently, the Aide Mémoire had been accepted by the Canadian Government. It indicated that the U.S. government would not be prepared to enter into an arrangement including the storage in the U.S. of the nuclear warheads for possible use by Canada. Notwithstanding this, one paragraph in the Aide Mémoire had indicated that the U.S. was prepared to continue negotiations.

41. *During the discussion* the following points were raised:

(a) The Prime Minister, in his recent policy statement in the House of Commons,<sup>47</sup> had expressed the hope that the negotiations would continue and would achieve success. The government should negotiate actively, because the public would be watching with particular interest for signs of progress.

(b) The Associate Minister of National Defence said that the government should inform the public that announcements would be made in due course on the progress of negotiations. The crux of the matter was to state that the agreement would make clear that title to the nuclear weapons would never pass to Canada although such weapons might be used by Canada under conditions of emergency or actual battle. This would make it clear that Canada would not become a nuclear power and would not acquire these weapons in peacetime. This would be so even though the warheads are brought on to Canadian soil. The "little key" idea – keeping a vital component of the warhead in the U.S.A. – cannot be worked. The public would recognize that circumstances are different during actual hostilities.

(c) Other Ministers said that such a proposal would involve a major change of policy and would in practice mean the storage of these weapons on Canadian soil.

<sup>47</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-1963, vol. 3, p. 3600.  
 See Canada, House of Commons, *Debates*, 1962-1963, Vol. 3, p. 3440.

(d) Some said that the Chiefs of Staff were inclined to the view that an arrangement to withhold a key component of a nuclear weapon for purposes of control would not be feasible, because in an emergency the weapons would have to be activated in perhaps an hour. Others said that such an arrangement would be entirely realistic and that the Chairman of the Chiefs of Staff had so described it.

(e) The whole matter of nuclear arms might have been kept out of party politics some time ago if a referendum had been held on it. This might have been desirable because the issue was one on which emotions ran high. Now, however, it was too late to treat the issue non-politically.

(f) The Prime Minister said that his recent statement in the House of Commons had been made on the basis of prior agreement of the whole Cabinet. The government had stated that negotiations would continue. Others noted that it had also been said that it was expected they would be completed satisfactorily, and that under the agreement these weapons would be readily available in case of need. A change of policy at this time would be extremely unwise, and would be regarded as a capitulation to the U.S. The government should make no further statement at this time, but must continue the negotiations.

(g) A group of Ministers had studied the agreements with the U.S. on F101 aircraft and Bomarc weapons, and had tentatively concluded that the government was under some degree of obligation to accept nuclear warheads for them. The question needed further and more careful examination. Some said that the agreement on the F101 aircraft clearly contemplated the possible use of conventional weapons.

(h) Some said the Chiefs of Staff were applying pressure upon the government on this subject. Others said the Chiefs of Staff had merely offered their advice on the military aspect of the question.

(i) Some said that the Canadian electorate should be told that the U.S. government wanted the nuclear weapons to be stored on Canadian soil. Others said that the policy of the U.S. government on this point was still classified as Top Secret and that it should not be disclosed by the Canadian government. Others said that in any case the question was one of basic principle and should not be made a political issue.

(j) This important subject required further consideration by the Cabinet at an early date. To facilitate this discussion a paper should be prepared, outlining the whole course of the negotiations with the U.S.

42. *The Cabinet* agreed that the Secretary of State for External Affairs would produce a memorandum as soon as possible for consideration by the Cabinet, reporting upon the whole course of the negotiations with the United States on nuclear weapons for Canadian forces in Canada and elsewhere and for U.S. forces in Canada.

R.B. BRYCE  
Secretary to the Cabinet

246.

DEA/50210-H-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*

TOP SECRET

Ottawa, February 13, 1963

Dear Charles [Ritchie],

As you know, negotiations took place in November and December last with a team of American experts who came twice to Ottawa for the purpose of developing a mutually satisfactory arrangement under which nuclear warheads for the Bomarc and CF-101s would be held on bases in the United States available for use by the RCAF on request of the Canadian Government when war appears imminent. So that you may be fully familiar with the stage at which these negotiations had arrived on December 4, 1962, when the negotiating teams last met in Ottawa, I am attaching a copy of a memorandum dated December 8. You will note that by using the "missing part" approach and a normal complement of loading crews at sites in Canada, it had proved possible to devise arrangements which would enable both the Bomarc and the CF-101s to be armed with their nuclear warheads in well under three hours, the likely warning time of any bomber attack on this continent.

At a meeting in Paris last December with Mr. Rusk and Mr. McNamara, in which I participated along with the former Minister of National Defence, the American Ministers indicated that they were prepared to work out with the Canadian Government a stand-by arrangement for the nuclear arming of the Bomarc and CF-101s in case of need. There was no suggestion at the time that the "missing part" proposal was incapable of meeting the requirements of effective defence. Nevertheless, in mid-January the United States Embassy in Ottawa left with the Department two aide mémoires (January 11 and January 15, copies attached) indicating that the proposal to airlift missing parts to Canada would be insufficient to meet operational needs, and counter-proposed that the missing parts in respect of both systems be stored in Canada under either United States or Canadian custody. At the same time, the aide mémoires confirmed the readiness of the United States authorities to continue the negotiations. Subsequently Mr. Rusk at his press conference on February 1 said in reply to questions, "These are matters which have been discussed with the Canadian Government in private talks and I would suppose that these private talks would be resumed."<sup>48</sup>

The Canadian Government is ready to resume the talks. Although the previous channel of communications has been through the United States Embassy in Ottawa, I would prefer to have you take the next step in Washington in order that the Canadian Government's views will be presented direct to the Secretary of State. For this purpose I am attaching the text of an aide mémoire given approval by Cabinet on February 12,<sup>†</sup> which you are to leave with Mr. Rusk and use in part as a guide in your oral remarks.

There may be a disposition on the part of the United States Government to postpone further negotiations until the Canadian elections are over on the ground that to proceed might have some bearing on the outcome, since nuclear policy has become an election issue. I think you might put it to Rusk that both sides are committed to a continuation of these talks and that any reluctance to resume them now might lead to further misunderstanding. In addition, of course,

<sup>48</sup> Voir/See "Secretary Rusk's News Conference of February 1," *Department of State Bulletin*, Vol. 48, No. 1234 (February 18, 1963), pp. 235-236.

moving ahead as quickly as possible with these arrangements would demonstrate the concern of both Governments to meet continental defence requirements.

If Mr. Rusk should raise further outstanding questions relating to nuclear armament for Canadian forces in Europe or for United States forces in Canada, you should say that your instructions cover the subject matter of the aide mémoire only.

Yours sincerely,

[HOWARD C. GREEN]

247.

DEA/50210-F-40

*L'état-major interarmes du Canada aux États-Unis  
au président du Comité des chefs d'état-major  
Chairman, Canadian Joint Staff in United States,  
to Chairman, Chiefs of Staff*

TELEGRAM JSW49

Washington, February 14, 1963

SECRET

CANADA—US CO-OPERATION

1. Further to telephone conversation CCJS(W)/CCOS Wednesday 13 February, CCJS(W) made a 45 minute call today on Honourable Paul Nitze, Assistant Secretary of Defense (International Security Affairs). All current aspects of Canada-US cooperation were fully and frankly discussed and some interesting new information was revealed.

2. Mr. Nitze stated that on taking up his present position in Kennedy Administration matter of good Canada-US co-operation was number one priority in his estimation. He cited his own active participation in F104 programme in compensation for failure of CL44 programme.

3. It was Mr. Nitze's belief that present Canada-US difficulties had become acute in US eyes following Paris meeting on 14 December 1962 of Messrs McNamara and Rusk with Messrs Harkness and Green at which point US authorities felt there would be no further satisfactory progress toward Canadian acceptance of nuclear weapons. Further he was of the opinion that US State Department statement of 30 January resulted directly from that part of Mr. Diefenbaker's speech in House of Commons on 25 January referring to necessity of undertaking clarification of Canada's role in NATO defence plans as result of Nassau communiqué. Mr. Nitze was firmly of impression that Prime Minister's statement referred to paragraph 8 of Nassau communiqué rather than paragraph 6 wherein tactical nuclear forces are mentioned. It was surprise to him to realize that role of Canada F104Gs in Europe might possibly be altered by assignment to any NATO multilateral nuclear force.

4. Mr. Nitze had no personal knowledge of any request to Canada for large numbers of over-flights of SAC aircraft with nuclear weapons during Cuban crisis, as mentioned by columnist Marcus Childs in *Washington Post* on 13 February.<sup>49</sup> Mr. Nitze said he would find out about this situation and let me know in due course. On a visit to JCS immediately following my conversation with Mr. Nitze, JCS staff confirmed that they had no knowledge of request for additional over-flights.

5. On other unrelated matters Mr. Nitze confirmed speculation that Italy did not wish to commit herself for or against providing base facilities for three Polaris submarines until after

<sup>49</sup> Voir/See Marquis Childs, "New Isolationism After the Crisis," *Washington Post*, February 13, 1963, p. A16.

Italian elections at end of April. With regard to Spain, he considered that it was very desirable militarily for Spain to join NATO but that there would probably be overriding political reasons against such steps at this time.

6. Generally Mr. Nitze appeared to be deeply concerned over the Canada-US rift and was most genial in offering to seek and report further facts. He stated that good relations between us were still of top priority in his estimation.

248.

DEA/50210-H-40

*Aide-mémoire de l'ambassade aux États-Unis*

*Aide-mémoire by Embassy in United States*

TOP SECRET

Washington, February 21, 1963

On January 11, the United States Embassy in Ottawa left with the Department of External Affairs an Aide-Mémoire setting out the replies of the United States Government to a number of questions which had been posed at the last meeting of officials on December 4, 1962. Clarification of certain points made in the U.S. Aide-Mémoire of January 11 was requested by the Canadian side. This was supplied in the further Aide-Mémoire of January 15, 1963. The following Canadian comments are offered in connection with both documents.

(1) Reference has been made to the meetings between Canadian and United States Ministers in Paris on December 14, 1962, in terms which suggest that there may have been a Canadian misunderstanding as to the main U.S. preoccupation. The Canadian understanding of these talks was that the United States was prepared to work out with the Canadian Government a stand-by arrangement for the arming of the Bomarc and CF-101s in case of need. There was no suggestion that the "missing part" proposal was incapable of meeting the requirements of effective defence.

(2) The Aide-Mémoire of January 11 noted that if the "missing part" concept were to be applied, there was no practicable alternative to the umbilical cable or the ejector rack cartridge for the CF-101. The Canadian side is prepared to explore further the best means of reducing to a minimum the time required to make the CF-101 operational with the MB-1 missile. In respect of the Bomarc, the Canadian side understands that the use of the warhead arming plug would provide a practicable solution.

(3) The Aide-Mémoire of January 15 asserted that the movement of missing parts to Canadian bases at a DEFCON level as low as four, while representing a considerable improvement in the operation of the "missing part" concept, would still be insufficient to meet an urgent and effective defence requirement. The latter was defined as "the ability to respond within likely time of any warning without running the risks of possible last-minute difficulties in moving missing parts to Canada in time of emergency." The Canadian side has the following comments to offer in this connection.

(a) A review of NORAD alerts shows that three times in the last six years NORAD has been placed on DEFCON-four alert in periods of sharply rising international tension (July 15 to August 2, 1958 – Lebanese crisis; May 1960 – U2 incident; October 1962 – Cuba crisis). On any of these occasions, which were not followed by immediate transition to higher states of alerts, the airlift of missing parts could in fact have been accomplished without encountering "last-minute difficulties in time of emergency."

(b) Both of the Canadian delivery systems are effective only against bomber attack and the object of the negotiations to date has been to find the most effective arrangement for arming the Canadian delivery systems in under three hours, the likely warning time for impending bomber attack. The proposals under consideration as of the December 4,



1962 meeting of the negotiating teams demonstrated that it is possible to be well within this warning time.

(4) The U.S.A., in its Aide-Mémoire of January 15, has made a counter-proposal that essential missing parts be stored in Canada separately from the warhead, under either U.S.A. or Canadian custody. This counter-proposal fails to meet the Canadian objective of negotiating a stand-by arrangement which would not involve the storage on Canadian soil in peace-time of fully operational warheads.

It is noted from the Aide-Mémoire of January 15, that the United States Government had not thought of discontinuing the talks. On its side, the Canadian Government is ready to continue the negotiations.

249.

DEA/50210-H-40

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

Washington, February 21, 1963

I saw Rusk by arrangement this afternoon and gave him the Aide Mémoire on nuclear weapons negotiations. I emphasized that on the Canadian side we felt that the talks so far had been making real progress toward agreement on the basis of the "missing parts" concept. As I understood it, the time element had been sufficiently narrowed to make the concept feasible and we had come close to agreement on what the particular missing parts might be. In putting forward the Aide Mémoire, the Government was in effect confirming its belief that the degree of progress already made warranted continuation of the talks.

After reading the memorandum and listening to my comments, Rusk said with some emphasis that it had not been the United States view that the Ottawa talks had been discontinued. Later he came back twice more to the same theme and said it was important that no impression be left that my interview with him represented some new development. I was able to assure him that there was no difference between the United States and Canadian positions on this score since one of the purposes of the Aide Mémoire was to state the Canadian Government's readiness to continue the negotiations.

On the Aide Mémoire itself, Rusk said that they would study it very carefully and give us a reaction. He went on to say that, without anticipating their reply, he would like to make some comments to explain the United States position as it had developed up to the last United States Aide Mémoire on January 15. He explained that their preoccupation had been to reconcile the Canadian desire for a missing part solution with what they considered to be the requirements of operational efficiency in the probable circumstances of an emergency. He said that the time factor was a matter of very great importance as well as the "simplicity" of the arrangements. It was with these considerations in mind that he had sought, in talking to you in Paris, to suggest some arrangement whereby all the necessary equipment to make the weapons operational would be present in Canada, but the "conditions of non-operability" would be worked out "in Canada, by Canada." He said that they had difficulty in seeing the difference between holding the missing part separately in Canada and having it on a stand-by basis somewhere in the United States. Their preference for having it in Canada was that there could be a significant time differential.

I pointed out that for the Canadian Government there was a considerable difference involved. If the missing part was on Canadian soil it would be virtually impossible for the

Canadian Government to say that integrated nuclear weapons were not present in Canada. I said that you had been proceeding on the assumption that there was a basis for further discussion directed toward finding a mutually satisfactory arrangement under which the missing part would not be on Canadian soil. This had been your understanding of the basis of the Paris discussions.

Rusk stressed once again the importance attached by the United States side to an operationally efficient solution. Their technical experts had objected to the use of the umbilical cable for the Voodoo partly because of the time that would be taken in assembling it with the warhead and partly because there was increased danger of explosion if the umbilical cable were attached in other than normal conditions. I then pointed out that we did not exclude the ejector rack cartridge as an alternative to the umbilical cable. I went on to emphasize again that in the talks so far the arming time had been narrowed down to less than three hours and that in the Canadian view there was really not very far to go in reaching an agreement on the basis of the missing part concept which would be applicable to the warning time to be expected in all contingencies except a sudden all-out nuclear attack.

Rusk picked up a reference I made to the series of DEFCON stages and said that the trouble was that the movement through those stages could be extremely rapid since, as he put it, someone else was writing the scenario. He repeated that it was because of their concern over the timing aspect that he had tentatively suggested various ideas in Paris. Here he mentioned the leasing of a site in Canada to the United States and the possibility of putting a chain with two keys on the weapons. In putting forward these ideas he had been groping for an arrangement whereby (a) Canada could accurately contend that it did not have operational warheads on its soil in peacetime but (b) the weapons could be quickly transformed into full operational readiness in an emergency.

After undertaking again to study the whole matter, Rusk said that he wished to raise one related problem which he hoped would not arise but which he thought it desirable to mention. He said that in the next two months or so both the Canadian and United States Governments would be going through a sensitive period, in Canada because of the elections and in the United States because of the deep public interest in the problems confronting the Administration in the broad fields of foreign and strategic policy. He was sure that the Canadian Government would share the hope of the United States that nothing would arise to confuse issues within the Alliance or otherwise cause undesirable repercussions. He thought it only right to say that in view of the importance of avoiding misunderstandings, they would wish to feel free to clarify their own position in the unlikely event that any major confusion as to that position might develop. Rusk emphasized that he did not wish to anticipate difficulties, but explained that the necessity for public explanation of United States attitudes, in Congress and elsewhere, was so demanding that they would not wish to be precluded from clarifying where they stood if the need arose.

As I left there was a brief exchange on what might be said to the press. I explained that I was under instructions to make no comment, and Rusk agreed that nothing would be said from the State Department until there had been an opportunity for me to determine whether some brief statement could be authorized. Subsequently, as you know, it was possible to arrive at an agreed press line.

I am reporting separately on the part of the conversation which was devoted to Laos.<sup>50</sup>

[C.S.A. RITCHIE]

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<sup>50</sup> Voir/See document 517.

250.

J.G.D./MG01/XII/C/392

*Note du haut-commissaire au Royaume-Uni*  
*Memorandum by High Commissioner in United Kingdom*

CONFIDENTIAL. PRIVATE.

[London], February 25, 1963

NUCLEAR WEAPONS

The Canadian agreements for the use of Nuclear Warheads were based upon military assumptions which were apparently sound in 1958 before the development of long range missiles had reached either the power or the range they have today. This applies equally to the Americans and the Russians.

The Bomarc was intended as a weapon only to be used from fixed bases for the destruction of long-range aircraft carrying nuclear bombs.

The reason for the use of nuclear warheads, instead of conventional warheads is that the nuclear warhead cooks the aircraft and the nuclear bomb and renders it harmless.

These bombs were not intended to be fired over enemy territory but with[in] Canada itself. When this plan was made there were to have been Bomarc bases right across Canada from coast to coast. The fact is that only two of these bases have been completed.

On the estimate of General Guy Simonds (generally recognized as the best soldier produced in the last war) these would not be effective more than one thousandth of one percent of the weapons for use for attack.<sup>51</sup>

This means that the present Bomarc bases are for all practical purposes – useless.

This development is the result of American and Russian skill in the improvement of nuclear weapons. This is the reality which always must be faced in the constant change of weapons year by year.

The Bomarc bases have become useless and millions of dollars of the taxpayers' money would be thrown away for no purpose whatever if nuclear warheads were permitted for these two isolated bases.

It must be recognized that the limitation on the number of these bases is just as much the responsibility of the United States as it is of Canada.

No question of moral or contractual obligation arises. When weapons become obsolete any Government that has a sense of responsibility must take steps to stop acquiring those weapons. The honouring of a contract which would throw away Canadian money in the suggested fulfillment of an obligation which everyone knows would be nothing more than the purchase of obsolete hardware would not be moral responsibility.

Without elaborating, the same argument applies to the nuclear warheads for the Voodoo (101). If it is a correct assumption that the Russians would not be likely to use long-range bombers, then the meaning of the Voodoo is senseless, and a costly form of insanity.

Then we come to the situation in Europe. When Plan 70 was approved, the long-range missile had not reached its present power. It was thought that what has been described as a tactical nuclear force could be employed, first of all to destroy Russian intermediate missile bases, and also if necessary, to stem the tide of superior line forces.

In discussion on this subject with senior officials including Lord Mountbatten, I have recently found no officer of the opinion that there is such a thing as a [lissé blanc/left blank]

<sup>51</sup> Voir/See "Bomarc Just Foot-in-Door for U.S. Nuclear Bases – Simonds," *Toronto Daily Star*, February 20, 1963, p. 7.

nuclear war. They all agree that the moment anyone starts using nuclear weapons of any size then the balloon goes up.

If that is so, then whatever money we may have spent on aircraft in compliance with undertakings made during a period when the whole military concept was different, no longer applies today.

In my opinion, costly through the 104-Gs may have been, nothing can justify the manning of these aircraft with nuclear weapons unless one is prepared to accept the proposition that we are prepared to take our share in the possible beginning of a nuclear war.

I know that the situation now is that there are nuclear weapons which could be used.

We have fulfilled our part of the contract to the letter by providing the carrying aircraft which could use the nuclear warheads now in storage.

I think it goes beyond this. I think that we must recognize the change in the whole military picture and recognize that there is no longer any such thing as a tactical operation – from the ultimate strategic employment of the nuclear weapons.

This all leads to the urgent and compelling necessity for a re-examination of what the real concept of nuclear war really is, or shall we say the possibility of avoiding a nuclear war by deterrents.

President Kennedy talks about having only one finger on the button, and Lord Home has supported him in that statement.

The fact remains, however, that if the new American proposal for nuclear submarines with Polaris missiles, and surface ships, with Polaris missiles, as well as tactical forces in Europe, should be carried out, then it is obvious that if this force is to be effective at all there are many fingers on the trigger, and it is nonsense to talk about only one finger being on the button, because this applies to the long-range strategic weapons as compared to the conventional weapons.

Under these circumstances my contention would be that there should be no attempt to expand or justify our position under the contracts. It should be pointed out that just as in the past these contracts have become obsolete; the weapons have become obsolete; and we should not buy obsolete weapons to put into the junk pile.

G.A. D[REW]

251.

DEA/50219-AL-2-40

*Le haut-commissaire au Royaume-Uni  
au premier ministre*

*High Commissioner in United Kingdom  
to Prime Minister*

PERSONAL AND CONFIDENTIAL

[Ottawa], February 26, 1963

My dear John [Diefenbaker],

You will just be arriving in Ottawa about now,<sup>52</sup> and I hasten to send clippings of last night's and today's papers. I do think that the coverage was excellent. I am sure you realize that speeches are never reported in detail here the way they are in Canada, but it does seem to me that you got your main points over very clearly and that the photographs are excellent.

<sup>52</sup> Voir/See document 170.

If there are any of these photographs you would like in their original form, do let me know. Because of the time that it takes to get them printed and their bulk in forwarding them, I would suggest that if there are some you wish for dispatch, you simply get the single copies which I can forward under hard cover and have them reproduced in Ottawa. I particularly like the photographs of Olive and yourself taken in the carriage because this is the first occasion when any Prime Minister of Canada has proceeded to Guildhall with our own RCMP escort in one of The Queen's landaus.

As you know, after I had the opportunity to chat with Gordon Churchill last night following dinner, I dictated a memorandum to Marion setting out some views in regard to nuclear weapons. I went over them in detail with Gordon and he said that he was in entire agreement with my assessment of the situation:

(a) The Bomarc's are only a very small fraction of the screen which was intended to be erected across Canada, and as Guy Simonds pointed out in his statement last week, would be almost 100% ineffective even if the Russians should engage in the supreme folly of sending a heavy bomber force over Canada to the United States;

(b) The 101 (Voodoo) was designed to carry an anti-bomber nuclear weapon only intended to be used within Canada. Precisely the same argument applies to this as applies to the Bomarc. As Simonds pointed out, and after all he has been declared by Eisenhower and Alexander to be the best soldier we produced in the last war, it is unthinkable that with the development in the last two or three years of long-range intercontinental missiles of a power and accuracy not contemplated in 1958, at the time the tentative agreements were signed for the use of what are now obsolete weapons, the Russians would launch an attack with heavy bombers;

(c) When the original decision was made under Plan 70 to equip what is described as a Tactical Force with nuclear warheads, the uncertainty of the long-range intercontinental missile still left some possibility of considering localized nuclear war. It was with this in mind that the 104-Gs were ordered with the idea of being ready to attack Russian missile sites near the frontier if they began an offensive, and on the other hand, having regard to their superior manpower, effectively disorganizing massed army formations. Both of these concepts have been rendered obsolete by events.

No senior officer to whom I have spoken in recent months has suggested for a moment that there is such a thing as a two-stage nuclear war. The explosion of a nuclear bomb discloses itself immediately by the formation of the cloud, and the moment this happens nobody is going to start asking themselves what kind of nuclear bomb it was. Obviously the balloon would then go up. Under these circumstances the agreements of 1958 have no sensible application.

The point I would like to make and to re-emphasize is that no question of morality or the fulfilment of contractual obligations is involved. The whole history of warfare, from the time that the Assyrians first started to use hardened iron spears several thousand years ago, has been one of constant improvement in destructive power of new weapons which have rendered obsolete those already employed. After all, we have had experience of this ourselves. The excellent 25-pounders of the last war which cost in excess of \$100,000 apiece with their equipment, were sold for scrap for less than \$200. The same applies to other weapons disposed of more recently. The same applies equally to nuclear weapons which it happens are the most expensive and most deadly yet devised.

Only today we have reports of the wide difference of opinion between Britain and the United States in regard to the surface ships to be manned by international crews.<sup>53</sup> Indicative

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<sup>53</sup> Voir Chapitre II, Partie 2, notamment les documents 149, 156, 160, 174.  
See Chapter II, Part 2, especially documents 149, 156, 160, 174.

of the unbending attitude of the President of the United States, I heard over the radio this morning that he had said last night in Washington that the Americans were not prepared to consider any other arrangement.<sup>54</sup>

Under all these circumstances I can only repeat my own belief that while in the first instance, if we had been in a position to carry out immediately the terms of Plan 70, we might have been under some obligation to take our share in a programme which is now obsolete, the scientific advances in the United States itself have rendered obsolete the whole concept covered by the 1958 agreement and we would only be buying at very large cost obsolete hardware now ready for the junk pile.

I can't begin to tell you how much Fiorenza and I enjoyed the opportunity, in between all the other events, to chat with Olive and yourself privately, and to learn more of what actually has been happening in the strange sequence of events at home.

All of the best.

Yours ever,

GEORGE DREW

252.

DEA/50210-H-40

*Le ministre de l'ambassade aux États-Unis  
au chef de la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Minister, Embassy in United States  
to Head, Defence Liaison (1) Division*

SECRET

Washington, March 15, 1963

Dear Arthur [Menzies]:

REDUCTION OF NORTH AMERICAN AIR DEFENCE FACILITIES

You will recall that at the last PJBD meeting the USAF Member referred to the intention of the United States defence authorities to phase out soft SAGE detection centres and prime radar locations which would be redundant to the needs of a modified system. According to the Journal prepared after the meeting, the USAF Member reported that six direction centres and seventeen prime radar sites in the United States would be affected although their locations had not yet been determined. It was agreed that consultations between the USAF and RCAF on this problem would continue.

You will be interested to know that late last week the Air Member at the Canadian Joint Staff, Air Commodore Newsome, was informed by the USAF that a decision had been taken by the Defence authorities to close out some time around August or September 1963 SAGE detection centres at the following locations:

- (1) Spokane

<sup>54</sup> Aucun document ne fait état d'une telle déclaration faite le 25 février par le président lui-même. Pour plus d'information sur les faits auxquels Drew pourrait faire référence, voir "U.S. Seeking Two Types of A-Force," *Globe and Mail*, February 26, 1963, p. 1; "U.S. Pressing for Nato Missile Fleet," *Times* (London), February 27, 1963, p. 7.

No report has been found of such a statement on February 25 by the President himself. For reports on the developments to which Drew may be referring, see "U.S. Seeking Two Types of A-Force," *Globe and Mail*, February 26, 1963, p. 1; "U.S. Pressing for Nato Missile Fleet," *Times* (London), February 27, 1963, p. 7.

- (2) Grand Forks
- (3) Minot
- (4) Sault Ste Marie (Michigan)
- (5) Syracuse
- (6) San Francisco

In addition to the fact that one of these stations is located right on the Canadian border, five of them are manned by both Canadian and United States personnel. The Air Member also learned that it was the intention of the United States defence authorities to issue a press release on Friday, March 8, concerning the closing down of these stations. In addition it was planned to send letters to Congressmen representing the constituencies where these sites are located.

On receipt of this information, the Air Member had discussions with USAF authorities the result of which was that they decided to modify their proposed press release so that mention would be made only of [the] two stations at Grand Forks and Minot. The USAF also indicated their intention to play the press release in a "minor key." At the same time, they made it clear that it would be necessary to follow the usual procedure of sending letters to Congressmen concerned.

Attached for your information is a copy of the telegram sent by the Air Member to Air Defence Headquarters in Ottawa which contains text of the press release which was issued on March 8.† A copy of the letter sent to Congressmen in the areas affected is also attached.†

As far as we can determine the press release has not been picked up by any of the local papers nor have any enquiries been made of the Joint Staff or the Pentagon by the Canadian press here.

The State Department were unaware until the eleventh hour of what was afoot. When Carlson learned from us what was going on, he was able to persuade the USAF to delete the word "rapid" from the last paragraph of the press release.

Since Air Commodore Newsome passed us this information on a personal basis, I would be grateful if you could restrict the distribution to Ross Campbell and others directly concerned with this problem.

All good wishes.

Yours sincerely,

H.B. ROBINSON

## SECTION B

PARTAGE DE LA PRODUCTION DE DÉFENSE  
DEFENCE PRODUCTION SHARING

253.

DEA/50210-G-1-40

*Note du conseiller, ambassade aux États-Unis**Memorandum by Counsellor, Embassy in United States*

CONFIDENTIAL

[Washington], January 17, 1962

MEETING OF CANADA-UNITED STATES SENIOR POLICY COMMITTEE  
ON DEFENCE PRODUCTION SHARING  
KEY WEST, FLORIDA, JANUARY 12, 1962

On Friday, January 12, as had been previously agreed with the Department, I attended the meeting of the Senior Policy Committee on Production Sharing at Key West. A copy of the Agenda of the meeting is attached. It is assumed that the Department has copies of other background documents for this meeting.

2. The Canadian group was led by Mr. D.A. Golden, Deputy Minister, Department of Defence Production. He was assisted by officials of his own Department, including his Assistant Deputy Minister, Mr. W.H. Huck, and his representative in Washington, Mr. J.A. Teeter. Representatives of other departments concerned in Ottawa were also present. The American group was led by the Honourable Thomas D. Morris, Assistant Secretary of Defence (Installations and Logistics). He was supported by the Assistant Secretary of the Navy (I and L), the Honourable Mr. K.E. BeLieu, and other officials of OSD and the Departments of the Army, Navy and Air Force.

3. As in the past, a detailed report of the meeting will be prepared and made available to the Department. Meanwhile, the following is a résumé of the highlights of the meeting.

4. The meeting ran very smoothly and it was quite evident that there is excellent rapport between the two sides. Both sides considered the meeting to have been a "good one." From my own personal experience there was a marked contrast between this meeting and an earlier one I attended in 1960. At that time, of course, the groundwork was still being laid and difficulties had to be ironed out. This process is now largely complete, or in hand, and it appears that the stage has been reached wherein the main problem is to keep up the momentum. There would seem to be no doubt about the sincerity and concern of the United States officials involved to accomplish this.

5. In their report, the United States side drew attention to the fact that the amount of United States defence business placed in Canada since the inception of the scheme in 1959 has risen from 96.2 million dollars in that year to a total of 140.8 million in 1961. Other statistics indicating an upsurge of United States defence business in Canada were alluded to including the following: In 1961, 830 prime contracts were awarded in Canada as against 283 in 1959 and 1110 sub-contracts in 1961 as against 365 in 1959. This upward trend of United States business was emphasized in the United States Progress Report and was an obvious source of satisfaction to United States representatives as indeed it was to Canadian representatives. At the same time, the United States representative called attention to the fact that statistics on Canadian defence business placed in the United States were more in the nature of a plane than an incline or a decline. Thus, in 1959, Canadian defence business placed in the United States amounted to 108.2 million dollars and in 1961 it was 95.6 million dollars. (Incidentally the F104 component of the "swap deal" is considered as part of the production sharing programme



but it is not included in the 1961 figures.) In 1960, however, the amount was 196.5 million dollars and as Mr. Golden pointed out, this represented roughly 30% of total Canadian defence procurement. The large increase was occasioned by “one shot” purchases of transport aircraft and helicopters. In reply to United States comparison of the trends of United States and Canadian procurement, Mr. Golden contended that it was difficult to draw conclusions from a three-year period as to the probable level of Canadian procurement. Five or six years would, he thought, give a better indication of likely levels.

6. The impression conveyed was that the United States was highly satisfied with the results of the programme to date, with just a hint that a comparison of trends of United States business in Canada and of Canadian defence business in the United States placed the former in more favourable light. However, Mr. Golden’s point that a longer period should be allowed to pass by before drawing conclusions was not denied. At the same time, Mr. Golden also drew attention to the fact that the production sharing programme was one element in the Canadian Government’s decision to allow TCA’s procurement of DC8Fs in the United States over CL44s in Canada. This was not Canadian defence procurement in the United States, as such, though, in a sense, it was on the periphery, in that it was influenced by the defence production programme. Mr. Golden also took the opportunity to comment on the view which seemed to be held by some members of the United States Congress that Canada only bought in the United States what it could not make itself. This was a complete misconception; Canada could make virtually everything it needed in defence though, admittedly, it would take longer and cost more in many cases for Canada to do so. The defence production programme was premised rather, as United States representatives were aware, on a desire not merely to share defence production but to channel it to sources where it could be best handled.

7. Mr. Golden also mentioned that it was the Canadian feeling that United States contracts to Canadian companies came from two main areas. (a) Where the Canadian company was the best or only source e.g., Caribou aircraft and Pratt and Whitney spares. (b) From companies over which Canada had some influence in view of the fact that they had subsidiaries in Canada or that they held large Canadian defence orders e.g. Boeing and Lockheed. Mr. Golden hoped, in order to be completely successful, that the programme might come to apply to companies not falling in the above categories and that there might also be progress in development sharing and, in particular, jointly financed development by the United States and Canada. Mr. Bannerman, Mr. Morris’ Deputy, commented that Canadian companies had been doing a good job of selling in the United States and that he believed for the most part contracts arose from competitive bidding. In connection with this problem, Mr. Morris proposed that an analysis be made of the 1961 programme in order to ascertain what defence business was really attributable to the defence production sharing programme and what business would in any event have found its way to Canadian companies. Mr. Golden welcomed this proposal.

8. A Canadian representative emphasized that the success of the programme depended on a capability in Canada which, in turn, depended upon sharing in the development field. Looking to the future, this was one distinct weakness in the progress which had been made, from a Canadian point of view. Mr. BeLieu said that the United States supported in principle the idea of research and development sharing. The representatives of the three United States services emphasized their willingness to move forward on this aspect of the programme and there was a good deal of detailed discussion of ways and means of facilitating this. It was agreed that it would be useful for Canada to outline areas of interest and capability in the field of research and development as a guide to the United States.

9. There was a brief report on the DDP/USAF Aeronautical Systems Division and Electronics Systems Division Working Groups indicating satisfactory progress in both areas.

10. In a new departure, a substantial portion of the meeting was devoted to a detailed exchange of views on specific aspects of defence procurement. It was agreed that this portion of the discussion had been helpful for both sides and that it should be continued at the next meeting.

11. Mr. Golden suggested that the next meeting be held at a place and date in Canada to be decided.

J.S. NUTT

[PIÈCE JOINTE/ENCLOSURE]

*Agenda*

1. Introductory remarks - (Secretary Morris, Minister Golden)
2. Progress reports on
  - (a) Production Sharing - (Mr. Bannerman, Canadian response)
  - (b) Development Sharing - (Mr. Huck and Mr. Orr, U.S. response)
3. ASD and ESD Working Group progress - (USAF)
4. Mutual procurement problem areas
  - (a) Use of contract types as incentive to cost reduction - (Admiral Beardsley)
    - i. R&D contracting - (Admiral Beardsley)
    - ii. Value analysis engineering - (Capt. Barker)
  - (b) Allowability of R&D cost and overhead - (Mr. Racusin)
  - (c) Principles governing provision of GFE - (Canada).
5. Briefing on Key West Base Mission.
6. Other business.

254.

DEA/50210-G-1-40

*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], August 28, 1962

MCNAMARA DIRECTIVES

As you know, Cabinet has authorized Mr. O'Hurley to go to Washington to take up with Mr. McNamara the question of exempting Canada-U.S. defence production sharing contracts from the effects of the McNamara directives.<sup>55</sup> Through DDP channels, the Embassy in Washington has been asked to make the necessary appointments with Gilpatric and McNamara for Messrs. O'Hurley and Hunter for the week of September 17.

<sup>55</sup> Pour les directives de McNamara sur les approvisionnements militaires, voir Lawrence S. Kaplan, Ronald D. Landa and Edward J. Drea, *History of the Office of the Secretary of Defense, Vol. 5: The McNamara Ascendancy, 1961-1965* (Washington: Office of the Secretary of Defense, 2006), pp. 447-474. S'agissant de la décision d'envoyer O'Hurley à Washington, voir Cabinet Conclusions, August 22, 1962. On the McNamara directives for military procurement, see Lawrence S. Kaplan, Ronald D. Landa and Edward J. Drea, *History of the Office of the Secretary of Defense, Vol. 5: The McNamara Ascendancy, 1961-1965* (Washington: Office of the Secretary of Defense, 2006), pp. 447-474. On the decision to send O'Hurley to Washington, see Cabinet Conclusions, August 22, 1962.

2. After discussing the matter with Mr. Ritchie, Mr. Robinson telephoned this morning to ask that we bring informally to the attention of Mr. Hunter the following considerations which might influence Mr. O'Hurley's decision to go to Washington:

- (1) Even by September 17, it is unlikely that Mr. McNamara will be able to give any firm assurance concerning U.S. defence procurement in Canada, as the application of the directives generally and to Canada in particular is being most thoroughly studied and no conclusion will have been reached within the next two weeks.
- (2) So far, the discussions have been strictly on a technical level. To raise them to the ministerial level might give McNamara an opportunity to broaden the discussions, e.g. to weapons policy.
- (3) It might be better to have a preliminary round of discussions at the deputy minister level, rather than play our biggest card at ministerial level too soon.
- (4) The visit, if it takes place in the week of September 17, will come hard on the heels of UK-US talks. Mr. Thorneycroft, accompanied by a large staff, is paying his first visit to Washington from September 11 to 16 inclusive, during which the whole field of defence and defence production cooperation between the two countries will be covered. The atmosphere is likely to be highly cooperative and might not form the most suitable background for the kind of representations we wish to make.
- (5) The O'Hurley visit will coincide with a visit by Mr. Fleming, September 16 to 22.
- (6) Whatever the decision on the ministerial visit, Mr. Ritchie thinks that the State Department should be kept informally in the picture, even though no Note is to be delivered. Mr. Ritchie believes that it would be in our interests to have the State Department able to defend Canadian interests in interdepartmental discussions in Washington by being able to invoke wider considerations such as Canadian balance of payments problems, Canada-U.S. relations, etc.

3. I have spoken along the foregoing lines to Mr. Hunter, who is going to have a word with Mr. O'Hurley. Hunter did not, however, think that it would change Mr. O'Hurley's decision to take this matter up as soon as possible direct with Mr. McNamara.

R[OSS] C[AMPBELL]

255.

DEA/50210-G-1-40

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

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

TELEGRAM DL-1348

[Ottawa], September 14, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: DM/DND, T&C Ottawa.

INSTRUCTIONS OF USA SECRETARY OF DEFENSE  
RELATIVE TO BALANCE OF PAYMENTS PROBLEMS

We are setting out below the text of an extract from the journal of the recent PJBD meeting<sup>56</sup> recording a discussion on this subject. Canadian officials at present attending Bank

<sup>56</sup> Cette rencontre s'est tenue du 5 au 7 septembre 1962.  
This meeting was held on 5-7 September 1962.

and Fund meetings in Washington will be particularly interested in the comments of the State Department member on Canadian surcharges on imports.

Text Begins:

8. *Progress Reports* (SECRET)

The Service Members submitted progress reports which were read with interest by the Board. The following comments were also offered with regard to the Defense Production Sharing Program and the F104G Program:

a. *Instructions of the Secretary of Defense Relative to the Balance of Payments Problem*  
(CONFIDENTIAL)

The Canadian Chairman referred to the Joint Production Sharing Program Report, and indicated that he had a statement to make on this general question.

The Canadian Chairman recalled that the Defense Production Sharing Program, which would soon have been in effect for almost four years, was agreed upon and implemented by both the U.S. and Canadian Governments in recognition of changing defense conditions and the increasing cooperation of the Canadian and U.S. military forces for North American defense. The Board, he noted, had endorsed the principles of the program and had followed its progress with interest. Continuing satisfactory progress was reflected in the current report to the Board on defense production sharing and it was the belief of the Canadian Section that the program held out even more promise for the future. The Canadian Chairman went on to say that, since one of the achievements of the program had been to orient Canadian defense and industrial development and production toward U.S. requirements, the Canadian government was now concerned over the possible effects of including Canada in the directives issued by the U.S. Secretary of Defense, with regard to the matter of balance of payments, on July 17, 1962 and as amended on August 11, 1962. The Canadian Chairman believed it was difficult to predict the full implication that the instructions of the U.S. Secretary of Defense, concerning procurement outside the U.S., would have for the delicately poised Defense Production Sharing Program. However, it was clear that any indication of U.S. intention not to continue fully to support the program would have a serious effect on the attitude of U.S. production and procurement officials and on the joint objective of a Canada-U.S. climate conducive to long term cooperation for defense. Therefore, the Canadian Section was concerned that much of the effort in Canada and in the U.S. to establish long range cooperation and acceptance of the defense production sharing philosophy might be undone unless there was a firm confirmation to U.S. officials of U.S. Government support.

The Canadian Department of Defence Production, the Canadian Chairman stated, through its normal production sharing channels, was seeking further information from, and making representations to, the U.S. Department of Defense with a view to having high level discussions to insure that the mutual Defense Production Sharing Program were not adversely affected.

The Department of Defence Production representative noted that there would be a meeting in Canada of the Senior Policy Committee of the program on October 4-5, 1962 and that the Department of Defence Production had proposed that the implications of the directives of the Secretary of Defense on the Defense Production Sharing Program be placed on the agenda. Canadian officials, he said, believed this would be a useful occasion upon which to examine this matter thoroughly.

The U.S. Chairman replied that he had listened to the Canadian Chairman's presentation with very great interest and indicated that the U.S. Section was very well aware of Canada's concern on this important program. The U.S. Chairman went on to say, however, that since it appeared that the Minister of Defence Production, Mr. O'Hurley, would be meeting with the Secretary of Defense or the Deputy Secretary of Defense within the next two or three weeks, it

would appear inappropriate for the Board to go into this matter in great detail. Nevertheless, the U.S. Chairman recognized that a great deal of effort had been put into the Production Sharing Program and that he thought it certain that it would not be considered lightly when examined within the context of the U.S. balance of payments problem. He restated the thought that one of the purposes of the Board was to examine what could be done to maximize joint U.S.-Canada defense and pointed out that the Board had previously discussed the possibility of maintaining the Canadian industrial base toward this purpose and for the most efficient utilization of the resources of the two countries toward defense purposes.

The U.S. Chairman believed it appropriate, nevertheless, to point out that the U.S. was faced with a real problem in the matter of balance of payments and of the share of the economic burden being carried by the U.S. for the security of the alliance. Gold and other reserves continued to be in negative account, U.S. military costs were increasing all around the world, and a tendency had been noted that the notion was spreading that the U.S. could always in the last analysis bear these burdens. The fact of the matter was, he said, that the U.S. could not carry the entire economic burden by itself, and it was therefore investigating which items of expenditures were of a higher priority than others. The people, as well as the officials, of the U.S. knew very well that their interests were inextricably entwined with those of our closest allies – Canada, United Kingdom, etc. The U.S. Government understood the unique position of Canada in these matters and there was an obvious sincere interest in having Canada maintain a prosperous economy. In other words, the U.S. Chairman stated, the basic situation with regard to our joint efforts had not changed despite the examination of these various priorities, and, with certain caveats, application of any new regulations would probably not be uniform. He thereupon asked the U.S. Air Force Member for any comment on behalf of the Department of Defense.

The USAF member reported that he was not empowered to engage in specifics; however, he did not anticipate that there would be any change in the F104G program. He felt he should emphasize nevertheless, that a very serious effort was being made to staunch the flow of U.S. gold and U.S. reserves. So far, he continued, the Secretary of Defense directives had not affected Canada. However, the USAF member stated that he was not in a position to comment further on any Canadian “letters of intent” on the F104G program. It was his hope that the proposed visit of Defence Production Minister O’Hurley to Washington would clarify the general question of Defence Production Sharing.

The Canadian Chairman thanked the USAF member for his remarks and took advantage of the occasion to say that he could not help but indicate once again the great interest of the Canadian Government in the future of the Defense Production Sharing Program. It was an essential element in the defense relations between the two countries and had resulted in a more or less equal procurement expenditure on both sides of the border. It would be very difficult for Canada to contribute to North American defense if heavy procurement in the U.S. could not be maintained, or if the industrial base in Canada were not to continue to operate at the present level. The Canadian Chairman emphasized that the whole spirit of defense cooperation between the two countries was being brought into question. The Defense Production Sharing Program, it was a view of the Canadian Section, had always been recognized as being desirable to the U.S. and Canada and this was one of the reasons why it had been so closely followed at all recent meetings of the Board. This was the reason for the immediate Canadian concern when word was received of the Secretary of Defense recent directives regarding U.S. expenditures abroad. The Canadian Section was also worried as to the effect the issuance of these directives might have on the officials of U.S. procurement agencies. However, the Canadian Chairman agreed that at this time other officials should probably weigh these matters and said that the Canadian Section merely wished to register its concern on this general question and to express the hope that proper consideration would be given to it.

The Department of Defence Production Representative said he thought it would be a mistake if the Defense Production Sharing Program were to be overshadowed by other problems confronting the U.S. Department of Defense and he expressed the hope that no unilateral action be taken by the U.S. Department of Defense and that the Canadian authorities have the opportunity to examine the program thoroughly with the appropriate U.S. officials. He added that, for Canada, its part of the Defense Production Sharing Program had to be systematized and could not be subjected to rapid, interim alteration without serious economic repercussions for Canada. To date, existing channels of communications had offered the possibility of adjusting problems, in this regard, as they arose between the two countries. He expressed the hope that the Board would continue to support the program.

The U.S. Chairman indicated that naturally what was of concern to Canada was of concern to the U.S., and vice versa, and in this connection asked the Department of State member if he would review the general balance of payments situation as it had developed for the U.S. in recent years.

The Department of State member recalled that the U.S. had seriously approached the question in the period of the first ten years after World War II of how a creditor nation could best assist debtor nations. This had led to concessions having been made by the U.S. in the trade field and in military expenditures abroad. The U.S. had also encouraged the export of private capital to foreign countries. However, a new economic world had appeared more recently and the U.S. had developed a substantial adverse balance of payments. The U.S. had been losing gold and other reserves at a very serious rate. Certain alternatives had presented themselves as how best to cope with this situation and included in these were an export expansion program. This program had been pushed vigorously. At the same time the U.S. had decided not to attempt to reduce imports by restrictive action, since to do so might very well damage the U.S. economy as well as those of allied and friendly countries. The U.S. had therefore resisted protectionism on a general basis. In expanding further on this topic, the Department of State member noted that U.S. exports and imports were reasonably balanced but that the balance of payments problem presented itself in two particular areas – the U.S. foreign economic aid program and U.S. military expenditures abroad. Both these areas involved important policy questions. Policies were designed to assist economically under-developed regions and to provide political benefit and military security for the free world. The U.S. Government had concluded that it would be best not to cut its foreign aid program, but it had concentrated on persuading other nations to increase their own economic aid programs to less developed nations. Generally, these countries had responded to U.S. urgings in this regard, but it was impossible sharply to reduce U.S. foreign aid appropriations. U.S. military expenditures abroad were so large that it was inevitable that the U.S. Government would eventually have to scrutinize them in the hope that they could be reduced or eliminated without causing damage to the objectives of the security programs in support of which the expenditures were made.

The Department of State Member went on to say that he thought he would be less than candid if he did not touch on another element which was troubling officials in Washington with regard to the general question of balance of payments. This was the Canadian surcharges on imports which had been imposed by the Canadian Government in an effort to solve its own balance of payments problem.<sup>57</sup> These surcharges had occasioned very definite reactions within the U.S. business community. U.S. Government officials were being asked when these surcharges were expected to be removed, what was their justification under GATT, and whether the U.S. Government had been consulted with regard to their imposition. The Department of State Member said that he was unaware of any connection between surcharges

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<sup>57</sup> Voir/See document 761.

and the Defense Production Sharing Program, but nevertheless noted that the Canadian surcharges could possibly be considered as unilateral action taken by one country affecting the other. The surcharge problem would come up in October at the GATT meeting, because no government would want to have its economic policies impaired by unilateral action on the part of the other country except in accordance with the provisions of GATT.

The Canadian Chairman thanked the Department of State Member for his review of the overall situation and agreed that balance of payments problems tended to give rise to unfortunate dislocations. He believed he should note, however, that the U.S. was facing a threatened problem but that Canada was faced with the most urgent one. Canada had been forced to act quickly to meet an immediate need. The point the Canadian Section wished to make was that the U.S. balance of payments problem should not affect the Defense Production Sharing Program. It was important that the Canadian industrial base be maintained if the defense efforts of both countries were best to be served. The Defense Production Sharing Program had kept a substantial portion of the Canadian Defense industrial establishment alive. In addition, the program had helped lessen the strain on Canada's balance of payments, but it seemed to him that the principal interest in this program was from the defense viewpoint. The Canadian authorities would certainly be prepared to discuss with the Secretary of Defense and the Senior Policy Committee the proposition that it would be much more difficult for Canada to contribute significantly to joint defense if its defense industry could not be maintained on an effective scale.

The U.S. Chairman reiterated his appreciation of the Canadian Government's position and of the inevitable inter-dependence of the two countries in the field of defense as well as in other matters. The U.S. was faced with a serious problem, but it was certainly hoped that important decisions affecting mutual defense relationships would not be taken without the most serious consideration of them.

Text Ends.

256.

DEA/50210-G-1-40

*Note du sous-ministre de la Défense nationale  
pour le ministre de la Défense nationale  
Memorandum from Deputy Minister of National Defence  
to Minister of National Defence*

CONFIDENTIAL

[Ottawa], October 6, 1962

1. You might find it helpful to have on paper the substance of the information I gave you yesterday concerning the Defence Production Sharing Meeting.

2. During the last few weeks Mr. Hunter and Mr. Huck of the Department of Defence Production had some consultations with senior officers in Washington, up to the level of Mr. Gilpatric, who saw them for about fifteen minutes, on the question of the application to Canada of the Secretary of Defence Directives on balance of payments. Canadian officials felt on the basis of these discussions that there would not be too much difficulty in getting agreement that these Directives would not apply to Canada. It was intended to pursue this matter further during the Production Sharing Meeting and one of the items included on the agenda was the "Secretary's Directives." Mr. Morris, Assistant Secretary of Defense (Installations & Logistics), who is senior U.S. representative for production sharing, asked that a small group meet on Thursday evening before the main Production Sharing Meeting to discuss the question of this item being on the agenda.

3. This was agreed and the Honourable Mr. Morris, the Honourable Paul Ignatius, Assistant Secretary of the Army (Installations & Logistics) and Mr. Graeme Bannerman, Deputy Assistant Secretary of Defense (Procurement) met with Mr. Hunter, Mr. Huck and Mr. Teeter of DDP, Mr. Steele and myself on Thursday evening. In the course of the meeting the Honourable Mr. Morris said that he had been authorized by his seniors to read on an informal basis to the Canadian representatives an aide mémoire which he had with him. This was preceded by an explanation that they had made studies of some fifteen countries in relation to their defence balance of payments problem. Mr. Morris was not in a position to leave a copy of the memorandum with us but the following covers the substance of it, including some explanations that came out in the course of the discussion:

The U.S. balance of payments deficit with Canada on defence account currently was \$240,000,000 a year which was the largest of all the countries examined. Canada had recently reduced its defence expenditures by approximately 5% and would not meet 1963 force goals by reason of the early withdrawal of the four CF-100 all-weather squadrons from the Air Division. In terms of the percentage of defence expenditures to Gross National Product, Canada's ratio was 4.8% against 7% for the U.K. and France. While Germany's ratio was 4.2%, the expectations were that Germany's would go up whereas Canada's appeared to be going down. Canada had a lower ratio of numbers in the forces to the population than almost any other NATO country. Canada also did not compare favourably, to the U.K. for example, on the basis of defence expenditures to per capita GNP. The size of defence effort as measured by this method suggested Canada would have to increase \$400,000,000 to \$500,000,000 to be comparable to the UK. In 1964 it appeared that Canada would not meet its NATO force goals by two submarines, four destroyers and eight maritime aircraft. With respect to NORAD, Canada was providing five interceptor squadrons against a NORAD plan that called for nine. Inadequate weaponry was provided for both the Bomarc and the interceptor squadrons in Canada.

4. Mr. Norris said that these considerations were outside the area of the responsibilities of the American officials present. It was agreed that there would be no point in pursuing this question on the agenda of the Defence Production Sharing Meeting.

5. The Canadian officials took the opportunity, in the course of the stay in Halifax, to explain to the American officials who attended the informal meeting some of the facts relating to Canada's own balance of payments problem and the recent reductions in defence estimates, as well as the force goals accepted by Canada. Mr. Teeter, who is the Department of Defence Production's representative in Washington, hopes to obtain a more precise record of the memorandum that Mr. Morris had and pass it on to Mr. Hunter at the beginning of the week. I have arranged that he is to give you a copy. The officials of other departments who are aware of the above and will be briefing their Ministers are Mr. Hunter of the Department of Defence Production, Mr. Steele of the Department of Finance and Mr. Menzies of External. I have briefed Mr. MacNeill to put him in a position to deal with any interdepartmental discussions that might arise in my absence. It was difficult to get any real feel for what all this might mean with respect to the impact of the McNamara Directives on the Defence Production Sharing Program but it seemed to me the Americans did not expect any at the moment. My impression was that the American officials used this method to explain why it had not been possible to get an early decision, which might have been expected from the tone of the earlier discussions with Mr. Hunter and Mr. Huck, and to inform us of the nature of the considerations that would be in the Secretary's mind when discussions took place with him. The American officials obviously did not expect or want any immediate response from the Canadian officials who



attended these discussions. They were laying the groundwork for any subsequent discussions at Secretary McNamara's level.

E.B. ARMSTRONG

257.

DEA/50210-G-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], October 12, 1962

CANADA-U.S. PRODUCTION SHARING PROGRAMME:  
ATTITUDE OF U.S. SECRETARY OF DEFENSE

You will recall that at its meeting of August 22, Cabinet considered the possible effects of Secretary McNamara's foreign exchange conserving directives on the Canada-U.S. programme for production sharing and concluded that:

(a) the Deputy Minister of Defence Production should write to his American opposite number;

(b) I should make oral representations to Mr. Rusk during his visit to Ottawa but that a draft Note which had been prepared should not be sent;

(c) the Minister of Defence Production should make further oral representations to the U.S. Secretary of Defense.

Officials in the Department of Defence Production, who have had a number of informal discussions with U.S. Department of Defence officials, thought that it would be well to determine the attitude to be taken by the U.S. delegation at the Senior Production Sharing Meeting in Halifax, October 4-5, before Mr. O'Hurley went to Washington. The subject of the McNamara Directives was, therefore, included on the agenda of this meeting.

When Mr. Tom Morris, Assistant Secretary of Defense (Installations and Logistics), went to clear the exclusion of the Canada-U.S. Research and Development Programme from the application of the McNamara Directives with the Secretary of Defense on September 29, Mr. McNamara said that he would not grant a blanket waiver to Canada except where mutual financing arrangements had been made. The Americans, therefore, asked that the subject of the McNamara Directives be dropped from the agenda of the Halifax meeting and requested a small informal meeting in advance at which they might discuss Mr. McNamara's views.

The small informal meeting was held in Halifax on the night of October 4 and attended on the Canadian side by Mr. Gordon Hunter, Deputy Minister of Defence Production; Mr. Elgin Armstrong, Deputy Minister of National Defence; Mr. E. Steele, Secretary of the Treasury Board; Mr. W. Huck, Assistant Deputy Minister of Defence Production and Mr. John Teeter, DDP Attaché in Washington. On the American side the meeting was attended by Mr. Morris, Mr. Paul Ignatius, Assistant Secretary of the Army (Installations and Logistics) and Mr. Graeme Bannerman, Deputy Assistant Secretary of Defense (Procurement).

At this meeting Mr. Morris read from a memorandum which had the approval of Secretary McNamara. The memorandum stated that the United States balance of payments problem had been exacerbated by defence expenditures overseas. Studies were being made in the office of the Secretary of Defense of U.S. defence expenditures in about fifteen countries and Canada had to be considered along with them. In deciding the application of the foreign exchange conserving directives to Canada, the following considerations would be taken into account:

- (a) Canada has a favourable defence balance of \$240 million annually with the United States;
- (b) Certain countries, including Canada, have not made their fullest contribution to NATO, e.g., Canada had withdrawn four CF-100 squadrons a year earlier than programmed. The U.S. assessment was that Canada would be short its force goal in 1964 by two submarines, four destroyers and eight maritime aircraft;
- (c) The Canadian contribution to NORAD was short four squadrons of the nine promised. Furthermore, nuclear warheads had not been placed on the BOMARC missiles and nuclear bombs are not being brought into Canada for the CF-101 squadrons as expected;
- (d) Canadian defence expenditures had been reduced recently by a further five per cent. Canada was spending only 4.8% (1.75 billion out of 36 billion GNP) while Britain and France were spending about seven per cent of their GNP. While Germany was only spending 4.2% on defence, these expenditures were increasing annually while Canadian expenditures were decreasing. The ratio of per capita defence expenditure in Canada to per capita GNP was one of the lowest in the NATO Alliance. The Americans considered that we were under-spending on defence between \$400 million and \$500 million per annum.

Canadian officials at the small informal meeting indicated that this was neither the time nor the place for a discussion of these subjects. During the balance of the Halifax meetings there were a number of opportunities for Canadian officials to speak privately to senior American officials, particularly to Mr. Morris, to explain the Canadian position on these matters.

### *Conclusions*

The U.S. Secretary of Defense, on instructions from the President, has set himself substantial foreign exchange conservation objectives over the next two year period. In considering how these cuts will be made in the fifteen major countries of expenditure, Secretary McNamara has apparently requested his staff to draw up a short list of considerations relating to the various countries' military efforts. We imagine that this is where the U.S. catalogue of criticisms of the Canadian defence effort originated. The Production Sharing Programme has not yet been obviously adversely affected but may well come in for critical attention after the review of the defence efforts of the fifteen countries has been completed and the U.S. Secretary of Defense sits down to determine where the foreign exchange savings are to be apportioned.

It seems to me inappropriate that the U.S. should have removed the McNamara Directives from the agenda of the Halifax meeting, thereby preventing discussion of this important subject, and then raised these criticisms of Canadian defence policy in a small informal meeting which did not provide an appropriate forum for discussion. The reasons for use of these tactics are unclear. Was this done to exert pressure on us to increase the quantity and quality of our defence effort? Or might it be an attempt to find a justification for curtailing U.S. defence expenditures in Canada?

If consideration of the Production Sharing Programme is not to be confined to its own particular objectives, then there would seem to be no reason why the extraneous considerations introduced should be confined to defence only. We should feel free to introduce our concern over our substantial current account deficit with the United States.

As representations at the official level do not appear to have been successful in having the Production Sharing Programme considered on its own merits, I suggest that:

- (a) the draft official Note dealing with the McNamara Directives in a broader framework, which we considered on August 22,<sup>†</sup> be now sent forward;
- (b) the Minister of Defence Production not now go to see the U.S. Secretary of Defense, since the latter would be likely to raise again the criticisms of Canadian defence policy conveyed to officials in Halifax;

(c) the Panel on the Economic Aspects of Defence be instructed to review this matter and make any further proposals thought appropriate to rebut the U.S. criticisms.

HOWARD C. GREEN

258.

DEA/50210-G-1-40

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

*Under-Secretary of State for External Affairs  
to Secretary to Cabinet*

SECRET

[Ottawa], October 26, 1962

Dear Mr. Bryce:

CANADA-UNITED STATES PRODUCTION SHARING PROGRAMME

I understand that the Prime Minister has agreed that:

(a) the draft official Note dealing with the McNamara Directives in a broader framework, which was considered on August 22, be now sent forward;

(b) the Minister of Defence Production not now go to see the United States Secretary of Defence, since the latter would be likely to raise again the criticisms of Canadian defence policy conveyed to officials in Halifax;

(c) the Panel on the Economic Aspects of Defence be instructed to review this matter and make any further proposals thought appropriate to rebut the United States criticisms.

I believe that the Panel on the Economic Aspects of Defence is scheduled to meet on Tuesday, October 30. If you agree, this will provide an opportunity to inform other Departments concerned of the Prime Minister's decision. At the same time the Panel could consider the question of rebutting the criticism of Canadian defence contributions made by United States officials during a private meeting held in connection with the recent meeting of the Senior Committee on Production Sharing at Halifax.

The Panel might also consider at the same time whether any consequential changes should be made to the Note which was drafted in August for submission to the State Department through the Embassy in Washington.

In the event that you might wish to circulate background material prior to the Panel meeting, I am attaching a copy of the draft Note<sup>†</sup> and also a copy of a memorandum, prepared by the Department of Defence Production, recording the statement of United States officials at the private meeting in Halifax.<sup>†</sup>

Yours sincerely,

N.A. ROBERTSON

259.

DEA/50210-G-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], November 1, 1962

## CANADA-UNITED STATES PRODUCTION SHARING PROGRAMME

Mr. Bow has reported that Mr. Harkness has informed you that he proposes to question in Cabinet this morning the desirability of now sending the general note on Canada-United [States] Production Sharing.<sup>58</sup>

2. You will recall that you sent a memorandum on this subject on October 12 to the Prime Minister (copy attached). On October 22 Mr. Dier informed us that the Prime Minister had approved the recommendations set forth in the final paragraph of your memorandum of October 12.

3. This subject was discussed in a very preliminary way by senior officials in the Panel on the Economic Aspects of Defence on October 30. It was agreed that the general subject would be reconsidered on November 2.

N.A. R[OBERTSON]

260.

DEA/50210-G-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], November 2, 1962

## CANADA-UNITED STATES PRODUCTION SHARING PROGRAMME

## ATTITUDE OF UNITED STATES SECRETARY OF DEFENCE

In accordance with the Prime Minister's request, the Panel on the Economic Aspects of Defence Questions has considered what further action might be taken in the light of developments at the Halifax Production Sharing meeting. In particular the Panel considered the relative merits of written representations and oral explanations by Ministers. It was the judgment of the Panel that:

(a) United States preoccupation with its own balance of payments problems would not dispose it to be receptive to arguments involving Canada's balance of payments difficulties, particularly when the Canadian deficit was somewhat improved whereas the United States deficit was still deteriorating.

(b) To press anew the intrinsic merit of the defence production sharing programme might prompt the United States Government to express officially dissatisfaction with particular aspects of the Canadian defence effort, which has so far been put forward only informally (at Halifax).

<sup>58</sup> Cette question n'a pas fait l'objet de discussions lors de la réunion du Cabinet.  
The matter was not discussed at the Cabinet meeting.

(c) In making either written or oral representations we should be running the risk of provoking a reply which might be more unsatisfactory than the present situation. So far, it appears that any harmful effect the Secretary's directives might have on the production sharing programme is more apprehended than real.

(d) The United States preoccupation with the Cuban crisis might detract from otherwise broad and sympathetic consideration of further Canadian representation at this time.

2. It was the general consensus of the Panel that until such time as the application of the Secretary's directive could be shown to be in fact harming the Production Sharing Programme or until the Government was in a position to discuss outstanding defence questions with the United States Government, the balance of advantage lay neither in presenting a note nor in having a Minister go to Washington for discussions with Secretary McNamara.

N.A. R[OBERTSON]

261.

DEA/50210-G-1-40

*Extrait du procès-verbal de la 85<sup>ième</sup> réunion  
du Comité sur les aspects économiques des questions de la défense*

*Excerpt from Minutes of the 85<sup>th</sup> Meeting  
of Panel on Economic Aspects of Defence Questions*

TOP SECRET

[Ottawa], November 7, 1962

DEFENCE PRODUCTION-SHARING

...

## II. DEFENCE PRODUCTION-SHARING

5. *Mr. Armstrong* said the Minister of National Defence had indicated his preference for personal discussions in Washington on this matter rather than the despatch of a Note. A Note was likely to elicit an unfavourable response that might reiterate United States criticisms of the Canadian defence effort. Such a reply would be embarrassing especially if it became public at some stage.

6. *Mr. Ritchie* said a Note might be sent that stated the Canadian case but was of such a kind that it did not call for a reply. It seemed important to take some action that would broaden the scope of the discussion from the defence area to the area of balance of payments and other matters of general United States and Canadian national interests and that would bring into the discussion on the United States side not just Secretary McNamara but the United States Government as a whole.

7. *Mr. Reisman* said a United States official who had explained to him the circumstances in which Secretary McNamara had decided that United States officials should raise with Canadian officials the matters of concern to the United States about the Canadian defence effort, had advised that if Canada valued the Defence Production-sharing programme, a Canadian Minister might usefully see Mr. McNamara, but such a meeting would probably not be productive until Canada was in a position to answer effectively some of the criticisms that had been made.

8. *Mr. Huck* said officials of Defence Production had over the past few months urged upon United States officials up to the Assistant Secretary of Defense level that the Defence Production-sharing programme should stand on its own merits, irrespective of balance of payments problems and other defence issues. It was now clear that no further progress could be made by reiterating this argument. A new approach at a higher level was necessary, and it

should be taken soon before Canada was injured by the rejection of a Canadian project contract by the Secretary of Defense.

9. *In the course of further discussion*, the following main points were made:

(a) It would be useless to argue with the United States in favour of the Defence Production-sharing arrangements on general balance of payments grounds because the United States, taking into consideration reserves positions only, now judged that the Canadian balance of payments position was better than theirs.

(b) The argument had consistently been put to United States officials that the Defence Production-sharing programme had been devised and accepted on the basis of mutual self-interest, and was of benefit not only to Canada.

(c) The Minister of National Defence and the Minister of Defence Production should probably see the United States Secretary of Defense as soon as there were prospects for a productive meeting, because the matter was of some urgency. It was doubtful, however, if a meeting immediately would be useful.

10. *The Panel* noted the points made in the discussion.

262.

DEA/50210-G-1-40

*Projet d'énoncé du président, Section canadienne,  
Commission permanente canado-américaine de défense*

*Draft Statement from Chairman, Canadian Section, Permanent Joint Board on Defence*

[Ottawa], January 29, 1963

#### CANADA-U.S. DEFENCE PRODUCTION SHARING

During 1962 the Canada-U.S. Defence Production Sharing Program reached a major turning point in that by the end of September, after three and three-quarter years of joint effort, the accumulated 1959-62 statistics showed a balance of some \$45 millions in Canada's favour. This compares with the balance at the end of 1961 of about \$47 millions in U.S. favour.

This turning point was achieved in 1962 largely due to the greatly increased United States production sharing business placed in Canada. This U.S. defence procurement in Canada for the twelve months of 1962 (the figures for which are only now available) amounted to \$254 millions compared to 1961's total of \$143 millions. A large part of this 1962 increase was brought about by the U.S. procurement in 1962 of Caribou aircraft valued at \$62 millions, compared to the 1961 Caribou procurement of \$7.8 millions, and by the U.S. contribution of \$59 millions to the joint F104G mutual assistance program.

These statistics effectively highlight the production sharing achievements resulting from the program momentum generated by the co-operative efforts of both governments. Canada is still very much concerned over the probable future detrimental effects on the program of the U.S. Defence Secretary's Balance of Payment Instructions issued in 1962. Although the statistics do not yet reflect any adverse affects, we have since last Fall been receiving a steady flow of comment from industry and from our representatives in the U.S. as to the difficulties arising due perhaps to misunderstanding of the U.S. government's intent, and misinterpretation of the directives. These have tended to create in some cases an adverse climate for participation in U.S. programs by Canadian defence industry as an integral part of the North American defence production base. The important need now is for the intent of these directives to be clarified with respect to defence production sharing in order that long term planning by both governments and by industry may continue on a confident and orderly basis. Since January 1959, the Canadian government and industry commitment of funds for development projects to

meet future U.S. defence requirements has totalled about \$45 millions. Continued planning is necessary to ensure that an appropriate level of Canadian industrial development activity is achieved and sustained. Such planning however, can come to fruit only in a long range climate which encourages Canadian participation in both U.S. defence research and development programs and in ultimate hardware production.

The Canadian government is convinced that continued support of these defence production sharing principles, will result not only in better utilization of our procurement and production resources, but also in a fair balance of production sharing business. This program should sensibly expand rather than decline.

In line with the program's objectives and achievements the Canadian government has decided that it will be to the benefit of Canada, as well as the U.S., to make certain major defence procurements in the U.S. in the near future. These include the Tartar Missile System for RCN frigates which will involve our expenditure in the U.S. in excess of \$100 millions. In addition we will shortly be placing a contract for RCAF CF104D Trainers amounting to about \$18 millions. We are also negotiating for the purchase of Vertol Helicopters for the Canadian Army at an initial cost in U.S. dollars of some \$10 millions. These programs, which will be in addition to the normal Canadian reliance on U.S. industrial sources, are estimated eventually to amount to over \$130 millions of Canadian defence production sharing business in the U.S. This action is being taken in expectation that the U.S. government will similarly support the program, and that future clarification of the U.S. government's intent will exempt defence production sharing from the U.S. balance of payments restrictions in order that long term planning can be justifiably continued.<sup>59</sup>

263.

DEA/50210-G-1-40

*Extrait du journal du procès-verbal de la 105<sup>ème</sup> réunion  
de la Commission permanente canado-américaine de défense*

*Excerpt from Journal of the 105<sup>th</sup> Meeting  
of Permanent Joint Board on Defence*

SECRET

San Diego, February 4-8, 1963

. . .

(c) *Canada-United States Defense Production Sharing Programme (CONFIDENTIAL)*

The Canadian Chairman recalled that at the September 1962 meeting of the Board, the United States Members, in connection with the discussion on production sharing, explained the views of the United States Government concerning the defense aspects of the United States balance of payments problem. While this Board was probably not the right body in which to pursue these issues at any length, the Canadian Chairman believed that the United States Section would not object if he were to explain the Canadian outlook on these questions. He did so in the following statement which the Board agreed should be incorporated into the record:

"Let me emphasize at the outset that we in Canada fully recognize that the United States is confronted with serious balance of payments difficulties and that it is essential for the United States and her allies that effective solutions be found to this problem. At the same time we know the United States authorities are aware of the fact that Canada also has a serious balance

<sup>59</sup> Note marginale :/Marginal note:  
Not used at meeting [Dana Wilgress?]

of payments problem. We consider it also in the general interest of the alliance that Canada should find effective and constructive solutions to its problem.

The Canadian balance of payments problem is of a different character from the United States problem. In some respects it is more deep-rooted and more serious. The United States enjoys a surplus in her overall international trade in goods and services, but has been losing gold because of her large investments abroad and external Government expenditure. The United States has been acquiring large assets abroad and although gold is lost her fundamental long-term position is being strengthened. Canada, on the other hand, is not losing gold and reserves at present, but is suffering a very large persistent deficit in her overall trade in goods and services. We have been covering this deficit on current account by importing capital. This adds to our international indebtedness and we are incurring obligations which we will have to service for the indefinite future. While much of the capital we import adds to our productive capacity, a substantial part does not. To the extent that the capital inflow does not add to our productive capacity our long-term economic position is being weakened.

Canada has had a current account deficit ranging from \$1 billion to \$1½ billion for many years. The Canadian deficit on current account has exceeded \$10 billion over the past ten years. In terms of the United States economy this would amount to \$150 billion. The Canadian authorities have no doubt that the United States, if confronted with a similar situation, could not and would not allow it to continue. Nor can Canada. The United States has a vital stake in the stability of the Canadian dollar. The extensive help which the United States made available to Canada in our recent exchange emergency is clear evidence of this. It is inconceivable that the United States should adopt policies in the defence procurement field designed to deal with the problem which had the effect of intensifying the Canadian problems.

It has sometimes been argued that the imbalance in defence expenditures between Canada and the United States is heavily in favour of Canada. What really matters, however, is the overall payments balance between Canada and the United States, rather than the trade balance in one relatively small sector such as defence. While Canada has been running a current deficit in her total trade of goods and services with all [other] countries of between \$1 billion and \$1.5 billion per annum, the current deficit with the United States has usually been much larger. We usually have a large surplus with all other countries taken together, and these earnings of foreign exchange help to pay in part for the huge current account [surplus] with the United States. In 1961, for example, when we experienced a current account deficit with the [rest of the] world of just under \$1 billion, our deficit with the United States alone was about \$1.4 billion. Taking the past ten years together (1953-1962) Canada's deficit on current account with the United States, goods and services included, was about \$12.5 billion. Since in that same period our overall [surplus] with the [rest of the] world was some \$10.25 billion, we actually spent in the United States about \$2.25 billion more, which we earned in our trade with other countries.

Although it is entirely valid and reasonable to discuss our balance of payments position in terms of the current account which is the true measure of how far short we are of "paying our way" from year to year, it can be argued that this way of looking at the problem fails to take into consideration the flow of capital from the United States to Canada which help us to pay for our trading deficit with that country. Nonetheless, even if one takes into account capital obtained from the United States, i.e., the total balance of payments, current as well as capital, it will be seen that Canada has contributed large amounts of foreign exchange and gold to the United States. Taking the past ten years, and lumping the capital account together with the current account, Canada has contributed net to the United States over \$4 billion in gold and convertible currencies. These figures make it clear that in no sense can it be said that Canada has in any way contributed to the balance of payments difficulties of the United States. On the



contrary, we have helped the United States balance of payments massively and are continuing to do so today. I wish to emphasize this fact, because it does not always seem to be recognized in Washington. It should be quite clear that any change in the production sharing arrangement to Canada's detriment would be damaging not only to Canada but by impairing our payments position, would also damage United States interests over the whole range of our economic and financial relationship including defence.

Although in our view the overall balance of payments position is what really matters, the United States authorities have from time to time focussed attention on their "direct defence expenditure deficit" with Canada. The estimates of this deficit put forward by the United States authorities, while adhering to their annual submission to NATO, do not take into account such important elements as the United States import content of Canadian domestic defence procurement, which is of the order of around 18% of our total domestic procurement. Moreover, the United States estimates include large sums for uranium which is more a raw material than an item of defence procurement, and much of which is presumably used in the United States civil atomic energy programme.

At the last Board meeting the Department of State member went on to discuss one element in the emergency programme adopted by the Canadian Government in the exchange crisis last June, namely the temporary import surcharges. These measures were not directly relevant to the work of this Board, as I think he said himself. Since the matter was raised, however, I would like to make one or two brief comments. First, it was clearly recognized by the competent international organization, the International Monetary Fund, that in Canada's situation at the time emergency measures were essential, and that the action taken by way of import surcharges did not go beyond the extent necessary to stop serious decline in our monetary reserves. Second, there is no doubt whatever that under the provisions of the General Agreement on Tariffs and Trade, Canada would have been entitled to impose quantitative import restrictions to deal with the exchange emergency. Instead the Government decided to impose the temporary tariff surcharges which it believed would be less disruptive of trade. In the discussions of this matter in the GATT there has been no indication that any country would have preferred to see quantitative restrictions applied. The Canadian temporary surcharges were reviewed in full at the last GATT session and a decision adopted. Clearly, it would be inappropriate to pursue this matter in this Board. The Canadian Government has already begun to remove the surcharges and Ministers have made it clear that the remainder will be removed as quickly as our balance of payments and reserves positions permit."

The State Department Member said that the United States appreciated that its economic relations with Canada produced a plus factor in the net balance of the U.S. payments position. Canada's positive contribution to the U.S.A. balance of payments picture, particularly in the trade and investments field, was fully recognized. Nevertheless, if the United States position were looked at outside the area of goods and services, there was a grave problem in the areas of external aid and military expenditures. In these fields there was continuing apprehension about the net U.S. balance of payments picture and the United States wished to have its Western European Allies, in particular, share the defence and external aid burden.

3<sup>e</sup> PARTIE/PART 3  
 QUESTIONS ÉCONOMIQUES  
 ECONOMIC ISSUES

SECTION A

RÉUNION DE LA COMMISSION MIXTE CANADO-AMÉRICAINNE DU COMMERCE  
 ET LES AFFAIRES ÉCONOMIQUES,  
 LE 12 JANVIER 1962  
 MEETING OF CANADA-UNITED STATES JOINT MINISTERIAL COMMITTEE  
 ON TRADE AND ECONOMIC ISSUES,  
 JANUARY 12, 1962

264.

DEA/50316-7-40

*Compte-rendu de la réunion de la Commission mixte  
 canado-américaine du commerce et des affaires économiques*  
*Minutes of Meeting of Joint Canada-United States Committee  
 on Trade and Economic Affairs*

SECRET

[Ottawa], January 12, 1962

JOINT CANADA-UNITED STATES COMMITTEE  
 ON TRADE AND ECONOMIC AFFAIRS  
 JANUARY 12, 1962

The Committee convened at 10:45 a.m. in Room Sixteen in the Centre Block. Mr. Fleming was in the chair.

*Committee members in attendance were:*

Canada

Honourable Howard Green, Secretary of State for External Affairs  
 Honourable Donald M. Fleming, Minister of Finance  
 Honourable George Hees, Minister of Trade & Commerce  
 Honourable Alvin Hamilton, Minister of Agriculture  
 Mr. Arnold Heeney, Canadian Ambassador to Washington

United States

Honorable C. Douglas Dillon, Secretary of the Treasury  
 Honourable Stewart Udall, Secretary of the Interior  
 Honourable Orville L. Freeman, Secretary of Agriculture  
 Honourable George W. Ball, Under-Secretary of State  
 H.E. Livingston T. Merchant, Ambassador of the United States

*Officials in attendance were:*

Canada

Department of Finance  
 Mr. K.W. Taylor, Deputy Minister  
 Mr. A.F.W. Plumptre, Assistant Deputy Minister  
 Mr. S.S. Reisman, Assistant Deputy Minister  
 Mr. J.F. Grandy  
 Mr. C.A. Annis  
 Mr. M. Sakellaropoulo

Mr. Grey Hamilton  
Mr. W.A. Kennett

Department of External Affairs  
Mr. N.A. Robertson, Under-Secretary  
Mr. A.E. Ritchie, Assistant Under-Secretary  
Mr. O.G. Stoner  
Mr. W.F. Stone  
Mr. M. Dupuy

Canadian Embassy – Washington  
Mr. M. Schwartzmann  
Mr. J. Langley

Privy Council Office  
Mr. R.B. Bryce  
Mr. R. Labarge

Department of Trade and Commerce  
Mr. J.A. Roberts, Deputy Minister  
Mr. J.H. Warren, Assistant Deputy Minister  
Mr. V.L. Chapin  
Mr. R. Latimer  
Mr. J. Downs  
Mr. B. Marshall

Department of Agriculture  
Mr. S.C. Barry, Deputy Minister  
Mr. A. Turner

Bank of Canada  
Mr. L. Rasminsky, Governor  
Mr. S.J. Handfield-Jones

#### United States

Department of State  
Mr. Edwin M. Martin, Assistant Secretary of Economic Affairs  
Mr. William R. Tyler, Acting Assistant Secretary for European Affairs  
Mr. J. Robert Schaetzel, Special Assistant to the Under-Secretary

Treasury Department  
Mr. John C. Bullitt, Deputy Assistant Secretary for International Finance  
Mr. Dixon Donnelly, Assistant to the Secretary – Public Affairs  
Mr. Ralph Hirschtritt, Office of International Finance  
Commander Robert Johnson, United States Coast Guard

Department of the Interior  
Mr. Morton Pomeranz, International Affairs Assistant

Department of Agriculture  
Mr. Robert C. Tetro, Administrator, Foreign Agricultural Service

Department of Commerce  
Mr. Jack H. Behrman, Assistant Secretary of Commerce

United States Embassy  
Mr. F.A. Linville, Counsellor (Economic Affairs)

1. *Mr. Fleming* welcomed United States members to the seventh meeting of the Joint Committee. He recalled that since the Committee had been established in 1954 it had met regularly in Washington and Ottawa and its meeting had always been characterized by a constructive approach to the issues under discussion. He was confident that the present meeting would once again be carried on in this traditional friendly spirit. He paid tribute to the

important initiatives which the Chairman of the United States delegation, Mr. Dillon, had taken over the past few years to promote greater co-operation and better understanding in the Atlantic area.

2. *Mr. Dillon* thanked the Minister of Finance for his welcome. He recalled that the creation of the Joint Committee was the first time that the United States had set up special consultative machinery to deal with trade and economic matters with another country. It was natural that this country should have been Canada in view of the large reciprocal trade between the two countries and their common interests. The United States attached great importance to these bilateral consultations. The Committee provided a forum where Ministers could discuss not only problems between the two countries, but also broader problems such as those arising from regional developments in Europe.

3. The seventh meeting of the Joint Committee was the first to be held in Ottawa under the new United States Administration. It would strengthen the close cooperation between Canada and the United States which had recently led to the establishment of the OECD and the creation of special resources for the International Monetary Fund.

(After press representatives had left the room, the Committee resumed its meeting in closed session.)

4. *Mr. Fleming* pointed out that the agenda did not include bilateral items. There were, however, some outstanding bilateral issues between Canada and the United States which could be left to private discussions between Ministers outside the sessions of the Committee. Mr. Fleming also expressed the hope that some time could be found during the Joint Committee's meeting to review economic developments in the United States and Canada.

5. *Mr. Dillon* agreed that some bilateral items could usefully be discussed informally. He was also prepared to give an assessment of current United States economic developments and future prospects at the afternoon session.

#### AGENDA ITEM I

##### EUROPEAN TRADE DEVELOPMENTS AND THEIR SIGNIFICANCE FOR WORLD TRADE

6. *Mr. Ball* recalled that the United States had given full and enthusiastic support to movements towards integration in Europe. The United States regarded these European developments as constructive, at a time when great forces of destruction were at work in the world. These developments raised both opportunities and difficulties which should be faced by Canada and the United States together.

7. Britain's move into Europe, if successful, would raise new common problems for Canada and the United States. Both were large trading nations and would not be members of the enlarged European arrangement. The United States recognized that there would be particular problems for Canada in view of its historic relations with Britain and the Commonwealth.

8. *Mr. Ball* reviewed the main features of United States policy on European integration. Their interest had essentially been political. They had welcomed the rapprochement between France and Germany and attached importance to the contribution European integration was making in tying Western Germany to the West. Integration would also increase stability in Europe at a time when France, Germany and other European nations were experiencing political difficulties. Although the integration of Europe had so far been of an economic nature, it had encouraged political cohesion.

9. The United States recognized that integration could result either in the creation of trade or its diversion from third countries to the members of the Community. Serious problems might be raised if European integration resulted in any substantial trade diversion but the present

assessment of the United States Administration was that the political benefits more than compensated for the commercial risks.

10. *Mr. Ball* said that in the United States view the Europe of the Six, because it was incomplete, created elements of instability. As long as Britain was not a member it acted as a magnet pulling on some sectors of the Community, and the division of Europe would remain. Britain's move was regarded as a step towards greater and wider cohesion in the free world. Its application for membership had therefore been welcomed by the United States, although it was appreciated that difficulties would be raised for the United States mainly because of the further extension of preferential arrangements in Europe against them. *Mr. Ball* emphasized that they considered this decision to be one which only Britain could make. The United States also recognized the problems which British membership in the Community would raise for the Commonwealth. The Commonwealth was highly valued by the United States Government for its contribution to the cohesion and stability of the free world.

11. *Mr. Ball* said that prospective moves towards greater European integration could lead to wider developments in Atlantic cooperation. There was already a wide area of cooperation among Canada, the United States and Europe in defence through NATO and in economic policy through the OECD. Also, a common responsibility towards the under-developed world had been recognized in the Development Assistance Committee. There were further areas, however, where trans-Atlantic cooperation could be developed. The United States Administration felt a deep desire to strengthen the Atlantic relationship. In the United States view, Canada had always been considered as having an important role to play in these Atlantic relationships.

12. There was nothing contradictory between greater European and Atlantic cohesion. In the past, the disparity of size between individual European countries and the United States had created difficulties in the Atlantic area. Greater cohesion in Europe would facilitate greater Atlantic cooperation.

13. *Mr. Ball* referred to commercial policy as a major area for improved cooperation. For instance, in GATT the United States had recently undertaken tariff negotiations with a number of countries in Europe. While these negotiations would have significant results, more effective bargaining could take place in the future, employing new techniques, with an enlarged European Economic Community. Further opportunities and incentives for the United States to negotiate with Europe on a wider basis were already emerging, and these considerations underlay the new and more extensive tariff negotiating authority which the President would be asking from Congress. The United States Government felt that if this authority could be secured, their subsequent negotiations with the European Economic Community could help solve trade problems arising for other countries in the world. If Britain joined the Six, the enlarged European Economic Community and the United States would account for about 85% to 90% of the industrial exports of the free world. This percentage would be even higher if Canadian exports were added.

14. *Mr. Ball* repeated that the United States recognized that current European developments raised special problems for Canada. He hoped that the Canadian Ministers would speak frankly about their concerns. United States members, for their part, would be prepared to comment and indicate ways the United States might be able to help.

15. *Mr. Fleming* said that Canadian Ministers shared *Mr. Ball's* view of the importance of current developments in Europe, and recalled his discussions of these matters with *Mr. Dillon* at recent meetings in Paris.<sup>60</sup> Canada, with a population of 18 million people, was the fourth

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<sup>60</sup> Fleming était à Paris en novembre 1961./Fleming was in Paris in November 1961.  
Voir/See Volume 28, documents 537-539.

largest trading country and the first per capita trading country in the world. The Canadian Government had played an active role in the General Agreement on Tariffs and Trade and the International Monetary Fund and would continue to support measures aimed at expanding trade on a multilateral and non-discriminatory basis. Mr. Fleming also recalled Canada's support for the United States initiative for establishing the OECD which would lead to an increase in cooperation among Atlantic countries. It was important, however, not to give the impression that countries of the Atlantic area were developing a 'rich men's club.'

16. *Mr. Fleming* stated that the Canadian Government had always recognized the importance of the political factors related to the creation of the European Economic Community. But Canada also had very large economic and trade interests in Europe. Our sales to the Six were growing and we hoped to expand them still further. The press at times had been mischievous in their interpretation of the Canadian Government's position with respect to the Common Market. They had professed to see some antagonism against the Community which did not exist. However, Canada attached great importance, as the United States did, to the development by the Six of outward-looking trade policies. Referring to the attitude of the Six on agriculture in the GATT tariff negotiations, Mr. Fleming noted that there seemed to be a good deal of room for improvement.

17. Turning to Britain's application for membership in the Community, Mr. Fleming said that, here again, press descriptions of the Canadian Government's position had not always been correct. Canada recognized that the decision whether or not to join the Six was one for Britain alone to make. The views of the Canadian Government had been given when, and only when, the British Government had sought them. This had been done at the meeting of the Commonwealth Economic Consultative Council in London in September, 1960, during Mr. Sandys' visit to Ottawa in July, 1961, at the Commonwealth Ministerial meeting in Accra in September, 1961, during discussions in London in November after the OECD Ministerial meeting, and a few days ago with Mr. Heath in Ottawa.<sup>61</sup>

18. The Canadian Government had on these occasions expressed its views frankly, as had other Commonwealth governments. The trade interest of Commonwealth countries in the British Market was enormous, and Mr. Fleming emphasized the large proportion of this trade which moved under Commonwealth preferences. He noted that Canada's exports to Britain had grown significantly following the removal of their quantitative restrictions a few years ago. Also, the benefits enjoyed by Canada in Britain under the preferential system had been paid for in terms of Britain's access to the Canadian market. However, developments were in prospect which could jeopardize these arrangements.

19. *Mr. Fleming* recalled that the British Government had given assurances that in negotiating with the Six every effort would be made to safeguard Commonwealth interests. The Canadian Government had accepted these assurances. Recently steps had been taken to improve channels of communications with British negotiators so as to keep them informed of Canada's interests as the negotiations proceeded. The outcome of the negotiations was not yet clear but it was evident that Britain was anxious to bring the negotiations to a successful conclusion. It should not be assumed, however, that Britain would join at any price. While he was confident that if it came to a choice between the Six and the Commonwealth Britain would choose the Commonwealth, there was considerable room for negotiation at the present time. Canada attached the greatest importance to British efforts in the negotiations to safeguard its basic interests, and those of other Commonwealth countries.

20. *Mr. Fleming* described the Commonwealth as a great constructive and cohesive force in the free world, and emphasized the importance attached by the Canadian Government to its

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<sup>61</sup> Voir/See Volume 27, document 394; Volume 28, documents 510, 511, 522.

preservation. The Commonwealth was in a process of change, with increasing Asian and African membership. There was a great diversity of interests and views among Commonwealth nations, but their historic ties made the Commonwealth as a whole an important, constructive and stabilizing force in world affairs. The new countries of the Commonwealth were for the most part primary producers, and many were also attempting to industrialize. They were concerned about export markets and viewed the British market as the only dependable export market for their primary products and for their developing manufacturing industries. The meeting at Accra had clearly revealed the importance they attached to the British market. Historic and sentimental ties did not attach these new countries to the Commonwealth as strongly as in the case of Canada and other older members, and some delegations at Accra had questioned the usefulness of Commonwealth membership if traditional economic links were to be broken. Moreover, it was widely felt at Accra that Britain could not join the Six without damaging important trade interests of other Commonwealth countries. Contrary to a number of statements which had recently been made, Commonwealth trade was growing. If Britain's entry into the Community broke up the preferential system the effects would be damaging psychologically as well as economically, and he hoped that this point was fully recognized by the United States. Many of the new Commonwealth countries looked to Canada for leadership within the Commonwealth, and expected Canada to interpret Commonwealth interests to the United States.

21. *Mr. Fleming* said that the views and policies of the United States exerted tremendous influence in the free world. European decisions were affected, not only by its policies, but by European impressions of United States views. The widespread feeling that the United States Government wished to see Britain in the Common Market undoubtedly was influencing the British negotiations with the Community. The negotiations in Brussels had now entered the stage of hard bargaining, and the Canadian Government hoped that the United States would refrain from actions or statements which would be interpreted as pushing Britain into Europe and which would weaken the British negotiating position with respect to the safeguarding of Commonwealth interests. He referred in this connection to Secretary Freeman's statement in September in which Mr. Freeman had indicated that the United States would not wish to see the Commonwealth system of preferences perpetuated. This statement had caused much concern at the Accra meeting. Canada understood the historic attitude of the United States toward Commonwealth preferences. Nevertheless, it was the considered opinion of Canadian Ministers that great damage would be done to the Commonwealth association, and that the world would be the loser, if Britain were unable to safeguard the interests of Commonwealth countries in its market. He suggested that the United States Government may not have adequately taken into account the role played by tariff preferences in the Commonwealth relationship.

22. *Mr. Ball* replied that tariff preferences in the United Kingdom market did not seem to be equally important to all members of the Commonwealth. Underdeveloped Commonwealth members were primarily concerned with tropical products and in some cases with exports of low cost manufactures. In these areas Canada was not directly concerned. The chief interest of the more developed Commonwealth members was in temperate agricultural products and, in the case of Canada and Australia, in industrial products. Mr. Ball asked for a more specific description of Canadian interests in the United Kingdom market and of the ways in which they could be harmed.

23. *Mr. Hees* circulated two statistical tables and asked United States members to examine them. The first indicated the value of Canada's exports to Britain, according to their terms of entry into the British market (subject to duty, free of duty, under preference, not under preference). The second described the effects on Canada's access to the British market of the adoption of the proposed common external tariff by Britain.

24. *Mr. Freeman* asked whether any assessment had been made of the extent to which markets would be lost in Britain by Canada as the result of Britain's adoption of the common tariff.

25. *Mr. Hodges* suggested there would be compensating advantages to Canada by reason of the fact that the Common Market tariff for manufactured goods was low. These tariffs were being lowered still further in current GATT negotiations in Geneva. Britain would be adopting the Common Market tariff which was generally lower on manufactured products.

26. *Mr. Hees* said that Canada's trade with Europe had been growing and would continue to grow. However, preferences played an important role in Canada's trade in these items with Britain. Many firms across the country were exporting to the British market and would suffer seriously if their preferential advantages were impaired. Manufactured goods were playing an increasingly important role in Canadian exports and these exports had important employment effects.

27. *Mr. Freeman* asked whether Canada expected that Commonwealth preferential access to the British market would be maintained in perpetuity.

28. *Mr. Hees* replied that the British Government had given assurances that it would safeguard essential Commonwealth interests. Canada was observing the negotiations carefully, and supplying information which would assist the British in their negotiations.

29. *Mr. Freeman* said it was unrealistic to expect the perpetuation of preferences in their entirety.

30. *Mr. Ball* said that with respect to industrial materials, the statistical material which had just been circulated indicated there might be problems for aluminum alloys and perhaps also for steel ingots and asbestos. *Mr. Ball* added that Canada and the United States had a common interest in reducing the Common Market tariff on aluminum alloys.

31. *Mr. Hodges* remarked that Britain, in its negotiations with the Six, might be able to bring down the level of the common external tariff.

32. *Mr. Ball* said that judging by the value of Canadian manufactured exports to the United Kingdom, the problem should be of manageable proportion.

33. *Mr. Hees* stressed the importance which Canada attached to exports of manufactured products to the British market. This was a growing sector of trade with large potential, and one to which the Canadian Government attached great importance in terms of Canadian industrial development and employment.

34. *Mr. Hamilton* pointed out that Canada did not sell a wide variety of agricultural products to Europe and for most of these had a qualitative advantage. However, this was a most important trade for Canada, accounting for about 33% of our exports to Britain and 40% of our exports to the E.E.C. In this sector of trade, rates of duty were not as great a source of concern as non-tariff restrictions. Also, the Six were planning to use a system of variable levies to control the level of their imports of a range of agricultural products.

35. *Mr. Freeman* said the U.S. was also very concerned about its exports of agricultural products to Europe. The basic problem was the level of the internal price structure for agriculture within the Common Market. On this would depend the level of the variable levies imposed to protect domestic production. If prices were established at a high level, this would result in an increase in production and decreased imports.

36. *Mr. Ball* said that the most difficult problem was indeed that of temperate agriculture. The United States would be far more sympathetic to our difficulties in this field than in the field of manufactures. In the latter, the United States was, of course, in direct competition with Canada, and it seemed to him that adjustment to the loss of what was only a potential market would be easier for Canada.



37. *Mr. Dillon* expressed the view that there was a complete identity of interests in the agricultural field. He added that although the United States did not favour the preservation of the Commonwealth system of preferences, this did not mean that they would not be prepared to help with respect to special commodity problems. It seemed to him that Canada would not be so concerned about preferences if it obtained free entry for its main exports to the Common Market. Turning to the problem of low cost manufactures, Mr. Dillon said that the United States was aware of the special difficulties of the less developed members of the Commonwealth, and was also willing to help.

38. *Mr. Fleming* said that United States and Canadian views on European developments seemed close, except on the important question of preferences. It was clear that the United States did not attach importance to the maintenance of Commonwealth preferences. He agreed that the impact of Britain's entry into the Common Market would not be equal for all Commonwealth countries. Some would be hurt more than others, and this could have the effect of dividing the Commonwealth.

39. *Mr. Ball* said that different problems would probably have to be dealt with through different arrangements. With respect to textiles, for instance, it was doubtful that the Six would be prepared to give Hong Kong exports the same degree of access as they enjoyed in the British market. This difficulty might be solved in the context of wider arrangements of the kind recently negotiated for cotton textiles among interested countries under the auspices of the GATT.

40. With respect to tropical products, the United States had last February started discussions with the French and the British of proposals for substituting market stabilization arrangements and financial aid in place of preferences. Thus, new techniques were being explored which could compensate new members of the Commonwealth for the loss of preferences.

41. *Mr. Green* referred to statements by United States members regarding the strengthening of Europe. In his view, a distinction had to be made between the integration of Europe and the strengthening of Europe. The United States seemed to consider that Britain's entry into the Common Market would make an important contribution to strengthening Europe and to strengthening the free world generally. However, Britain, as the leading member of the Commonwealth, from which Britain largely derived its present position in the world, played an important role in the world, and there was a danger that Britain would lose some of its freedom of action by joining the European Community. There already was evidence that British policy was being unduly influenced by a desire not to antagonize the French. Mr. Green referred to the French attitude towards the United Nations and suggested that the common policies of the Six might not always be of the kind the United States would favour. Once the United Kingdom joined the Community it would have but one voice among other European countries in the formulation of a European policy and this voice might not be predominant. There was the additional danger that Britain's entry into the Community would weaken or even lead to the breakup of the Commonwealth. It was in the interest of both Canada and the United States to recognize the vital importance of the role Britain played as head of the Commonwealth.

42. *Mr. Ball* emphasized the importance of ensuring that the resources of the Six, and particularly France, were fully committed to the common interests of the West. He expressed confidence that Britain's political genius could help to bring an integrated Europe more nearly into line with the interests of the free world, and could also be relied on to reconcile her role in an integrated Europe with her position as the leading country in the Commonwealth. If Britain had been a member of the EEC it would have been able to control better the internal development of the Community, and perhaps to prevent the disarray that had been experienced at recent NATO meetings. The Western world must combine all its resources to meet the

Communist challenge. If there was no possibility of a strong and united Europe, the prospects of the free world would be dark indeed.

43. *Mr. Freeman* commented that his press statement, which *Mr. Fleming* mentioned as having caused grave concern at the Commonwealth meeting in Accra, was not meant to be an attack on the Commonwealth preferential system, but had been mainly concerned with the problem of access to the Common Market for agricultural products.

44. The meeting adjourned at 12.50 p.m.

45. The Committee reconvened at 3.00 p.m., with *Mr. Fleming* in the Chair.

46. *Mr. Fleming* invited *Mr. Dillon* to review current developments in the American economy.

47. *Mr. Dillon* observed that the Committee had met the last time at the turning point of the recession. The United States Government's policy had since then been to reduce unemployment, maintain price stability and contain inflation. Care had, however, been exercised to prevent short term interest rates in the United States from falling too low in order to forestall a serious outflow of short term capital. There had been a large number of new bond issues, and shares valued at about 20 billion dollars had been sold during 1961.

48. *Mr. Dillon* said that the recession was now over. Unemployment stood at 6.1% as compared with 7% the year before. This was still too high. New records had, however, been achieved in virtually all business indexes. The GNP was running in the last quarter at a rate of \$530 billion or 8% over the first quarter rate. For the whole year it would stand at \$521 billion, a 3½% increase over 1960. Prices had remained stable, the consumer price index increasing by only ¾ of 1%. Early in 1961 there had been a noticeable increase in exports and a reduction of imports. The 1961 overall deficit in the balance of payments was accordingly expected to be somewhat under \$2½ billion, of which \$500 million could be regarded as the basic deficit. The short term capital outflow had been substantial but the gold loss of \$850 million in 1961 was about half of the 1960 loss and accounted for a smaller percentage of the deficit.

49. *Mr. Dillon* proceeded with a review of the outlook for the United States economy. With respect to production the pattern was one of a regular upturn with an increase in consumer buying (automobiles), and this pattern was likely to continue. Private economists' estimates of the GNP for 1962 were in the neighbourhood of \$565 billion or \$5 billion better than had been expected three or four months ago. The Government's own estimate of the 1962 GNP was \$570 billion. There was broad agreement between Government and private forecasters that the first half of 1962 would be very good. Their differences related to the speed of recovery over the second half of the year. There was, however, a general feeling that the economy would continue to move ahead. Improved profits and anticipated increases in orders by business for new plant and equipment supported this view. Business investment might also be encouraged by new tax measures affecting depreciation allowances. *Mr. Dillon* noted that business had a tendency to underestimate the volume of profits they could expect, although he recognized that there had been a squeeze on profits. The additional \$5 billion in the Government's GNP forecast would increase Government revenues by about \$1¼ billion. No real pressure was expected on prices over the next 5 to 6 months. Unemployment was still substantial and excess capacity existed in most sectors. Pressure on prices could arise, however, if new labour contracts in the steel industry called for substantial wage increases. The present contracts would expire in July. The Government's GNP estimates were based on the assumption that there would not be a steel strike, and the Government would do what it could to prevent a strike. Unemployment was expected to decline to 5% by the end of 1962. If the recovery continued at its current rate it would fall to 4% by the middle of 1963, thus reaching a "full employment" level. Thirty months was roughly the duration of the average boom in the United

States since the end of the war. If it followed the same pattern, the present recovery would carry the economy to the middle of 1963.

50. *Mr. Dillon* said that the fiscal policy of the Government in 1961 had been designed to provide a stimulus to the economy. This policy had led to a deficit of \$7 billion for the year ending June 30, 1962, which was much smaller than the \$12.5 billion deficit reached during the last recession. Government revenues for the fiscal year 1961-62 were expected to be about the same as revenues over the 1961 calendar year since revenues generally lagged behind recovery by six months or so. If the Government's forecasts proved to be correct and revenues increased by \$10 to \$11 billion, receipts and expenditures would be balanced in the fiscal year 1962-63. This would be in keeping with the Government's policy of balancing the budget in times of prosperity. The President, in his budget message to Congress, would request Congress to hold down appropriations to recommended levels. The increase in the rate of expenditures was expected to level off during the next fiscal year, which would help in balancing the budget. The situation was quite different from that of a few years ago when the previous Administration had achieved a small surplus by substantial reductions in expenditures.

51. *Mr. Dillon* said that the Government intended to continue a policy of monetary ease until such time as pressures on prices or wages developed. He noted that short term interest rates had increased by half of one percent to 2¾%, while long term rates had remained stable at 4 to 4½%. This had been helped by changes in regulations allowing banks to pay higher interest on time deposits. If pressure developed on demands for loans, some tightening might be required, but the Government did not wish to pursue a restrictive monetary policy, particularly since it was at the same time carrying out a relatively conservative fiscal policy.

53. *Mr. Dillon* said that the outflow of short term capital in 1961 had been in the neighbourhood of \$1.8 billion. This was the second year that a large outflow had taken place. He indicated that their figures for the fourth quarter of 1961 would reveal a substantial short term outflow. This was explained by a sharp increase in trade with Japan financed by short term borrowing, and also a short term flow to Canada of the order of \$300 million. United States officials were unable to account fully for the latter. They thought, however, that some United States funds were probably attracted by higher short term interest rates in Canada. The outflow might also be the result of changes in taxation introduced in Canada in December, 1960. The gross take of Canadian taxes on the profits of United States subsidiaries in Canada was 57%, which was higher than the 52% deductible for United States taxation purposes. Some United States corporations had perhaps found some advantage in investing part of their profits in Canadian short term securities, the interest of which was taxable at a rate of 15% only. The outflow of short term capital to Canada might also partly be explained by shifts in deposits from United States to Canadian banks in New York, which would appear on United States balance of payments figures because of the United States accounting system. United States short term interest rates were still not competitive with London rates, but the short term outflow might well cease if there was no crisis of confidence.

54. With respect to the basic balance in international accounts, *Mr. Dillon* said that both imports and exports had risen considerably over the past six months, the latter to a figure of \$20 billion for 1961. He expected exports to continue rising and remarked that the Administration was trying to improve depreciation provisions for industries. The United States was moving closer to a trade balance with Europe. Improvement in the payment situation with Germany was expected to continue with increased German Government procurement in the United States. The Government had made arrangements with Germany whereby United States military expenditures in Germany would be offset by German military procurement in the United States. Similar offset arrangements would be negotiated with France. While the basic balance might not be quite as good in 1962 as it had been in 1961, because of increased

imports, the outflow of short term capital was expected to decrease in 1962 and a substantially lower overall deficit should be experienced in 1963. Indeed, a balance might be achieved in 1964. In brief, the policy of the United States Government was to maintain growth without inflation, improve the state of the balance of payment, increase exports and negotiate military offset agreements. Natural forces were working for expansion and a GNP increase of 8% was expected during 1962. The United States Government would, nonetheless, request several anti-recession measures from the Congress, the most important of which were:

- (1) A permanent long term unemployment compensation Act;
- (2) Standby authority for the President to initiate public works, if unemployment increased substantially; and
- (3) Presidential authority to reduce taxes by 5 percentage points, subject to Congressional veto, for a six-month period.

Mr. Dillon remarked that this latter authority was generally recognized as providing more effective means of combating a recession than increased spending programmes which took some time to implement. It might, however, run into considerable opposition in the Congress because of its novel character and the traditional fiscal powers of the Congress under the United States Constitution.

55. *Mr. Fleming* thanked Mr. Dillon for his comprehensive survey of the United States economic situation and prospects. Regarding the Canadian economic situation, Mr. Fleming said that in 1961 the Gross National Product reached \$37 billion, the low first quarter having been at an annual rate of \$35.7 billion and the last quarter having reached a high of \$38.1 billion. The Gross National Product at the end of 1961 was therefore 7 per cent above the rate at the beginning of the year. The Gross National Product in 1962 was expected to be from 6 to 7 per cent above 1961. Canada had had the same general experience in employment as the United States. Employment had not expanded as rapidly as had the economy generally but the unemployment picture was materially better than it had been a year ago. On the fiscal side, in view of the slack in the Canadian economy the Government had budgeted for a deficit of \$650 million. Canada had had for some time a serious balance of payments problem and for this reason action was taken in the last two budgets affecting the exchange rate. As a result, the Canadian dollar had moved to a discount of about 4½ per cent. This action affecting the rate in no sense constituted currency manipulation but was an attempt to deal with the serious balance of payments problem. Canada had for several years been running a current account imbalance of over a billion dollars. The Canadian Government had never objected to capital inflows of a productive nature. It had recognized their importance to the economy and had tried to maintain a climate hospitable to foreign investment capital. The government had been following a policy of monetary ease. The money supply had been increased over the past year by about \$1 billion, or by 8 to 9 per cent. The commodity trade balance had improved considerably over the past year and there would be a surplus on commodity trade in 1961, the first such surplus since 1952. Medium and long-term interest rates had declined moderately over the past several months and the spread between Canadian and United States interest rates had been reduced. Mr. Fleming commented that Mr. Dillon's reference to large short-term capital outflows from the United States to Canada was puzzling. They had not shown up in the Canadian balance of payments.

56. *Mr. Dillon* explained that much of the movement of short-term capital was in the nature of a shift of savings from United States to Canadian banks in New York where they could earn a higher interest. It was shown on the United States accounts as a capital outflow because of their very conservative system of bookkeeping. It would not show up in Canadian statistics. Mr. Dillon said that he was not suggesting that anything needed to be done about this capital movement.

57. *Mr. Hodges* read a series of statistics demonstrating the important increase in activity in a number of sectors of the United States economy over the past year. He went on to say that while exports were about \$20 billion annually they represented less than 4 per cent of the Gross National Product. United States exports were only about \$111 per caput compared with exports of about \$220 per caput for Canada.

## AGENDA ITEM 2

### UNITED STATES TRADE PROGRAM

58. *Mr. Ball* outlined briefly the history of the existing Trade Agreements Legislation. He then went on to observe that if the British were to join the European Economic Community, 85 to 90 per cent of the free world's industrial production and trade would be concentrated in the Community and the United States. Europe would be speaking with one voice in trade and economic affairs and would have an economy of about the size of the United States. A new sort of trading world would exist. Consequently the Administration had set about to redesign their trade legislation. The new bill would be radically different in style, terminology and approach, as well as in substance, from its predecessor, although it would still be based on a mutual exchange of benefits in tariff negotiations with other countries. A general authority would be requested to reduce tariffs by 50 per cent for large categories of items, because this seemed like a sensible way to make further reductions in tariffs and because the European Community was better able to negotiate on broad categories than on particular items. In addition several special authorities would be requested. First, the Administration would seek authority to negotiate tariffs to zero for categories of products where 80 per cent of the export value of these categories in relation to exports of the whole of the free world constituted trade between the United States and the Community. All the negotiations would take place on a most favoured nation basis. Countries receiving substantial indirect benefits from such negotiations would, of course, be expected to contribute to the exchange of benefits. Second, on agricultural items where the United States was in a strong competitive position and where tariff reductions by other countries could be effectively utilized to expand United States trade, authority would be sought to move to free. Third, the proposed legislation would provide for granting free access to United States markets for tropical agricultural and forest products, if Britain and the Community would do the same. Fourth, authority would be sought to move to free where the level of the existing tariff did not exceed 5 per cent.

59. The "safeguards" in the present legislation would also be altered. As was the case in existing legislation, the President would be required to request the advice of the Tariff Commission on proposed tariff reductions, but there would be no fixing of precise peril points. The national security clause would be retained in its present form. The escape clause would be substantially amended to provide for adjustment assistance for industries and labour as an alternative to increasing tariffs to previous levels. It was not intended that this assistance would provide large federal subsidies. Estimates suggested that expenditures would run between \$50 and \$100 million annually. The new legislation would have a life of five years. Regarding the problem of low cost imports, *Mr. Ball* said that Presidential power to reduce or eliminate tariffs would be limited to those commodities that could be produced most efficiently in the United States, Britain, the European Community and Canada. Congress could not be expected to hand over powers to reduce tariffs on goods produced by low cost countries.

60. The powers being sought would obviously be limited in their effect if the British negotiations with the Community failed. The new trade programme was constructed on the assumption of a European Community including the United Kingdom. Although it was not the intention to exert pressure on Britain, the legislation should not be regarded as providing an alternative to Britain's entry into the Community. While the legislation was being developed in

such a way that it would not directly influence the negotiations in Europe, it was designed to ease future problems of adjustment for other countries, including the Commonwealth, should Britain join the Common Market.

61. There was some feeling in Washington that because of the state of the negotiations in Europe it might be better to wait for another year before introducing the new legislation. However, the view prevailed that it was necessary for the United States to exercise leadership at the present time in the move for greater trade liberalization, and that the existing momentum for liberalization should not be lost.

62. The envisaged reductions in world tariff barriers would be helpful in resolving not only some United States problems but also some Canadian problems. These initiatives would be strengthened if Canada participated in a similar programme of tariff reductions. Success depended on the creation of an environment of general commitment by the world trading community to further trade liberalization. The resulting expansion of world trade would lead to greater cooperation among the Western countries in the utilization of resources for the cold war, and to higher living standards everywhere.

63. *Mr. Hodges* pointed out the similarity of the interests of Canada and the United States in further progress toward trade liberalization, while recognizing that Canada had the problem of smaller industrial units. He expressed the view that protectionist sentiment in Canada was no stronger than it was in the United States. The Administration had had some recent indications that protectionist pressures in the United States were weakening somewhat. He had seen the vitality of Europe and was most impressed by it. He wanted the United States to share in this vitality by increasing their trade with Europe. The Administration would emphasize that the new programme was a "trade expansion programme" and was designed to increase economic activity and employment in the United States. They would try to demonstrate that only a very small proportion of potential imports were competitive with products of domestic industries. Although wages in the United States were relatively higher than in Europe, output per man was still higher. Now was the time to take an initiative in liberalizing trade. This trade liberalization should also include the dismantlement of restrictions on trade in agricultural products. Under the new programme the Canadian adjustment would be somewhat greater than would be the case in most countries, since Canada would be giving up preferences not enjoyed by others.

64. *Mr. Freeman* emphasized that the Administration would be seeking maximum access to the markets of the Community for agricultural products. They were very concerned about the problem of access at the present time. It was expected that the Six would work out a common price system this weekend. For many products internal prices would be safeguarded by the use of variable import fees enabling a rigid control on imports. If prices in the Community were established at a level that would bring forth uneconomic production, this would be very damaging to Canadian and United States export markets. The United States would press very strongly for assurances that their historic access for agricultural products should be guaranteed.

65. *Mr. Ball* said that the Administration hoped that the new trade bill would help to obtain improved access to European markets for agricultural products.

66. *Mr. Green* asked about the effect of the United States trade programme on the Commonwealth.

67. *Mr. Ball* said that industrial raw materials, which constitute the major sector of Canada's trade with Europe, for the most part already entered the Common Market free of duty. Aluminum constituted an outstanding exception, and it was the United States' intention to try to persuade the Six to move aluminum to the free list. If they were successful Canada would benefit considerably. The Administration had not yet received any very definite reaction from the Six to its proposed trade programme but in general discussions of this type of programme

their response had been favourable. Recent discussions with Mr. Heath and Doctor Erhardt in Washington indicated they welcomed the Administration's new plans. In reply to a question by Mr. Hees, Mr. Ball said that hearings on the proposed legislation would start early in March, but it would be July or August before Congressional action could be expected.

68. *Mr. Fleming* thanked Mr. Ball for his outline of the programme. He welcomed the opportunity presented by the meeting of the Joint Committee to discuss the Administration's plans, to the extent that they envisaged an international initiative by the United States in the trade field having important bilateral aspects. A United States trade programme of this kind was recognized in Canada as of the highest importance for the world generally and for Canada. It was also apparent that the present was the most appropriate time for launching such an initiative. He personally felt that the GATT had not lost momentum and was playing an important role in developing initiatives for trade expansion on a multilateral basis. He noted that Mr. Heath had expressed the view, on his recent visit to Canada, that Congressional action on Administration's initiative and the resulting negotiations would come too late to affect the current negotiations in Europe.

69. *Mr. Ball* commented the Administration did not intend or wish that their programme would delay British negotiations with the European Community. However, their initiative might lead to the settlement of some problems in the negotiations on a provisional basis. It would be unfortunate if at the conclusion of the European negotiations the trade and economic pattern in Europe were fixed indefinitely.

70. *Mr. Fleming* said that Canadians still remembered the Hawley-Smoot tariff of the early 1930's and that they would want some assurance that the proposed trade programme would be a firm and lasting part of United States policy. Mr. Fleming then read a section from a speech he had given in Windsor, Ontario, on November 9, 1961, in which he had stressed that the United States as the leading world power could not be indifferent to the ramifications which the negotiations in Europe would have in so many parts of the world.<sup>62</sup> For example could the United States afford to overlook the effects of a weakening of the Commonwealth trading system or the political solidarity of the Commonwealth in Asia and Africa or their important trading interests in Japan? "Constructive and imaginative leadership was required if the system of world trade and payments which the United States had done so much to develop was to continue to provide an effective framework. Under any circumstances the course of action of the United States in commercial policy would have been of the utmost importance to world trade. In the present situation the scope and character of the tariff negotiating authority which the Administration would obtain from Congress might well influence the course of history, both economic and political, for years to come." Mr. Fleming assured the United States members that Canada was with them in looking for opportunities for freer trade. Canadian trade policy was based on its position as a world trader and on the GATT principles of multilateralism and non-discrimination. Canada has supported these principles in giving support to the establishment of the OECD and in contributing to the new resources of the IMF which would help to buttress the world payments system. Canada would not be found wanting in its contribution to a stronger and freer trading world.

71. *Mr. Hamilton* noted that Canada and the United States had been following the same lines in their search for solutions to agricultural trade problems. Agricultural problems were world-wide and could not be solved within the Six. Most of the industrialized nations could soon be in a net surplus position in agriculture, and the number of countries in this position would

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<sup>62</sup> Voir/See Donald Fleming, "Canada, The United States and Developing Trade Blocs," in *Third Seminar on Canadian-American Relations at Assumption University of Windsor, November 9, 10, 11, 1961* (Windsor: Assumption University of Windsor, 1961), pp. 1-18.

increase as the mechanization of agriculture spread. The International Wheat Agreement and the Wheat Utilization Committee proved how effectively countries could work together to help resolve surplus commodity problems. At the OECD Agricultural Ministers' meeting in Paris a few months ago he had pointed out that European countries except Greece and Turkey had or would eventually have a surplus of agricultural products. As a result they would be faced with three courses of action. First they could subsidize exports of agricultural products, which experience has proved to be both a costly and inefficient solution. Canada and the United States should give the lead in the OECD to the introduction of the rule of law for trade in agricultural products. There was precedence for this in the International Wheat Agreement in which producers were guaranteed a minimum price and consumers were protected by a maximum price. An additional solution was to increase the purchasing power of the underdeveloped countries by arranging commodity agreements which would ensure them a fair price for their output. Second, surpluses could be used as a basis for developing a new programme to assist the underdeveloped countries. In such a world food programme cash payments would demonstrate that the programme was based on humanitarian rather than selfish goals. Finally, governments could encourage alternative land use programmes. Canada and the United States were following constructive policies in this area and should continue to work together to persuade other countries to do the same.

72. *Mr. Freeman* agreed that the two countries should continue to work closely together to achieve the goals mentioned by *Mr. Hamilton*. Two steps were being taken by the Administration in this regard. First, United States food aid programmes would be integrated with the recipient countries' development programmes. Second, the farm programme to be sent to Congress would be the toughest in history. Among other things it would propose both acreage and production controls. There would be a real problem getting this programme through Congress.

73. *Mr. Udall* said that President Kennedy with his sense of history saw the new United States trade programme as a turning point in international trading relationships. The United States delegation was optimistic about the chance of success for the new programme. It was their belief that the risks of trying to initiate a new trading system were far less than the risks of retaining the old one.

74. The meeting adjourned at 5.40 p.m.

JOINT CANADA-UNITED STATES COMMITTEE  
ON TRADE AND ECONOMIC AFFAIRS  
JANUARY 13, 1962

The Meeting resumed at 9.30 a.m. in Room Sixteen in the Centre Block. *Mr. Fleming* was in the chair.

*Committee members in attendance were:*

Canada

Honourable Howard Green, Secretary of State for External Affairs  
Honourable Donald M. Fleming, Minister of Finance  
Honourable George Hees, Minister of Trade & Commerce  
Honourable Alvin Hamilton, Minister of Agriculture  
Mr. Arnold Heene, Canadian Ambassador to Washington

United States

Honorable C. Douglas Dillon, Secretary of the Treasury  
Honorable Stewart Udall, Secretary of the Interior  
Honorable Orville L. Freeman, Secretary of Agriculture  
Honorable Luther H. Hodges, Secretary of Commerce  
Honorable George W. Ball, Under-Secretary of State



*Officials in attendance were:*

## Canada

## Department of Finance

Mr. K.W. Taylor, Deputy Minister  
 Mr. A.F.W. Plumptre, Assistant Deputy Minister  
 Mr. S.S. Reisman, Assistant Deputy Minister  
 Mr. J.F. Grandy  
 Mr. C.A. Annis  
 Mr. M. Sakellaropoulo  
 Mr. Grey Hamilton  
 Mr. W.A. Kennett

## Department of External Affairs

Mr. N.A. Robertson, Under-Secretary  
 Mr. A.E. Ritchie, Assistant Under-Secretary  
 Mr. O.G. Stoner  
 Mr. W.F. Stone  
 Mr. M. Dupuy  
 Mr. R. Roy

## Canadian Embassy – Washington

Mr. M. Schwartzmann  
 Mr. J. Langley

## Privy Council Office

Mr. R.B. Bryce

## Department of Trade and Commerce

Mr. J.A. Roberts, Deputy Minister  
 Mr. J.H. Warren, Assistant Deputy Minister  
 Mr. V.L. Chapin  
 Mr. J. Downs  
 Mr. B. Marshall

## Department of Agriculture

Mr. S.C. Barry, Deputy Minister  
 Mr. A. Turner  
 Mr. R. Faibish

## Bank of Canada

Mr. L. Rasminsky, Governor  
 Mr. S.J. Handfield-Jones

## United States

## Department of State

Mr. Edwin M. Martin, Assistant Secretary of Economic Affairs  
 Mr. William R. Tyler, Acting Assistant Secretary for European Affairs  
 Mr. J. Robert Schaetzel, Special Assistant to the Under-Secretary

## Treasury Department

Mr. John C. Bullitt, Deputy Assistant Secretary for International Finance  
 Mr. Dixon Donnelly, Assistant to the Secretary – Public Affairs  
 Mr. Ralph Hirschtritt, Office of International Finance  
 Commander Robert Johnson, United States Coast Guard

## Department of the Interior

Mr. Morton Pomeranz, International Affairs Assistant

## Department of Agriculture

Mr. Robert C. Tetro, Administrator, Foreign Agricultural Service

Department of Commerce  
Mr. Jack H. Behrman, Assistant Secretary of Commerce

United States Embassy  
Mr. F. A. Linville, Counsellor (Economic Affairs)

*January 13, 1962.*

75. *Mr. Fleming* noted with regret the absence of Mr. Merchant as a result of the sickness of his son.

AGENDA ITEM 2 (Cont'd.)

76. *Mr. Fleming* asked Mr. Ball whether he had any further comments on United States trade programme as it would relate to trade with low cost countries, and also with respect to "safeguards" – the peril points, the escape clause, and the national security amendment.

77. *Mr. Ball* said that all negotiated tariff reductions under the proposed legislation would be extended to third countries on a most favoured nation basis. Consequently to the extent that tariffs were lowered under the 50 per cent reduction authority on products which they exported, low cost producers would benefit. The authority to eliminate tariffs under the 80 per cent of world trade provisions would mainly affect manufactured goods produced in the industrialized countries of the West and would probably not have much relevance to exports of the less developed countries at the present time. As their production turned to more capital intensive manufactures, however, they would benefit by the zero tariff that would exist on these products in Europe and the United States. The movement to free of tariffs of 5 per cent or less would also benefit low cost countries, and the solution to the problem of trade in tropical agricultural and forest products along the lines envisaged in the new programme would definitely be of benefit to them. Study of the problem of low cost imports was taking place within the GATT framework. While the trade programme did not deal directly with this problem, the Administration would continue to feel its way in this area in the hope that the industrialized countries would find it possible to relax restrictions on these products, the export of which was so essential to the economic strength of the less developed countries. If these countries were going to have strong economies they would have to develop labour intensive industries and find market for their output.

78. On the question of safeguards, *Mr. Ball* referred to the President's State of the Union Message of January 11 in which he said that the existing safeguards would not be neglected in the new legislation.<sup>63</sup> *Mr. Ball* explained that the peril point provisions of the present legislation required the President to ask for and receive the views of the Tariff Commission on tariff reductions being planned. This was a method of giving assurances to Congress that the Executive would act only after having received the advice of an impartial body. The Administration, in its review of the peril point and escape clauses, was trying to move away from the concept of "injury." Every producer in a dynamic economy was faced with the need to adapt his production to changes in consumer taste, shifts in population, technological changes, substitution of materials, etc. In adjusting to such changes, only on very rare occasions did producers get assistance from the government. Similarly, while changes in the level of tariffs would require adjustments by industry, it was expected that most of those adjustments would be made without governmental assistance. Where adaptation involved the idling of plant and labour, relief could be provided either by a temporary adjustment of the tariff or by direct government assistance to industries to help them diversify or shift their output from one product to another. Tariff adjustments would only take place when other lines

<sup>63</sup> Voir/See *Public Papers of the Presidents: John F. Kennedy, 1962* (Washington: United States Government Printing Office, 1963), document 7.

of defence were ineffective. The national security clause would remain unchanged in the new legislation. It had only been used once and that was in the case of oil.

79. *Mr. Hodges* said, with respect to the 80 per cent of world trade criterion for moving tariffs to free, that if Japan, for example, became a major exporter of products in one of the categories which originally met this criterion, it might develop that the United States and the European Community would cease to export between them 80 per cent of world trade. The course to be followed in such circumstances was one of the problems being considered in Washington.

80. *Mr. Ball* said that the base period for the 80 per cent of world trade calculation was not finally settled, although the year 1957 was currently being considered. Similarly, the categories for which tariffs would be reduced or eliminated were not yet determined. However, in the industrial sector the current plan included about 100 categories. In the legislation the President might be given the power to determine what these categories would be.

81. *Mr. Ball* said, in reply to a question by *Mr. Fleming*, that the Trade Agreement Legislation specified that tariff agreements entered into must be for mutual benefit and that this in effect ruled out unilateral tariff reductions by the United States.

#### TRADE IN AGRICULTURAL PRODUCTS

82. *Mr. Hamilton* said that the Canadian Government supported the United States programmes for providing foodstuffs to less developed countries on the basis of the requirements of their development programmes. The Canadians in turn wanted United States support for the food bank programme which Canada had proposed and which had now been accepted in principle by FAO and the U.N. General Assembly.<sup>64</sup> It was important that there should be a wide participation, particularly by European countries, in the new United Nations food programme. It was the Canadian intention to emphasize the aid nature of this programme by including in it provision for cash donations. It was essential that the programme be organized on the basis of the needs of the less developed countries, and that it should not be regarded as a programme for dumping surplus agricultural production.

83. *Mr. Freeman* agreed that the philosophy and psychology of the Food for Peace programme and the proposed World Food Programme must be that of aid to the underdeveloped countries. These should not be regarded as programmes to resolve domestic problems of surplus producers. The Administration would seek legislation that would permit a cash contribution to the proposed World Food Programme. The contributors to the programme should include all countries that exported agricultural commodities, even although their participation was only on a token basis.

#### COMMUNIQUÉ

84. The Committee then turned to the subject of a communiqué and, after some discussion, the text of a communiqué was approved.<sup>65</sup>

#### CLOSING REMARKS

85. *Mr. Fleming* said that it had been a great pleasure to receive the United States delegation in Ottawa. The meeting had been most useful and could not have been held at a more opportune time. The Canadians were particularly grateful for the opportunity to have a first

<sup>64</sup> Voir Volume 28, chapitre premier, 1<sup>ère</sup> partie (a)./See Volume 28, Chapter I, Part 1(a).

<sup>65</sup> Voir « Entretiens économiques canado-américains, » *Affaires extérieures*, vol. 14, n° 2 (février 1962), pp. 60 à 62.

See "Canada-U.S. Economic Talks," *External Affairs*, Vol. 14, No. 2 (February 1962), pp. 59-61.

hand description of the new United States trade programme which was so well thought out and would be so important to world developments. Mr. Fleming commented on the importance of personal relations in international affairs and on the high value which Canadian Ministers placed on the close and friendly relations with their United States colleagues.

86. *Mr. Dillon* shared Mr. Fleming's sentiments about the importance of working closely together. The meeting had been most useful and the United States members welcomed this opportunity to understand more deeply and fully Canadian problems arising out of the British negotiations with the Six. They recognized that Canada was in a special category. Mr. Dillon looked forward to continued close relationships. In conclusion he conveyed a personal message from the President to the Prime Minister extending the President's best wishes to the people of Canada.

87. The meeting was adjourned at 11.30 a.m., following which the communiqué was released to the press.

SECTION B  
MAGAZINES

265.

D.M.F./Vol. 102

*Note de l'ambassade des États-Unis*  
*Note by Embassy of United States*

NOTE NO. 183

Ottawa, February 21, 1962

CONFIDENTIAL

The Embassy of the United States of America presents its compliments to the Department of External Affairs and has the honor to make known the continuing deep concern with which the United States Government views the plans of the Canadian Government to introduce legislation affecting foreign periodicals and to express the strong apprehensions of the United States Government with regard to the potentially adverse effects of the proposed legislation upon United States publications produced in or exported to Canada.

The United States Government observes that its carefully considered views on those recommendations of the Royal Commission on Publications affecting foreign periodicals were first expressed on August 4, 1961 in the United States Embassy's Note No. 27.<sup>66</sup> The Canadian Government's response (Department of External Affairs Note No. 12) was delivered on January 22, 1962,† following the announcement in the Canadian Parliament on that date of the Canadian Government's plans to introduce legislation to implement the Royal Commission's recommendations.<sup>67</sup>

The Canadian Government announced that it would introduce legislation to ban the entry into Canada of foreign periodicals containing advertising directed primarily to the Canadian market. In view of the long history of the support by the Canadian Government for the removal of barriers to international trade and particularly its opposition to quantitative import restrictions, the United States Government is surprised that the Canadian Government now plans to introduce a complete ban on the entry of certain foreign periodicals, particularly since the ban is to be imposed in an area involving the free flow of information and ideas.

<sup>66</sup> Voir/See Vol. 28, document 413.

<sup>67</sup> Voir Canada, Chambre des Communes, *Débats*, 1962, vol. 1, pp. 62 à 64.  
See Canada, House of Commons, *Debates*, 1962, Vol. 1, pp. 58-60.

The United States Government considers that the proposed import prohibitions would be clearly contrary to Canada's international obligations under Article XI of the General Agreement on Tariffs and Trade. As the Canadian Government is aware, Article XI states that no contracting party to the General Agreement shall institute prohibitions on the importation of any product of the territory of any other contracting party. Such action by the Canadian Government might well be used as a precedent by other governments to ban the inflow of periodicals in areas where it is particularly important that the aims, ideals and activities of Canada, the United States and their Free World allies should be better known. The United States believes, therefore, that the proposed import ban would be both a violation of Canada's international obligations and a harmful precedent.

The United States Government believes that the proposed import ban will have the effect of depriving the United States publishing industry of the privilege generally enjoyed by exporting industries of adapting their product to the taste of potential consumers. The recognition of this privilege is the basis of international agreements to which the United States and Canada subscribe.

The United States Government is pleased to note that the Canadian Government is prepared to enter into conversations with the United States concerning compensation to the United States for any impairment of existing tariff concessions that the proposed import ban would create. However, even the provision of such satisfactory compensation would not make the proposed import ban any less inconsistent with Canada's obligations under Article XI of the General Agreement.

The Canadian Government also announced that it would introduce legislation to disallow as deductible business expenditures under the Canadian income tax 50 percent of the costs of domestic advertising in non-Canadian magazines now published in Canada, as well as all of the costs of advertising in magazines published outside of Canada. The United States Government notes that according to the figures given in the report of the Royal Commission on Publications the result of the proposed tax measure would be to increase by approximately 50 percent the costs to Canadian advertisers of domestic advertising in non-Canadian magazines published in Canada. It is obvious that the measure would seriously reduce the advertising revenues of those United States firms now publishing Canadian editions of their periodicals. The proposed tax measure is so discriminatory and its injury may well be so great that these United States firms may have to cease publication of their special editions for the Canadian reading public.

The United States Government believes that if the proposed tax measure is enacted Canadian advertisers are more likely to turn to other advertising media which reach a massive audience than to the Canadian periodicals which the measure is designed to help. It is axiomatic in the magazine industry that advertising is dependent upon circulation, and not the other way around. Advertisers buy circulation and they have a choice of many competitive media, both print and broadcast; if the choice of periodicals circulating in Canada is limited, the advertisers are likely to spend their money in newspapers, on direct mail, or for broadcast or telecast time. The United States Government believes, therefore, that the measure would not only be injurious to United States publishing interests now providing a special service to the Canadian reading public, but that it would not effectively assist Canadian periodicals.

Furthermore, the proposed tax measure would appear under some circumstances to contravene a commitment made by Canada to the United States in the double taxation convention between the two countries.<sup>68</sup> This commitment is to allow as deductions, in

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<sup>68</sup> Voir *Recueil des Traités du Canada, 1942, n° 2*, et *Recueil des Traités du Canada, 1951, n° 22*.  
See *Canada Treaty Series, 1942, No. 2*, and *Canada Treaty Series, 1951, No. 22*.

determining for the purposes of Canadian income tax on the net industrial and commercial profits of a United States enterprise permanently established in Canada, all “reasonably allocable” expenses of such enterprises, wherever the expenses may be incurred and including executive and general administrative expenses. The commitment is contained in paragraph 1 of Article III of the 1942 convention, as modified by the sentence added to that paragraph by Article I(a) of the 1950 convention. The proposed tax measure would appear to mean that an enterprise of United States origin, permanently established in Canada, would be allowed to deduct as a business expense only fifty percent of the expenses of that enterprise for advertising in a foreign periodical published in Canada. It would seem normal for such a United States enterprise to advertise its products to Canadian consumers in those periodicals published in Canada that the enterprise prefers to use, and consequently, the full expenses of such advertising would appear to be deductible under the double taxation convention.

It is the hope of the United States Government that the Canadian Government will, upon further consideration of the highly restrictive character of the proposed tax measure, decide to refrain from imposing the substantial, indirect disadvantage that the measure would create for the continued operation of the United States firms now engaged in producing periodicals for the Canadian reading public, and that the Canadian Government will continue the existing equality of tax treatment already operating in Canada. The United States Government hopes that consideration will be given to finding an alternative method, consonant with Canada’s international obligations, of attaining the Canadian Government’s objective in the cultural field.

266.

J.G.D./MG01/XII/C/320

*Note du secrétaire du Cabinet  
pour le premier ministre*

*Memorandum from Secretary to Cabinet  
to Prime Minister*

SECRET

[Ottawa], March 2, 1962

## ROYAL COMMISSION ON PUBLICATIONS

Officials of the departments involved in drafting the law and regulations to implement the recommendations of the O’Leary Report in accordance with your announcement in the House have produced the attached alternative draft resolutions for amendment to the prohibitory section of the Customs Tariff.

An important question of substance has arisen in these efforts to give effect to the decision to prohibit entry to Canada of foreign periodicals containing Canadian domestic advertising. The question at issue is the extent to which it is intended the prohibition apply. The O’Leary recommendation itself is not specific enough to provide the answer. The draft resolutions provide two different lines of demarcation.

The first of the two alternatives (“A” attached) would prohibit entry of special editions of foreign periodicals, including split-runs of regional editions, which carry advertising directed to the Canadian market which does not appear in or which differs from advertising in any edition of the same periodical which circulates in its country of origin. It is clear that these must be excluded if the basic objective of the policy is to be achieved. There are some questions of detail in drafting and in the regulations that will be needed but these can be settled subsequently when the main issue is decided.

The second of the alternative drafts ("B" attached) would also prohibit the entry of foreign periodicals which, although they circulate in their home country and abroad in the same form and with the same content, contain advertising which indicates a specific source of availability in Canada or terms and conditions relating specifically to sales in Canada.

This latter provision is intended to prevent Canadian suppliers securing benefits from "overflow advertising" in Canada to a degree which would either remove or reduce the need for them to advertise in Canadian periodicals. It would not prohibit entry if the advertisement included only a general reference to an office or supply in Canada. It would prevent entry however if, for example, the name and address of a Canadian supplier were spelled out in an advertisement, whether the Canadian supplier were listed by himself or among a number of other suppliers in other countries.

Inclusion of this provision would mean that foreign general or consumer magazines which are distributed in Canada with the same content, including advertising, as is distributed in the home country would have to make changes in some of their advertisements. The instances might not be numerous and the changes in most cases would be minor. From the point of view of Canadian business and trade publications this provision is important since the specific identification of Canadian sources of supply is one of the main services they render. It is the considered opinion of those officials most closely in touch with this question that if Canadian advertisers could identify their role in business and trade publications coming into Canada from abroad, it would seriously impede the ability of Canadian trade and business periodicals to secure the advertising revenue they require.

The question at issue here is whether the government wishes to restrict the prohibition to special editions which differ from those circulated at home or whether it wishes to go farther and encompass any foreign periodical containing advertising of specific sources of availability in Canada. The officials who have prepared these drafts believe that the more comprehensive alternative comes closer to the real intent of the O'Leary Report and the general objective of the government.

I would suggest that an early decision be made to resolve this question and that you should consider placing it before Cabinet. We could circulate copies of this note for the purpose.

R.B. BRYCE

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Projet « A »*

*Draft "A"*

SECRET

Resolved,

(1) that it is expedient to introduce a measure to amend Schedule C to the Customs Tariff to prohibit the entry into Canada of periodicals which, under regulations prescribed by the Governor in Council, have been found to be special editions, including split-runs or regional editions, which circulate entirely or substantially in Canada, and contain advertising directed to the Canadian market that does not appear in, or differs from, advertising appearing in any edition of the same periodical which circulates in the country of origin.

(2) that any enactment founded on this resolution shall come into force on the first day of October, 1962.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Projet « B »*

*Draft "B"*

SECRET

Resolved,

(1) that it is expedient to introduce a measure to amend Schedule C to the Customs Tariff to prohibit the entry into Canada of periodicals which, under regulations prescribed by the Governor in Council, have been found to be:

(a) special editions, including split-runs or regional editions, which circulate entirely or substantially in Canada, and contain advertising directed to the Canadian market that does not appear in, or differs from, advertising appearing in any edition of the same periodical which circulates in the country of origin; or

(b) periodicals containing advertising which indicates a specific source of availability in Canada or terms or conditions relating specifically to sale in Canada, except where the reference to availability, terms or conditions in Canada is primarily directed to consumers outside Canada;

(2) that any enactment founded on this resolution shall come into force on the first day of October, 1962.

267.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], August 9, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 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 and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny)  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...



LEGISLATION: ROYAL COMMISSION ON PUBLICATIONS  
(Previous reference March 8†)

15. *The Prime Minister* said that two resolutions to implement recommendations of the O'Leary Commission had been placed on the order paper last session. Ministers should consider whether or not the government should proceed this session with this legislation affecting periodicals.

One of these measures would disallow, as income tax deductions by a taxpayer, 50 per cent of expenditures incurred for advertising directed at the Canadian market in the Canadian editions of *Time* magazine and *Reader's Digest*. Some Canadian advertisers had criticized the proposed measures as attempts by the government to restrict their freedom of choice in the placing of their advertising. The Canadian Periodical Press had now reconsidered its position and would be prepared to support the treatment of these two periodicals as Canadian periodicals. Ministers should also consider whether the proposed legislation would gain the government any friends among Canadian periodicals.

16. *Mr. D. Fleming* said that the President of the *Reader's Digest* and the Vice-President of *Time* had informed him recently that their companies' earnings had deteriorated seriously in recent months and that the suggested 50 per cent disallowance would be disastrous to their Canadian operations. Both periodicals now printed their Canadian editions in Canada, and in both cases the editorial material relating to Canada was prepared in this country. The essential facts had therefore changed since the Royal Commission had made its inquiry. This proposed 50 per cent disallowance should now be dropped. The government should, however, proceed with the other items, including the resolution on the prevention of the importation of Canadian editions of foreign periodicals, and the proposed amendments to the Post Office Act. The U.S. would probably protest against the ban on the entry of Canadian editions as a violation of the G.A.T.T., but the government should be prepared to face this criticism. Whatever course was adopted, the government should make an early statement that would end the long period of uncertainty in this field.

17. *The Minister of Finance (Mr. Nowlan)* said that *Time* and *Reader's Digest* should be treated as Canadian periodicals, but that the other legislative items should be proceeded with this session. Unless action on this subject were taken soon, there might be no surviving Canadian periodicals to express Canadian viewpoints. The present balance of payments problem was an illustration of the kind of subject on which it was important to develop a national viewpoint.

He went on to say that a basic change should now be made in the government's attitude to financial and general policy. During the past five years the government had given financial help to many different groups in the country, partly to win their support. The recent election had shown that this course had not been effective in winning votes for the government. In its present financial position the government could not afford to offer "handouts." It should therefore take whatever action it thought was right in each case, even if this should mean no more "handouts" or "goodies." This course would be more likely than the other to gain general support from the electorate.

18. *During the discussion* various opinions were expressed on the desirability or otherwise of proceeding with part or all of this legislation, and in addition the following points were raised:

(a) The Periodical Press believed that periodicals in Canada were now receiving a smaller share of the sums spent on advertising than in earlier years. Radio and television advertising had been increasing.

(b) The government would be severely criticized if it took action that led to the discontinuation of the Canadian editions of *Time* and *Reader's Digest*.

(c) If the government postponed all action on the proposals in the O'Leary Report, more foreign periodicals would probably establish Canadian editions.

(d) The proposed legislation might prove troublesome to the government if proceeded with this session. The subject was complex and the debate would probably be confused. It would constitute a poor electoral issue if the House of Commons should reject it. Some thought the proposals would be evidence of an attitude of narrow chauvinism on the part of the government.

19. *The Cabinet* noted the discussion on proposed legislation to give effect to recommendations of the Royal Commission on Publications.

...

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PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], January 24, 1963

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Minister of Justice (Mr. Fleming),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Mr. Watters).

...

#### RESOLUTION FOR PARLIAMENT ON MAGAZINES

8. *The Minister of Finance* said that on April 12th, 1962, as Minister of National Revenue, he had tabled two resolutions in the House of Commons recommending amendments to the Customs Tariff and the Income Tax Act designed to offer reasonable safeguards to Canadian magazines against undue competition from publications. The suggested amendment to the Customs Tariff would have had the effect of prohibiting the entry into Canada of special editions, including split-run or regional editions, containing advertising specifically directed to the Canadian market. The amendment to the Income Tax Act would have provided that the deductions from income of expenditures incurred by a taxpayer in issues of a non-Canadian

periodical be disallowed. In cases of non-Canadian periodicals already established in Canada such deductions from income would have been disallowed in part only.

These resolutions had not been acted upon when Parliament was dissolved. On September 27th, 1962, the Speech from the Throne again forecast the enactment of measures to give effect, with modifications, to certain of the recommendations of the Royal Commission on Publications.

It should be noted that any ban on imports of any type contravenes Canada's obligations under the G.A.T.T. Written representations on this matter had been received from the U.S. Government.

The government had recently received new representations from the Maclean-Hunter Publishing Company urging that early action be taken to give Canadian publications the relief they had been expecting. Moreover they wanted more severe restrictions on the entry of trade papers.

He was proposing to introduce in the House a resolution, attached to his memorandum (Cab. Doc. 33/63 of Dec. 17, 1962†), which included the suggestions made by the Maclean-Hunter Publishing Company to restrict severely the entry of trade papers. The resolution embraced both the income tax and tariff aspects of the problem and the same effective date, July 1st, 1963, was provided in each case. This date was chosen because it was the earliest date which would allow the Department of National Revenue to make the necessary administrative arrangements and to give the advertisers and the publications time to adapt to the new situation.

An explanatory memorandum had been circulated. (Minister's memorandum – Cab. Doc. 33/63, Dec. 17, 1962.)

9. *The Cabinet* approved for introduction in the House of Commons a resolution substantially in the form attached to the Minister's memorandum (Cab. Doc. 33/63).

...

SECTION C  
LIBÉRALISATION DU COMMERCE MONDIAL  
FREER WORLD TRADE

269.

J.G.D./MG01/XII/D/204

*Le premier ministre  
au président des États-Unis*  
*Prime Minister  
to President of United States*

TELEGRAM  
EMERGENCY

Ottawa, October 11, 1962

Reference: Canadian Embassy Washington  
Please transmit message to President.

Dear Mr. President,

With the enactment of the Trade Expansion Act<sup>69</sup> I wish to let you know that the Canadian Government welcomes this important development in U.S. trade policy which holds out promise for significant progress in the expansion of world trade on a multilateral basis. This is indeed an historic accomplishment.

At the Commonwealth Prime Ministers' conference in London last month I proposed that all like-minded nations should meet at an early date to consider how the great problems of trade facing us today can be dealt with to the mutual advantage of all. I would like to follow up this general proposal with a specific suggestion for an early meeting on these matters. It is vitally important that we find effective ways as soon as possible for dealing with these complex and urgent trade problems. It appears that the most convenient way of arranging such a meeting would be to discuss these broad trade questions at a meeting of ministers.

The Canadian Government looks forward to participating fully in these efforts and to working with the U.S. and other nations to achieve the objectives which we hold in common. It is our conviction that the opportunities now opened up for wider cooperation in trade and economic relations will make a major contribution to the further strengthening of the free world.

Trade relations between Canada and the United States are characterized by mutual understanding and a constructive approach to our common objective of freer non-discriminatory trade. These new efforts to expand world trade will provide continuing opportunities for our two countries to work closely together each in a full understanding of the other's interests and aspirations.

JOHN G. DIEFENBAKER

Message ends.

<sup>69</sup> La *Trade Expansion Act* du 11 octobre 1962 autorisait le président des États-Unis à négocier une réduction maximale de cinquante pour cent des droits de douane.  
The Trade Expansion Act of October 11, 1962 granted the President of the United States authority to negotiate tariff reductions up to fifty per cent.

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J.G.D./MG01/XII/A/268

*Le président des États-Unis  
au premier ministre*

*President of United States  
to Prime Minister*

Washington, October 18, 1962

Dear Mr. Prime Minister:

Thank you for your letter on the occasion of my signature of the Trade Expansion Act. I am pleased to know that the Canadian Government welcomes this most significant development in the trade policy of the United States.

Ever since World War II, Canada and the United States have been partners in a determined search for a non-discriminatory trading world which affords to all countries of the Free World the best opportunities for economic growth and expansion. Your letter makes clear that we continue to share these common objectives, and I am gratified to have your pledge of close cooperation in moving toward a wider acceptance of our convictions.

I would like to take full advantage of the authority which the Trade Expansion Act confers upon me and I am eager to explore with other like-minded nations as soon as possible the problems and prospects for a new approach to the reduction of obstacles to world trade. In this connection the recent discussions in Ottawa between officials of our two Governments have been most useful. I have been thinking that, after some of the preliminary work has been done and a consensus reached among the principal participants, a ministerial meeting early in 1963 of the Contracting Parties of the General Agreement on Tariffs and Trade might well be the most suitable way to enlist the participation and support of like-minded nations.

On the basis of your proposal for an international meeting, perhaps we might join forces in recommending a special meeting of the Contracting Parties at the ministerial level, to be held possibly as early as February or March of 1963. I should be interested in your reactions to this suggestion.

I am encouraged by the improvement in Canada's reserve position and welcome the first step you have just taken in the process of removing the special surcharges on imports in response to this improvement. I look forward to your being able to remove the remaining surcharges.<sup>70</sup> This would help us all move forward in our attack on trade barriers.

Sincerely,

JOHN F. KENNEDY

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<sup>70</sup> Voir/See document 766.

4<sup>e</sup> PARTIE/PART 4  
 TRAITÉ DU FLEUVE COLUMBIA  
 COLUMBIA RIVER TREATY

271.

DEA/5724-2-40

*Le consul général à Seattle*  
*au sous-secrétaire d'État adjoint aux Affaires extérieures*  
*Consul General in Seattle*  
*to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

Seattle, January 19, 1962

Dear Ed [Ritchie],

According to press reports and other information available to us, there does not yet seem to be any sign of an agreement between Ottawa and Victoria on the Columbia Treaty, which might pave the way to ratification at the present session of Parliament. I realize, of course, there are important political factors involved which will have to be taken into account when considering any move to clear the impasse. However, I thought some informal views on the problem, as it looks from here, and some suggestions might be useful at this time.

2. As you know, some responsible Canadian observers consider that Canada did not get as good a deal as we might have under the Treaty and that it might be in our best long-term interest to re-open it for revision (probably along the McNaughton Plan<sup>71</sup>) or even let it lapse. From our observations this is the last thing the Americans would want to happen. They, and particularly those in the power field here, know that they have a good bargain, as evidenced by their ratification in record time. Despite some of Udall's statements late last year, I am convinced that Americans are anxious to suppress any suggestion that U.S. pressure for Canadian ratification or U.S. interference in our domestic dispute, are being exercised. I am also pretty sure that they would be willing to accept Canadian ratification as late as the end of this year or even next year, even though they might announce, in the interim, alternative plans for hydro development on this side of the border.

3. The method of financing the Columbian project seems to be at the core of our domestic controversy. Premier Bennett wants to finance Canadian construction from the sale in the United States of all or most of Canadian down-stream benefits and to supply the B.C. lower mainland with power developed from the Peace River. On the other hand, Ottawa, in line with the terms of the Treaty, is insisting on preserving all or most of our share of down-stream benefit power for use within Canada, but at the same time is willing to consider the sale of some surplus power as provided for in the Treaty. Leaving out the political factors involved, it seems to me that the two positions are not irreconcilable providing there is some "give and take" on the part of both Federal and Provincial Governments. In this connection I would like to mention three points.

4. The first is the Peace River Project, the development of which has long been one of Bennett's ambitions and main objectives. Notwithstanding the fact that the Province has already allocated a considerable sum for preliminary engineering and construction, and has, in fact, made an initial start on the project, it could still be an important element in the Premier's political tactics to keep Ottawa guessing, and to strike the best possible financial bargain with

<sup>71</sup> Voir/ See A.G.L. McNaughton, "The Proposed Columbia River Treaty," *International Journal*, Vol. 18, No. 2 (Spring 1963), pp. 148-165.

Ottawa on the Columbia project. I do not think Bennett feels that he, or his Government, is committed to a rigid schedule for the Peace River project, at least not to the point of no return. In other words, if he saw some encouraging or concrete signs of an agreement with Ottawa on the Columbia it seems to me that he could, without losing face, find ways and means to slow down the present preliminary work, and to delay further construction contracts, if some new development made this necessary or desirable. Being the politician he is, I have no doubt he is quite capable of doing this.

5. The second point is that the Federal policy banning the export of Canadian power has not always been strictly adhered to. Section I of Article VIII in the Treaty and the recent decision of the National Energy Board, approving limited exports of Canadian power<sup>72</sup> would seem to indicate that our historic ban on power exports is subject to modification in the light of circumstances that might prevail from time to time. As you know, some responsible experts in the power field consider that it might be wise for the Canadian Government to consider a revision of our 40-year-old policy on power exports in the light of present-day conditions and the rapid advances being made in the development of nuclear power. All seem to agree that if Canadian power is exported it should be sold at a profitable price; that Canadians must still have the cheapest power available to them; and that there must be iron-clad clauses in any export contracts which would guarantee its return to Canada.

6. The third point is that local power interests here, including the Federally-controlled Bonneville Power Administration, have indicated their willingness to purchase some of the Canadian share of down-stream benefit power under certain conditions, if this would facilitate Canadian ratification of the Treaty. What the American power interest will pay, and what type of contract they would accept, is not yet known in any detail. What we do know is that they are prepared in principle to purchase some of this power.

7. Taking the above three points together, it seems to me a solution to the present impasse might be based on a) the amount of down-stream benefit power Canada might be willing to sell to the U.S., and, b) the terms under which that power would be sold for specified limited periods. Bennett wants to sell all or the great bulk of down-stream benefits on a long-term (20-year) basis. Ottawa will apparently agree to the sale of some power on a short-term (5-year renewable contract) basis. I think it is possible to work out a compromise formula. Contracts with rather complex formulas to cover somewhat similar problems have been successfully negotiated here in the Pacific Northwest between public and private power groups, notwithstanding the fact that many conflicts had to be resolved such as up-stream and down-stream rights, interstate rivalries and politics as well as other difficult matters. Some of these contracts provide, among other things, for the short- and long-term sale of power. If you would like to have a copy of one, I think it is possible for us to get one for you.

8. If a fixed load growth for B.C., say for the next ten or fifteen years, could be agreed upon, it would be possible to determine a specific amount of Canada's share of down-stream benefits which would be considered surplus for Canadian requirements, and therefore available for sale in the United States. This surplus block of energy could be classified into different categories under the terms of any export contract, which would provide adequate flexibility both as to quantities of power and times of delivery. For example, a fixed amount of firm energy could be sold under a 5-year renewable clause – another portion could be sold under a 10-year clause, etc. Provision could also be included for the sale of dump power and for interchanges of power. The price in each case could also vary, depending on the load factor and availability. In other words, I think an export contract could be written in such a way that it would satisfy all parties concerned and, at the same time, safeguard their basic interests. If some arrangement

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<sup>72</sup> Voir/See "Electricity Export Licensed," *Canadian Weekly Bulletin*, Vol. 17, No. 3 (January 17, 1962), p. 5.

along this line could be agreed upon, there could be a concurrent understanding with the Province that the Peace River development could be phased in such a way that it would fit in with the requirements of the Canadian export contract.

9. Because of Provincial jurisdiction over the physical resources of the Columbia and other factors, some observers and commentators consider that Bennett holds the strongest cards in his present dispute with Ottawa. They feel that if the deadlock is to be broken the initial move must come from Ottawa. It might be to the Federal Government's advantage to take the initiative in offering some compromise solution. If Ottawa agrees to the sale of some of our share of down-stream benefits, provided, of course, that we have iron-clad clauses guaranteeing its recovery at the stipulated periods, it could be argued that this was not going contrary to the traditional Federal policy banning power exports because our share of down-stream benefit power is not power produced in Canada and exported across the line. It is, rather, power produced in the United States and made available to us.

10. As I mentioned earlier, I am quite certain that the Americans would be willing to wait until next year for our ratification. However, if Ottawa has any intention of selling some of our share, I think it is in our interest to conclude an export contract as soon as possible. The longer we wait, the less attractive this power will be, considering the rapid advances being made in developing nuclear energy and for other reasons. The Bonneville Power Administration's latest forecast points to a possible power deficit in this region by 1970. Consequently the greater the amount of power we might make available around that date, the higher will be the price we should get.

11. If you consider some of these thoughts and suggestions have merit, you might wish to discuss them with Norman Robertson and the Minister.<sup>73</sup>

Kindest regards.

Yours sincerely,

K.J. BURBRIDGE

272.

DEA/5724-2-40

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 717

Washington, March 7, 1962

CONFIDENTIAL. OPIMMEDIATE.

COLUMBIA RIVER TREATY

The State Department (Carlson, Canadian Desk) have just phoned me to report that Premier Bennett this afternoon phoned to Luce, the Bonneville Power Administrator, and asked for a letter from him (Luce) requesting commitments to deliver future power in respect of which he (Bennett) said that he was in a position to make commitments at a price of five mills, subject to agreement upon details. According to Luce, Mr. Bennett was speaking of power from Duncan. Carlson mentioned no repeat no amount as having been offered by the Premier.

<sup>73</sup> Notes marginales/Marginal notes:

Noted. N.A. R[obertson]

Seen by the Minister. 30/1 R[oss] C[ampbell]



2. Because USA authorities, Carlson went on, are most anxious to avoid interference in a matter involving federal and provincial authorities in Canada, Luce had replied to Bennett that he was not repeat not in a position to accede to the Premier's request; all that he could do was to refer him to the statement of requirements dated October 17, 1961 (which is apparently in the British Columbia Government's possession and of which, Carlson said, Canadian Government had been given a copy.)<sup>74</sup>

3. According to Carlson, Premier Bennett's reaction to Luce's response was "grim." He said that, if that were the attitude of USA authorities, he (Bennett) was "through with the Treaty." He had "given USA their chance" and, as they were not repeat not taking it, they could "accept the consequences."

4. Carlson said that Luce's conversation with Bennett had only just taken place. USA authorities wanted the Canadian Government to know at once what had transpired. State Department have also phoned their account to Merchant and he also may be in touch with you. In conclusion, Carlson repeated the determination of USA Government to keep out of any dispute between federal and provincial authorities in Canada.

[A.D.P.] HEENEY

273.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], March 9, 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 Trade and Commerce (Mr. Hees),  
 The Minister of Transport (Mr. Balcer),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Justice (Mr. Fulton), (for morning meeting only)  
 The Minister of National Revenue (Mr. Nowlan),  
 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 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),  
 The Minister of Forestry (Mr. Flemming),  
 The Secretary of State and President of the Privy Council (Mr. Dorion), (for morning meeting only)  
 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 Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

...

<sup>74</sup> Voir/See Volume 28, document 446.

COLUMBIA RIVER; TERMS OF REFERENCE FOR MINISTER OF FINANCE  
 IN MEETING WITH PREMIER OF BRITISH COLUMBIA  
 (Previous reference December 20, 1961)<sup>75</sup>

23. *The Secretary of State for External Affairs* said that the basis for the Columbia River Treaty with the United States had been that water would be released by Canada for production of power in the United States. In return, Canada would get back half the power generated. The agreement had been a difficult one to negotiate. The Deputy Minister of Lands, British Columbia, had participated, and all had agreed that half of the residual power would be transmitted back to the British Columbia border free. The only attraction in this transaction was the return of power to Canada. Weeks after the terms had been agreed to, the Premier of British Columbia wanted all the power generated to be sold in the U.S. with Canada taking cash instead of free power. His scheme was to get capital to develop the Peace River power. For some time the Provincial Premier had been endeavouring to have the Federal government provide increased financial assistance. The government should offer to pay one-half of the cost of the transmission lines.

24. *The Minister of Finance* said that a request from the Premier of British Columbia to meet with him had gone unanswered. A reply should be sent before the Dominion-Provincial meeting on March 19th, and perhaps he should be seen before that time.

25. *During the discussion* the following points were raised:

(a) Some said that a better offer should be made to British Columbia. Others said that it would do no good to increase the offer. It would not be accepted. In any further negotiations, it should be made clear that the interests of the people of British Columbia had to be put first. B.C. consumers should get the benefit of the cheaper power. As long as their needs were met first there should be no objection to any surplus being sold in the U.S. The surplus could be determined by the National Energy Board.

(b) The Columbia River project was sound economically. No subsidy was required and there was no case for an outright grant. To subsidize in these circumstances would be a dangerous precedent. In comparable cases in the Maritimes, loans had been made. Others felt that a grant would be in order but they would be prepared to offer an increased advance subject to repayment. However, a loan would not likely be accepted as British Columbia would not want to create more debts. Their biggest cost at present was interest on borrowed money.

(c) Some said that the Premier should be seen before he reached Ottawa but that no mention should be made of any offer before the meeting. Others felt that arrangements should be made to discuss the matter with him while he was in Ottawa but to take the initiative by writing to him beforehand. No mention of terms should be made until the meeting between him and the Minister of Finance.

26. *The Cabinet* agreed,—

(a) that the Minister of Finance write to the Premier of British Columbia saying that he wished to discuss the Columbia River project on the occasion of Mr. Bennett's visit to Ottawa on March 19th and,

(b) to consider later possible terms which the Minister might propose or accept at that time.

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<sup>75</sup> Voir/See Volume 28, document 457.

274.

PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], March 15, 1962

*Present*

The Prime Minister (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 Citizenship and Immigration (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 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 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 (Mr. Watters).

COLUMBIA RIVER DEVELOPMENT; PLANS FOR DISCUSSION  
 WITH THE PREMIER OF BRITISH COLUMBIA  
 (Previous reference March 13†)

16. *The Minister of Finance* said he hoped the Cabinet would give him clear instructions for his meeting with the Premier of British Columbia on Sunday, March 18th. It had been rumoured in Victoria on Friday, March 9th that the Federal government was going to increase substantially its offer of financial assistance to the province for Columbia River development. There was no foundation to the rumour, but it coincided with what government members of Parliament from British Columbia were hoping would happen. Premier Bennett had called a press conference and was manifestly upset. He had said that such offers were plain bribery and that the province did not need federal aid but could proceed with the development of both the Columbia and Peace Rivers on its own. It was reported that the Premier had said he would resign if it were necessary for Canada to buy back downstream power developed on the Columbia River. He had proof that this would not be necessary and that it was nonsense to say that downstream Columbia power could be sold more cheaply than power developed in Canada.

17. *Mr. Fleming* said he wondered what the government's position should be on the sale in the United States of downstream benefits rather than bringing them back into Canada.

18. *During the brief discussion* it was said that, so long as the bulk of the power, 50.1 per cent, was available to Canada, the balance could be sold if the needs of the lower mainland of B.C. were met, and provided the National Energy Board determined the quantities available for sale and the period over which it would be available.

19. *The Cabinet* agreed that the Minister of Finance should,

(a) confirm with the Premier of British Columbia when he meets him on Sunday, March 18th, the provincial policy he had announced at a press conference on Friday, March 9th, i.e., that the province did not require any money from the Federal government and could finance the Columbia River and Peace River developments without federal aid; and,

(b) inform Premier Bennett that the Federal government would agree to sell up to 49.9 per cent of available power, subject to certification by the National Energy Board that the power was surplus to Canadian requirements for the period of the contracts.

...

275.

DEA/5724-2-40

*Note de l'ambassade des États-Unis*

*Note by Embassy of United States*

NOTE NO. 206

Ottawa, March 17, 1962

The Chargé d' Affaires *ad interim* of the United States of America presents his compliments to the Acting Secretary of State for External Affairs and has the honor to refer to the common interest of the United States and Canada in the development of the resources of the Columbia River. It will be recalled that the Columbia River Treaty was signed on January 17, 1961 and that the United States Senate gave its advice and consent to ratification on March 16, 1961. The United States Government understands that Canada's ratification of the Treaty is now still pending because of differences within Canada over the manner of carrying out certain of Canada's undertakings under the terms of the Treaty.

The United States Government had assumed that the Treaty would be ratified by both countries at a reasonably early date, as seemed to be the prospect at the time the Treaty was signed by the Heads of Government of the two countries. It has been on this expectation that the United States has been basing its planning for additional power resources with which to meet the strong rise in predicted future power needs in the Pacific Northwest region of the United States. The possibility of resolving these future power needs through the most efficient utilization of the Columbia River Basin's water resources by cooperative development with Canada was, naturally, a prime consideration during the negotiation of the Columbia River Treaty. Even with the share of the power to which the United States would be entitled under the Columbia River Treaty, it appears that the power situation on the West Coast of the United States will be tight during the 1965-66 period.

Another primary consideration in the position taken by the United States Government during the negotiations was the fact that the development of the Canadian storage dams as contemplated in the Treaty, together with the development of the Libby Dam project, would permit the attainment of a long-time objective for flood control in the Columbia River Basin. The importance of the need for flood control may be judged by the fact that in 1948, during the largest recent flood in the region, thirty-four persons lost their lives, seven persons were reported missing, and property damage was estimated to have been over \$100 million. It will be recalled that the Treaty provides for payment by the United States Government to Canada of lump sums aggregating \$64,400,000 for the flood control benefits which the dams in Canada would provide. Additionally, the Libby Dam project would virtually eliminate the serious flooding that takes place at intervals on the Kootenai River from the vicinity of Bonner's Ferry, Idaho to Kootenay Lake in British Columbia. These devastating floods have caused great damage to highly productive farm land and have repeatedly threatened the town of Bonner's Ferry.

The possibility of attaining these flood control objectives at an early date by means of the Columbia River Treaty, as well as the possibility of meeting future power needs in the most efficient manner, was an important consideration in the United States' decision to agree to the kind of division of benefits with Canada which the Treaty contains. The pressing need to meet the power and flood control deficiencies was also a major factor in the relatively early approval of the Treaty by the United States Senate.

The United States Government trusts that the Canadian Government will understand the need on the part of the United States for firm assurances that the Columbia River Treaty will enter into force at an early date. The United States, therefore, hopes that full consideration will be given to the possibility of proceeding with ratification, leaving, if necessary, national problems to be resolved while construction is under way. On the other hand, if it would be helpful and should Canada so desire, the United States would be willing to engage now in discussions as to price and terms of disposition in the United States of any Canadian power, as a preliminary step leading to the exchange of notes mentioned in Article VIII of the Treaty, provided Canada is prepared to discuss quantity, period of disposition, kind of power and similar matters which are solely Canada's to determine.

In any event, its own pressing needs force the United States to note, regretfully, that in the absence of any substantial indication of ratification and implementation of the Treaty at an early date it necessarily will have to give serious consideration to possible alternative solutions. The United States Government would, therefore, be most appreciative if it could receive a current appraisal from the Canadian Government regarding the prospects for early ratification.

[RUFUS SMITH]

276.

DEA/5724-2-40

*Le secrétaire d'État aux Affaires extérieures  
à la délégation au Comité sur le désarmement*

*Secretary of State for External Affairs  
to Delegation to Disarmament Committee*

TELEGRAM G-48

[Ottawa], March 17, 1962

SECRET. OPIMMEDIATE.

COLUMBIA RIVER

Following for Minister only.

In subsequent message† we are reporting the text of a note which was delivered to the Department on Saturday morning by the Chargé of the USA Embassy. This note has been drawn to the attention of the Prime Minister and has been discussed in a preliminary way with Mr. Fleming and Mr. Fulton. We have been assured by the USA Embassy that there is no intention to publish the note and that we would of course be consulted if publication seems desirable at a later stage. Since, however, there were already rumours last week in Washington that some communication might be coming from the USA Government on this subject, it is thought best that an early reply should be made to the note in order that our position may be on record against the possibility of a leak. Accordingly, it is expected that ministers will be considering on Monday morning a draft reply along the lines indicated below. If you have views on this procedure or on this particular draft you may wish to let us have them before the Cabinet meeting on Monday morning. You will of course appreciate the specially sensitive nature of this USA note in relation to talks which Mr. Fleming will be having with Premier

Bennett on Sunday and which will also be taking place at the Federal Provincial Power Conference on Monday.

2. The following is a draft of the proposed reply to the USA note: Text Begins:

The Acting Secretary of State for External Affairs presents his compliments to the Chargé d'Affaires ad interim of the United States of America and has the honour to refer to the Embassy's Note No. 206 of March 17 concerning the Columbia River Treaty.

The Canadian Government observes that the note from the Embassy is concerned primarily with the urgent need to complete ratification of the Treaty. The Canadian Government shares this view and has repeatedly indicated its desire to proceed with ratification as soon as possible. It has urged the Provincial Government of British Columbia, where the Columbia River is located, to do its part to enable early ratification to take place.

The Canadian Government would not be showing a proper sense of responsibility if it were to carry through the formalities of ratification without having ensured that the necessary arrangements had been made within Canada to bring about its effective implementation.

The Canadian Government notes the offer of the USA Government to engage in discussions regarding the disposition in the USA of any Canadian power "if it would be helpful and should Canada so desire." The Canadian Government considers that it would be improvident and would place the Canadian negotiators in a most unfavourable position if they were to enter into discussions with the USA authorities on this subject before the internal matters had been settled within Canada. In the absence of a firm and dependable arrangement with the Provincial Government of British Columbia, the Canadian Government would not be in a position in such discussions with the USA to protect the interests of Canada and to preserve for the people of British Columbia the benefits provided by the terms of the Treaty. The Canadian Government therefore continues to consider, as the USA authorities themselves have indicated on several recent occasions, that it would be premature to initiate discussions on this subject at this time.

The Canadian Government fully understand the anxieties of the USA Government regarding future flood control and power supplies on the West Coast of the USA. The USA Government can be assured that it is the hope of the Canadian Government that ratification of the Treaty on the mutually advantageous basis originally contemplated will become possible at an early date.

277.

DEA/5724-2-40

*La délégation au Comité sur le désarmement  
au secrétaire d'État aux Affaires extérieures*

*Delegation to Disarmament Committee,  
to Secretary of State for External Affairs*

TELEGRAM 438

Geneva, March 18, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tels G-48 and G-49† Mar 17.

COLUMBIA RIVER

Following for Under-Secretary only.

USA note delivered on March 17 contains one serious misrepresentation of the facts which makes me wonder whether the note is not repeat not in fact a squeeze play. I refer to the phrase in the first paragraph of the note to the effect that Canadian ratification of the Treaty is still

pending because of differences within Canada “over manner of carrying out certain of Canada’s undertakings” under the terms of the Treaty.

2. I believe that our reply should explain that the differences within Canada are over the disposal of Canada’s share of downstream benefits which, under the Treaty, must be transmitted by USA to Canadian border free of cost to Canada.

3. In other respects the draft reply contained in your G48 is satisfactory, but I would like you to draw to the attention of the Prime Minister and the other ministers concerned the point I have raised above.

[H.C.] GREEN

278.

DEA/5724-2-40

*Projet de réponse du secrétaire d’État par intérim aux Affaires extérieures*

*Draft Reply by Acting Secretary of State for External Affairs*

[Ottawa, n.d.]

DRAFT REPLY TO THE NOTE OF THE UNITED STATES EMBASSY

The Acting Secretary of State for External Affairs presents his compliments to the Chargé d’Affaires *ad interim* of the United States of America and has the honour to refer to the Embassy’s Note No. 206 of March 17 concerning the Columbia River Treaty.

The Canadian Government observes that the Note from the Embassy is concerned primarily with the urgent need to complete ratification of the treaty. The Canadian Government shares this view and has repeatedly indicated its desire to proceed with ratification as soon as possible. It has urged the Provincial Government of British Columbia, where the Columbia River is located, to do its part to enable early ratification to take place.

In this connection the Canadian Government would stress that the difficulties impeding the completion of arrangements within Canada have not related to any “differences . . . over the manner of carrying out certain of Canada’s undertakings under the terms of the Treaty,” as the Embassy’s Note suggests. Canada’s undertakings have not in fact been questioned. The difficulties have arisen over differences regarding the disposal of Canadian down-stream power benefits arising in the United States which under Article V of the Treaty the United States undertakes to deliver free of charge to the Canadian border except insofar as other arrangements may be made under Article VIII. The Canadian Government would not be showing a proper sense of responsibility if it were to carry through the formalities of ratification without having ensured that these difficulties had been overcome and that the necessary arrangements were being made within Canada to bring about its effective implementation.

The Canadian Government notes the offer of the United States Government to engage in discussions regarding the disposition in the United States of any Canadian power “if it would be helpful and should Canada so desire.” The Canadian Government considers that it would be improvident and would place the Canadian negotiators in a most unfavourable position if they were to enter into discussions with the United States authorities on this subject before the internal matters had been settled within Canada. In the absence of a firm and dependable arrangement with the Provincial Government of British Columbia, the Canadian Government would not be in a position in such discussions with the United States to protect the interests of Canada and to preserve for the people of British Columbia the benefits provided by the terms of the treaty. The Canadian Government therefore continues to consider, as the United States

authorities themselves have indicated on several recent occasions, that it would be premature to initiate discussions on this subject at this time.

The Canadian Government fully understands the anxieties of the United States Government regarding future flood control and power supplies on the West Coast of the United States. The United States Government can be assured that it is the hope of the Canadian Government that ratification of the treaty on the mutually advantageous basis originally contemplated will become possible at an early date.

279.

DEA/5724-2-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures  
à l'ambassadeur aux États-Unis*  
*Assistant Under-Secretary of State for External Affairs  
to Ambassador in United States*

SECRET. TO BE OPENED BY ADDRESSEE ONLY.

Ottawa, March 20, 1962

Dear Arnold [Heeney],

I am enclosing a copy of a Note regarding the Columbia River Treaty which was delivered to me last Saturday by Rufus Smith, in his capacity as Chargé of the United States Embassy.

I have delayed sending you this copy in the hope that I might also be able to send you our proposed reply at the same time. Unfortunately, the reply has not yet been completely cleared although it is under discussion at ministerial level.

My reason for giving this document special security treatment may or may not be evident to you on first reading of the text. If, however, you re-read pages 3 and 4 (together with the pointed reference to "Heads of Government" on the first page) you may be able to get some picture of how this communication has been taken here. I can assure you that the initial reactions were very strong indeed, especially since the paragraph at the bottom of page 3 was saying just the opposite of what Udall had indicated when he and Fulton were discussing the possibility of an exchange of letters which would have recorded the view of the United States Government that it would be "premature" to initiate the kind of discussions which the B.C. government had proposed regarding disposals of down-stream benefits in the United States.<sup>76</sup> The possibility of carrying through the proposed exchange of letters between Fulton and Udall was still being discussed as recently as last Thursday when Rufus Smith had given me orally the rather negative view which had developed in Washington over the proposed correspondence. As you can imagine, it was surprising – to say the least – when we received this Note on a Saturday morning – and particularly on the Saturday morning preceding Sunday's discussions between Premier Bennett and Mr. Fleming and Monday's federal-provincial meeting on the power grid where it was known that Premier Bennett would be raising questions about the Columbia.

We are trying to play this in a fairly low key here; we may not be successful, however, since this Note and the circumstances surrounding it really invite a pretty sharp response.

I do not think that you should say anything at this stage to the State Department about this Note. Naturally we also consider it essential that no word should leak out about the fact that such a communication has been received. The press stories last week and the related question asked by Mr. Herridge in the House of Commons concerning the possibility of some kind of

<sup>76</sup> Voir/See Volume 28, document 438.



communication on this subject<sup>77</sup> may indicate that there is little chance of keeping this story out of the press. We intend, however, to do our best.

Warm regards.

Yours sincerely,

A.E. RITCHIE

280.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], March 20, 1962

*Present*

The Minister of Finance and Acting Prime Minister (Mr. Fleming) 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 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)  
 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 Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge), (Mr. Watters).

...

COLUMBIA RIVER DEVELOPMENT; REPORT BY THE MINISTER OF FINANCE  
 (Previous reference March 19†)

14. *The Minister of Finance* said he had had a further meeting with the Premier of British Columbia on the afternoon of March 19th. It had been fruitful and, at the conclusion of it, the press had been called in. They had been told that both the Federal government and the provincial government were trying to arrive at an understanding, and that a further meeting was planned but that no time or place had been set.

15. *Mr. Fleming* said that the crux of the difference between the two parties was the economics of bringing downstream benefits back to Canada. Premier Bennett contended that this would be most expensive power. It was agreed that experts of both sides should get together to review the provincial and federal assessments of the cost of these benefits. Mr. Bennett had wanted only one expert from each side but had agreed that there would be more

<sup>77</sup> Voir Canada, Chambre des Communes, *Débats*, 1962, vol. 2, p. 1959.  
 See Canada, House of Commons, *Debates*, 1962, Vol. 2, p. 1867.

than one. Mr. Fleming was to let him know within 48 hours the number of experts who would represent the federal side. The meeting of experts should be arranged quickly. No mention of this meeting was to be made in the press. The Prime Minister had been told of these developments and had approved. Mr. Bennett had said he would not buy power developed downstream on the Columbia, and the province would not develop power on the Columbia if the Federal government insisted on bringing it back to Canada.

16. *In the discussion* it was said:

(a) It would not be advisable to engage Montreal Engineering Company experts for the federal side of the discussions, but they might provide technical assistance to the civil service experts who were chosen.

(b) Would such a meeting get anywhere if each team of experts was biased in favour of its own government?

(c) The experts likely to be chosen had worked closely together for months and were quite unbiased in their views on Columbia power.

17. *The Cabinet* noted with approval the report of the Minister of Finance on his meetings with Premier Bennett of British Columbia about the Columbia River development and agreed that Messrs. D.M. Fleming, Fulton and Dinsdale should meet to determine the number and identity of the federal technical and economic experts who would meet with provincial experts to examine the differences between the federal and provincial assessments of the costs of downstream power benefits on the Columbia River.

...

281.

D.M.F./Vol. 20

*Note pour le ministre des Finances*  
*Memorandum for Minister of Finance*

CONFIDENTIAL

Ottawa, April 7, 1962

COLUMBIA RIVER POWER DISCUSSIONS

In accordance with instructions from you and your colleagues, the undersigned met on April 5 and 6 with representatives of British Columbia: Messrs. Shrum, Keenleyside, Kidd and Purcell.

A. TERMS OF REFERENCE FOR THE MEETING

We opened by indicating our understanding that the purpose of the meeting was to examine the costs of power that would be derived from downstream benefits, at-site development on the Columbia, and the Peace River respectively, in order to ensure that any differences were clearly understood. We referred to the fact that Mr. Bennett had indicated to you his belief that downstream benefits were not the cheapest source of power.

The British Columbia group immediately said that they had been given quite different instructions about the purpose of the meeting. They said their government was of the view that the "long-distance" debate over the development of the Columbia had gone on far too long. They had come, on the instructions of the Premier, prepared to make specific suggestions for arrangements that they hoped could be recommended to both governments in order that the Columbia development could begin at the earliest possible date. Dr. Shrum said that there was no purpose in discussing costs of Peace River power. It was going ahead and there was no room for doubt on this point. The real need was to arrive at arrangements for the Columbia. He

said that there was no difference between British Columbia and the federal government on cost calculations and there seemed nothing to discuss there.

Expanding on the province's attitude on the Columbia, Dr. Shrum said that they proposed to outline proposals for the sale of Canada's downstream benefits in the United States. The province had no intention that that sale should subsidize the Peace or any other provincial development. It wanted to work out the basis for a sale before ratification of the Treaty took place because the bargaining position would be very much stronger if the United States recognized that they would not get ratification (and therefore would not secure their own share of downstream benefits) unless acceptable terms of purchase were worked out with Canada. The Treaty would not need any modification; it was entirely acceptable to British Columbia as it was.

We advised the British Columbia representatives that their terms of reference differed markedly from ours. We had no authority to discuss arrangements for sale of downstream benefits to be recommended to governments. We indicated that we felt we could hear what they had to suggest and ask questions for clarification, in order that Ministers here could know what the province proposed, but it had to be understood that we could not agree to or recommend anything. Mr. Parkinson and I reported this to you at noon on Thursday and you agreed that we should follow this course and carry on the meetings so there could be no suggestion that the federal government was not prepared to receive the B.C. suggestions.

#### B. COST OF DOWNSTREAM BENEFITS

Although the British Columbia people had said there were no cost differences between them and us, we asked where Mr. Bennett's impression had been derived that the downstream benefits were not the cheapest power – particularly, where he had secured a figure of some 6 mills?

Dr. Shrum said they had not supplied any such figure to Mr. Bennett but they thought they knew the basis on which it had been worked out. Mr. Purcell explained that a figure of 6 mills could be derived by taking the cost of the treaty projects on the Columbia and charging them entirely against downstream benefits at a point of time before any at-site power was being produced to carry a share of the costs. On questioning it turned out that this calculation also involved the omission of the \$64 million of flood control benefits; the omission of all West Kootenay benefits (but the inclusion of Libby flowage costs); and also the inclusion of \$2 million for the stand-by per year.

It was clear that the British Columbia group did not attach any importance to this calculation and they repeated that they had no difference, except on minor points, with the figures produced here or by the Montreal Engineering Company.

To get as much certainty on this matter as possible, we gave them copies of a paper that listed the assumptions used by us and Montreal Engineering, together with the cost figures for projects, downstream power and total project power. (See Appendix A.) This is the paper under reference in paragraph 2 of the final paper they left (Appendix D) where they refer to "no significant difference of view on the costs of the various projects." They also indicated no difference of view on the power costs listed.

#### C. PROPOSED ARRANGEMENT FOR THE SALE OF DOWNSTREAM BENEFITS

Dr. Keenleyside outlined four principal points involved in the plan B.C. wished to propose:

- (1) Interim purchase from B.P.A. of power to meet provincial requirements until the first stage of the Peace came into production in 1968. He said they had an understanding with B.P.A. to get such power at a very low figure (probably the B.P.A. base rate) or alternatively to pay for it in kind after Columbia power is available.

(2) Sale of all downstream benefits in the United States at a price to be negotiated before ratification of the Treaty.

(3) The Peace River to go ahead and the province to undertake that a national power grid in Canada would have a first call on Peace River power at a price less than the price that British Columbia could secure for Peace or Columbia power in the United States. Also Peace River power “would not bump Columbia power out of the natural Columbia service area.”

(4) All the income from the sale of downstream benefits would be used exclusively for the development of the Columbia.

The British Columbia representatives then presented a paper (Appendix B) setting forth the argument and the economics relating to Point No. 2 (sale of downstream benefits).

In brief, the argument is as follows:

1. The average cost of power from the full Columbia development “has been estimated by various agencies as approximately 4 mills.” (Our figure has been 4.3 mills.)
2. If part of the power can be sold outside the province at a price greater than the average cost of power, there is a profit. (The only qualification on this proposition is that if there was not a surplus of power in B.C., and if the power sold had to be replaced with very expensive power, the profit would be reduced to that degree or, theoretically, could be wiped out.)
3. If there is a net profit, and it is ploughed into the operation it “would result in a reduction of the 4 mills costs applied to the remaining power sold in British Columbia.” (There is no question about the validity of this proposition as a straight “dollars-and-cents” matter. It is the same argument as was outlined in the Cabinet Committee at the meeting of October 31, 1961, to show the economic advantage of selling half the downstream benefits at various prices.)

The British Columbia representatives argued that there would be other financial advantages in addition to the direct profit on each unit of power sold:

1. Our downstream benefits could be sold in the U.S. immediately they are available, whereas if sold in Canada there would be surpluses at various times, with losses of revenue.
2. The cost of transmission lines to carry the power from the U.S. border is saved, and also the stand-by charge in the U.S.
3. The loss of power in transmission (variously estimated at 4%, 6% and 12% in different studies) is avoided and *all* power is saleable at the generators.

Additional arguments are set forth in section 4 of Appendix B.

The B.C. paper presents the results of a sale at 5 mills in the following terms:

(a) The net profit could pay the total costs of the 3 treaty projects in 23 years (assuming borrowing at 4½%, sinking fund earnings of 5% and amortization over 50 years). Alternatively:

(b) The average cost of Columbia power in Canada could be reduced by 1.4 mills. (For their study they took an average cost of 4.6 mills without sale, and ended up with 3.2 mills with a sale.)

The economics of the argument, with comments, are set forth more fully in Appendix C. In discussion and under questioning by us, the following further points emerged:

(i) Term of sale to be 20 years or more (10 years plus 10 years notice). They said there is no interest in anything less and no good price could be secured for a shorter term. The longer the term, the better the price.

(ii) They maintained that their government is confident that a price of 5 mills per kilowatt hour can be secured. An essential part of the calculation is that the United States will pay *more* than the cost of alternative thermal power to get their own share of downstream benefits. (They referred to the U.S. share costing 1.5 mills. A price of 5 mills for our share would mean an average price of 3.25 mills for *all* the downstream benefit power – cheaper than any other U.S. power.)

(iii) If there is a contract for sale in the United States, British Columbia is confident that it can get financing in the United States for the Treaty projects at 4½% or 5% at most. They could not say whether the province might still want partial financing by the federal government as offered.

(iv) While the B.C. representatives did not have authority to commit the province definitely to use the \$64 million flood control benefits for the Columbia project in such a way as to reduce its costs or the price of power, they made it clear that they thought Mr. Bennett would concede this if necessary.

(v) B.C. Hydro had spent \$6 million on March 31 on Columbia engineering, and has authority to go to \$7,750,000 by June 30. They could start physical construction at Duncan by July 1, 1962, and at High Arrow by September 1, 1962. Mica studies are not complete, but it could be started by the autumn of 1963.

(vi) The prospect of selling at 5 mills did not emerge until December, 1961. Prior to that time it had been considered that B.P.A. could not buy, and that any sale would have to be to private utilities, which would have no incentive to pay more than thermal costs. In December it had been ruled that Canadian downstream benefits would be power produced by a “public agency,” and therefore B.P.A. could buy. That was when sale of all benefits at a high price became a possibility. A sale of all downstream benefits at 5 mills would amount to about \$35 million per year in the Canadian balance of payments.

(vii) A further element that changed the situation was the expropriation of B.C. Electric and the taking over of Peace River Power. Peace River could not be financed as a private scheme and its power was too expensive. Now it was definitely going ahead, no matter what happened to the Columbia. The B.C. representatives argued that it made no sense to bring back downstream benefit power when it would be surplus in British Columbia.

(viii) British Columbia is convinced that there is no point in investigating price in the United States further until British Columbia and Canada can go with a firm offer. They say B.P.A. will not negotiate with British Columbia without the commitment of the Canadian government, and will not disclose its best terms except in a real negotiation to buy and sell.

(ix) If a sale for less than 20 years would be more palatable to the federal government, British Columbia would accept 19 or 18, but there is no point in a short term as the price would be much lower.

In discussion of Dr. Keenleyside's Point 3 (see page 2) on the morning of April 5 we pointed out that it meant nothing to say Peace River power "would not bump Columbia power" out of its natural service area if the Peace had in the meantime gone ahead and there was a large surplus. When in fact would Mica be machined? Dr. Shrum indicated it would depend on load growth; the outside date to absorb all the power involved would be 1983. We pointed out that to say Peace River would not "bump Columbia power" out was meaningless if it was qualified by a load growth question.

In the afternoon Dr. Shrum advised that he had talked on the telephone to Mr. Williston who, after clearing with Mr. Bennett, had authorized him to say definitely that Mica would be started on schedule and would be machined as soon as it was built and the reservoir filled – which would be 1973. On questioning he made it clear that if this involved deferring later stages of the Peace, that would be done. Dr. Shrum said he did not think this was a wise commitment; he would prefer that the province did not give it, but Mr. Bennett was prepared to do it as a concession in order to get agreement and get the Columbia under way.

In the course of the two days, the B.C. representatives apparently had several telephone discussions with Mr. Williston and Mr. Bennett. They indicated, when the meetings concluded at one o'clock on April 6, that they had authority to put certain of the commitments in writing. This was done in a hand-written document, a copy of which is attached as Appendix D.

At the end of the meetings, the B.C. representatives stressed the urgency that B.C. attached to arriving at an agreement. They said this was not because it would affect the Peace in any way: that was going ahead on schedule and there was no intention or need for Columbia revenues to help it. The urgency was because the U.S. would turn to other sources of power; the value of our storage to them would steadily diminish; and our downstream benefits would be less in total and in value the longer we waited. The other urgency was in the employment and investment that would stimulate the B.C. economy. They pressed for a decisive meeting in the week of April 9.

We explained the pressures on federal ministers at this time; that the B.C. suggestions were new and would have to be examined with care; that the matter was of very great importance and they should not be surprised if a little time would be required to go into them fully. No time commitment whatever was given, but it is clear that the province will press for a very early reaction.

R.G. ROBERTSON  
J.F. PARKINSON  
T.M. PATTERSON  
G.M. MACNABB

## [PIÈCE JOINTE 1/ENCLOSURE 1]

*Appendice A**Appendix A*

Ottawa, April 5, 1962

STATEMENT OF FEDERAL GOVERNMENT ASSUMPTIONS  
USED IN ESTIMATING THE COST OF  
COLUMBIA RIVER DOWNSTREAM BENEFITS

Estimates of the cost of Columbia River downstream benefits delivered to Southern British Columbia load centres have been prepared for the federal government by engineers of the Water Resources Branch of the Department of Northern Affairs and National Resources, and by the Montreal Engineering Company. The assumptions employed by these two agencies in arriving at their estimates of unit power costs are as follows:

<u>Assumption with Regard to:</u>	<u>Water Resources Branch</u>	<u>Montreal Engineering Company</u>
(a) Interest rate	5½%	5½%
(b) Load growth in B.C.	8%	8%
(c) Load forecast assumed for the United States Pacific Northwest	Maximum	Maximum
(d) Standby transmission charge continued for the life of the Treaty	Yes	Yes
(e) Load factor in B.C.	70%	65%
(f) Energy-capacity trade in downstream benefits	Yes	No
(g) Limit of thermal development in B.C.	I.O.C.O. #4	I.O.C.O. #4
(h) Surplus energy used as thermal replacement energy in B.C.	No	Yes
(i) Transmission losses of downstream benefits from the United States	6%	12%
(j) Mica dam machined by	1973	1973
(k) Mica storage costs assessed against at-site power after machining	Yes	Yes
(l) Loads of the West Kootenay area considered	Yes	Yes
(m) West Kootenay benefits from Duncan and Libby storage considered as downstream benefits	Yes	Yes
(n) Treaty flood control payments used to offset Treaty project costs	Yes	Yes

The cost estimates contained in the May 1961 report of the Montreal Engineering Company on "Factors Affecting the Cost of Columbia River Power in Canada" have been adopted by the Water Resources Branch in its recent studies. These estimated costs for projects and associated transmission are listed below:

## SUMMARY OF ESTIMATED CAPITAL COSTS

<u>Projects</u>	<u>Project Cost</u>	<u>Transmission Cost</u>
Arrow Lakes Storage	\$ 81,200,000	\$ 82,000,000
Duncan Lake Storage	28,700,000	1,300,000
Mica Storage	288,100,000	46,000,000
Canal Project & Brilliant #4 & #5	36,628,000	4,000,000
Murphy Creek and Waneta #3	104,596,000	8,000,000
Mica Generation	78,800,000	154,000,000
Revelstoke Canyon	125,300,000	28,000,000
Downie Creek	148,600,000	87,000,000
Seven Mile & Waneta #4	58,996,000	27,000,000
Calamity Curve	35,400,000	10,000,000
Canal Flats Diversion	5,000,000	-
Libby Flowage	<u>10,000,000</u>	<u>-</u>
TOTALS	\$1,001,320,000	\$447,300,000

These cost estimates and assumptions result in the following unit costs for downstream energy benefits delivered to Southern British Columbia loads:

Water Resources Branch estimate	- 3.29 mills per kilowatt hour
Montreal Engineering estimate	- 3.60 mills per kilowatt hour

While these estimates fluctuate with varying assumptions, the federal government is satisfied that they offer substantial proof that the Treaty can provide large quantities of downstream energy benefits to British Columbia loads at a cost of less than 4 mills per kilowatt hour. We therefore feel that the Treaty not only develops an energy resource which would not otherwise be available to the province, but that it enables this energy to be delivered to British Columbia loads at a cost which is less than the cost of developing any other major energy resource existing in British Columbia today. By so doing it permits a full development of the Columbia River in Canada which, including downstream benefits, is capable of delivering over 27 billion kilowatt hours of energy annually to British Columbia loads at an average cost of 4.3 mills per kilowatt hour.



[PIÈCE JOINTE 2/ENCLOSURE 2]

*Appendice B**Appendix B*

[Victoria], April 3, 1962

OUTLINE OF A PROPOSAL FOR THE SALE OF DOWNSTREAM BENEFITS  
AS SUBMITTED BY BRITISH COLUMBIA REPRESENTATIVES APRIL 5, 1962

ASSESSMENT OF SELLING DOWNSTREAM BENEFITS  
IN THE UNITED STATES

### 1. INTRODUCTION

The unit cost of power produced by the Columbia River development has been estimated by various agencies as approximately 4.0 mills/kwh delivered at the load centres in British Columbia. This estimate assumes that all the energy developed, including downstream benefits originating at United States generators, would be sold at the British Columbia load centres.

If we assume that the selling price to the consumer would consist of the 4.0 mills, plus distribution costs, it follows that the sale of any of this Columbia power outside the Province at a price high enough to yield a profit would result in a reduction of the 4.0 mills costs applied to the remaining power sold in British Columbia.

It can be shown that the sale in the United States of the entire amount of downstream benefit power and energy can be carried out without detriment to the continuing development of the Columbia River power resources in the Province and will accelerate the development of other provincial resources. Moreover, it can also be shown that the margin of profit available from the sale of downstream benefits in the United States is very significant.

### 2. CAPITAL COSTS OF TREATY PROJECTS

The Columbia River development has been assessed by various agencies and as a result a variety of cost estimates have been prepared. Examination of the estimates show that they vary in detail with respect to the individual projects but in total are in about the same order. This is best illustrated by comparing the various cost estimates prepared for the three Treaty projects as follows:

(a) I.C.R.E.B. Report	\$ 346 million
(b) Prime Minister's Treaty Announcement	345 million
(c) Montreal Engineering	398 million
(d) B.C. Energy Board	362 million
(e) B.C. Hydro	338 million

The differences in cost estimates are not so great that the use of one or the other of them would have a significant effect on the unit cost of power or change the validity of the assessments that follow.

### 3. ADVANTAGES OF IMMEDIATE COMPLETE SALE OF DOWNSTREAM BENEFITS

It is obvious that if all the downstream power benefits can be sold immediately they become available, the resulting unit cost will be less than if the benefits are gradually used to meet a load growth.

(i) *Initial Development – Treaty Projects*

Examples of the advantage of being able to sell downstream power benefits immediately they are available are given in the B.C. Energy Board Consultants' Report. On Page 114 of the report the average unit power costs for the full development of the Columbia River are reduced by being able to sell the surplus downstream benefits. The results are summarized as follows:

AVERAGE UNIT COST OF POWER – FULL COLUMBIA DEVELOPMENT

## With and Without Sale of Surplus Downstream Benefits

Selling price of surplus downstream benefits mills/kwh	0	2	4
With Cominco and new industries	3.61	3.54	3.47
Without Cominco and without new industries	4.40	4.29	4.18

Further reductions would be achieved if the surplus downstream power benefits could be sold at the generators for 5 mills/kwh.

Although the reductions do not seem large it must be realized they apply to the output of the full Columbia development totalling more than 20 billion kwh. A reduction in cost of 0.1 mills/kwh on this quantity of power amounts to \$2,000,000 per year.

The advantage of sale of downstream benefits at the generators can be further illustrated by the following tabulation. Costs and loads are taken from Tables 13 and 15 of the B.C. Energy Board Consultants' Report.

COSTS AND REVENUES – DOWNSTREAM POWER BENEFITS

## Without Cominco &amp; New Industries

	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
B.C. Energy load at-site – mw	291	386	487	545	708
<u>At-Site</u>					
Annual Costs – \$ million	8.88	8.98	10.05	10.09	26.50
– mills/kwh	3.48	2.65	2.35	1.99	4.27
<u>At Load</u>					
Annual Costs – \$ million	18.00	18.11	19.24	20.05	36.94
– mills/kwh	7.25	5.52	4.63	3.94	6.08
Gross Revenue @ 4.4 mills/kwh at load in B.C. – \$ millions	10.60	14.1	17.8	19.9	25.9
New Revenue @ 4.4 mills/kwh at load in B.C. – \$ millions	-7.4	-4.0	-1.4	-0.15	-10.0
Gross Revenue if available Energy sold at 5.0 mills/kwh At generator – \$ millions	24.5	24.5	24.5	24.5	33.4
New Revenue @ 5 mills/kwh \$ millions	15.6	15.5	14.5	14.4	6.9

In the five years illustrated above, if all available downstream benefits are sold at-site for 5.0 mills/kwh the net surplus of revenue over costs amounts to a total of \$66.9 million.

If sold as required to meet the estimated load in British Columbia at a cost of 4.4 mills (average cost given in B.C. Energy Board Report for Columbia Development without Cominco

and without special industry) the net result would be a substantial deficit amounting to \$22.9 million without including re-financing.

This is illustrated by the attached Plate No. 1.†

If all the downstream benefits were sold at 5.0 mills on a continuous basis, rather than only the amounts surplus to B.C. requirements, our studies have shown that the total costs of the three Treaty Storage projects could be paid off in about 23 years, assuming borrowing at 4½% and sinking fund earning at 5% with amortization over 50 years. If only the annual costs are paid on the projects a profit of \$310 million would result at the end of 20 years and \$440 million at the end of 30 years. These are the financing terms that B.C. can get if the downstream benefits can be sold in the United States at 5.0 mills/kwh.

Even if money is borrowed at 5% and sinking fund earning at the same rate over a 40-year amortization period a profit of \$220 million would result after 20 years and would become very large after 40 years.

These results are illustrated on the attached Plate 2.†

(ii) *Full Columbia Development with Sale of All Downstream Benefits at Generation*

Downstream power benefits on the Columbia River in the United States are only one product of the capital invested in the three Treaty projects. They are benefits clearly separable from the other products of the Columbia developments, such as the power and energy to be generated at Mica and other projects in Canada or the flood control benefits to be produced in the United States. However, the *cost* of the downstream power benefits cannot be separated from the total *costs* of the Columbia development except in the most arbitrary manner. For example, at a stage of development where only the three Treaty projects have been constructed and the only power being produced for Canada is the Treaty entitlement, the downstream benefit power would cost British Columbia about 4 mills/kwh at the generators in the United States, and about 6 mills/kwh at the British Columbia load centres.

After this stage has passed it would become impossible to establish a “unit cost of downstream benefit power.” The only unit cost figure with any real meaning would be the average unit cost of power sold in British Columbia after taking account of the revenue from the sale of downstream benefits.

In the light of the above it would appear that one method of assessing the merit or otherwise of selling the downstream power benefits in the United States is to carry out two studies: one with all of the downstream power benefits *which can be used in British Columbia* returned to the Province and the other with all of the downstream power benefits sold in the United States. A comparison of the respective unit costs of power derived from these two studies will indicate a measure of the relative merits.

Plate 3 following,† which is based on preliminary studies, indicates the following:

(a) With all downstream benefits used in British Columbia the average costs of power from the Columbia would be about 4.5 mills.

(b) The average cost of power in British Columbia would be about 3 mills with all downstream benefits sold in the United States at 5 mills/kwh.

(c) The net annual reduction in cost between the schemes if all downstream benefits were sold in the United States at 5 mills would be about \$250 million over a period of 15 years without allowing for any earnings on these savings.

#### 4. OTHER ADVANTAGES FROM SALE OF DOWNSTREAM BENEFITS IN THE UNITED STATES

(i) By selling all the downstream benefits in the United States the domestic markets will be met by Columbia at-site power assuming speedy development of the Columbia in Canada.

Thus the large costs that are “sunk” into Mica storage projects in preparation for at-site power are paying dividends as rapidly as possible.

(ii) By selling all the downstream benefits in the United States the downstream benefits will decrease at a slower rate. Thus the income from the downstream benefits will not decrease as rapidly as estimated and the costs of power in British Columbia will be further decreased.

The drop in Canada’s adjusted downstream power benefits assumed in all analyses so far is about 30% in between 1970 and 1985 with all the power and energy used in Canada. If all the power and energy were used in the United States it is estimated that the drop in adjusted benefits would be 20% over the same period. This would increase the estimated revenue for 1985 by about \$3.5 million.

(iii) Sale of all the downstream benefits in the United States at 5.0 mills/kwh will assure revenues for the Treaty projects and make it possible to obtain attractive financing terms. The resulting large net revenues, when re-invested in the British Columbia power development, makes it possible to obtain very cheap power at every stage of development.

(iv) Sale of the downstream benefits in the U.S. allows a logical and economic build-up of Provincial transmission without incurring the risk of having to build costly lines from Oliver to load centres which may have little use in the future.

(v) The sale of the Canadian entitlement to United States agencies at a relatively high price would probably cause an increase in the average selling price of the whole Columbia downstream power benefits in the United States, thus removing to some extent the criticism that implementation of the Treaty would give power consumptive industry in the United States a significant economic advantage over Canadian competition.

(vi) The development of power resources in the Province would be simplified by the removal of the variable source of power represented by the entitlement to downstream benefits and the annual assessments of the downstream benefits would not be a factor in planning to meet provincial power requirements.

[PIÈCE JOINTE 3/ENCLOSURE 3]

*Appendice C*

*Appendix C*

COMMENTS ON THE BRITISH COLUMBIA TECHNICAL PRESENTATION IN  
SUPPORT OF THE SALE TO THE UNITED STATES OF  
CANADA’S DOWNSTREAM POWER BENEFITS

A thorough review of the British Columbia presentation would require more detailed information concerning load growth, project costs, etc. However, a preliminary study of their calculations has indicated three areas of objection:

- (1) They suggest a 20-year sale period (10 + 10) but only study the initial 15 years.
- (2) They omit the cost of replacing downstream benefits on the British Columbia load in the years 1979 to 1986.
- (3) They omit the thermal replacement market which downstream benefits could meet in British Columbia.

Points (1) and (2) have been corrected for in this review. Point (3) would decrease to some extent the attractiveness of selling the downstream benefits in the United States, but would by no means alter the conclusion reached by the study.

Table 1 sets forth the British Columbia presentation adjusted to take account of points (1) and (2) noted above.

TABLE 1

Study <u>By</u>	Period of Sale to the <u>U.S.</u>	Average Cost of Columbia River*		Average Reduction In Cost	
		<u>Power in British Columbia</u> Without Sale to the U.S.	With Sale to the U.S.	Mills <u>Per KWH</u>	<u>Per Cent</u>
British Columbia	20 yrs.	4.59 mills/kwh	3.43 mills/kwh	1.16	25%

\* Flood control benefits excluded.

The British Columbia authorities state that if downstream benefits are sold in the United States they can finance the Treaty projects at 4½% interest rather than the 5½% used in deriving the answers in Table 1. They also feel that in the early years of development energy can be obtained at Blaine from the Bonneville Power Administration at 2.5 mills per kwh rather than the 5 mills used in their calculations. Allowing for these two factors results in a 32% saving in power costs rather than the 25% shown on Table 1.

While there has not been sufficient time or information to permit a detailed check of the British Columbia presentation, the Water Resources Branch, on the basis of its own studies carried out over the past few months, subscribes to the general conclusion that a sale of downstream benefits at 5 mills per kilowatt hour can reduce the cost of the remaining Columbia River potential by at least 25%. This conclusion depends upon the assumption that the United States will pay 5 mills per kilowatt hour at the generators for our downstream benefits. We have no way of knowing the validity of this claim and therefore our agreement with the mathematics of the British Columbia presentation is conditional on this very important item.

Plates 1 and 2 show in graphical form the savings indicated by the British Columbia presentation. These benefits are given in tabular form in Table 2.

TABLE 2

<u>Year</u>	<u>Savings in Annual Costs</u> \$ million	<u>Savings Accumulated at 5½% Interest</u> \$ million	<u>Savings Expressed As A Reduction in the Cost of Columbia River Energy Delivered in B.C.</u> mills per kwh
1966-67	20.40	20.4	22.4
1967-68	16.1	37.6	8.45
1968-69	17.0	56.7	5.85
1969-70	12.5	72.3	3.10
1970-71	18.6	94.9	3.58
1971-72	15.1	115.2	2.36
1972-73	13.5	135.0	1.75
1973-74	16.3	158.7	1.77
1974-75	16.0	183.4	1.49
1975-76	13.4	206.9	1.08
1976-77	14.7	233.0	1.04
1977-78	14.8	260.6	0.92
1978-79	11.6	286.5	0.64
1979-80	7.6	309.9	0.38
1980-81	1.3	328.2	0.05
1981-82	1.2	347.5	0.05
1982-83	1.2	367.8	0.05
1983-84	1.2	389.2	0.05
1984-85	1.0	411.6	0.05
1985-86	1.0	435.2	0.05

[PIÈCE JOINTE 4/ENCLOSURE 4]

*Appendice D**Appendix D*

CONFIDENTIAL

[Ottawa], April 6, 1962

A meeting on the Columbia Treaty Projects was held in Ottawa on the 5th and 6th April, 1962, between officials representing the Federal Government (Messrs. Robertson, Parkinson, Patterson and MacNabb) and officials representing the Government of British Columbia (Messrs. Shrum, Kidd, Purcell and Keenleyside).

Following an exchange of papers and subsequent discussion, it was agreed that there was no significant difference of view on the costs of the various projects.

The Provincial representatives emphasized the great urgency of immediate action on the Columbia project.

They then presented the following points as a basis of agreement and compromise between the two governments which will permit the immediate ratification of the Treaty and the early commencement of construction.

- I. All downstream benefits will be sold in the United States at a price of approximately 5 mills KWH. The term of such sale to be sought by the Government of British Columbia will be 10 years firm with a 10-year period of notice of termination at any time thereafter.

- II. The Peace River development, already under way, will continue.
- III. For the interim period, prior to the availability of Peace power, the British Columbia Hydro and Power Authority will meet its current needs by purchase from the Bonneville Power Association at Blaine or other points where it may be needed on the British Columbia border. Consideration will be given to proposals already discussed with and agreed by the Bonneville Power Association for the payment for this power in kind.
- IV. All income from the sale of downstream benefits will be used exclusively for the development of the Columbia River project in Canada.
- V. Mica will be machined as soon as possible to meet incremental needs in British Columbia. It is expected that this will be not later than 1973. This will be effected by postponing the later stages of the Peace River development, if necessary.
- VI. Subject to provincial requirements, energy from the Peace River, the Columbia and other sources in British Columbia will be made available on a first call basis to the proposed national grid at prices not higher than those obtainable from the United States for British Columbia power exported to the United States.
- VII. British Columbia will endeavour to obtain the agreement of the U.S. entity to the inclusion of an escalator clause in the agreement covering the sale of the downstream benefits.
- VIII. Subject to agreement between the governments and to immediate ratification of the Treaty the Provincial Government will be prepared to start physical construction on Duncan by July 1962, on Arrow by September 1962, and Mica as soon as possible in 1963. The later start in the case of Mica is due entirely to investigations and engineering studies which are actively under way but are not yet complete.
- IX. British Columbia will undertake to use the funds received from the United States in payment for flood control for the rehabilitation and economic development of areas adversely affected by the projects included in the Columbia River Treaty.

This is submitted as a confidential document with the understanding that its contents will not be made public.

G.M. SHRUM  
H.L. KEENLEYSIDE  
G.J.A. KIDD  
P.R. PURCELL

282.

DEA/5724-2-40

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

PERSONAL AND CONFIDENTIAL.

Washington, April 16, 1962

Dear Ed [Ritchie],

Rumours were circulating here last week to the effect that a "blueprint" would shortly be released by the Administration which would set out the plans for development within the United States of a number of projects on the Columbia and its tributaries. The projects were supposed to be of a character which would allow them to be integrated with developments called for by the Treaty when these were undertaken after ratification. The timing of the

release was supposed, in some quarters, to have some significance vis-à-vis delays of ratification in Canada and the recent submission of the United States Embassy note to the Department.

We were able to determine that the so-called blueprint was, in fact, a series of recommendations, based on a memorandum of agreement between the Corps of Engineers and the Bureau of Reclamation, under which responsibility for planning, construction and operation of a number of projects in Alaska, the Columbia River basin and the Missouri River basin was divided between the two agencies. Attached are eight copies of a White House press release of April 10 announcing the terms of this agreement.† An apparently accurate account of the agreement appeared in *The New York Times* of April 5, 1962, to which we drew the attention of U.S.A. Division.<sup>78</sup> We are trying to obtain a copy of the agreement itself for forwarding to the Department.

I don't believe we should read too much into the timing of this release since the terms of the memorandum of agreement between the Corps and the Bureau have apparently been under discussion for some time. In addition, the projects themselves were selected as a result of a comprehensive review of the plan for the Columbia River basin authorized by Congress in 1955. I think you will agree that what is important is that the Corps is recommending construction of eight water resources projects in the basin based on its study, and if early starts are made on these, it may mean a lessening in the interest in ratification of the Treaty. (An article in the *Globe and Mail* of April 11, makes this same point.)<sup>79</sup>

In addition, Norm Chappell has heard from his sources that both public and private power interests in the Pacific Northwest are planning on the assumption that the Treaty will not be implemented – or that it will be implemented too late to provide the power required to meet anticipated demands in the next few years. The public power groups in the area are considering arrangements for harnessing Hanford reactor energy at the 800,000 kw. level, and it seems they would not be considering this at this time if they were satisfied that Treaty power would be available in the near future.

It is possible to conceive of a situation developing where projects were sufficiently far advanced as to ensure firm power requirements apart from Treaty benefits. In that case the United States might feel that the basis on which the Treaty was negotiated had altered sufficiently to warrant a review of its terms. While the flood control provisions would still be important to them the power aspects would presumably take a somewhat lower priority.

This is, of course, all rather speculative and it would be difficult for us to get an expression of opinion from officials here. We would, however, be prepared to see what we could find out in the way of Administration thinking on these projects and their significance in relation to the Treaty if you thought this would be desirable.

Yours sincerely,

A.D.P. HEENEY

<sup>78</sup> Voir/See "2 Agencies Make Peace Over Dams," *New York Times*, April 5, 1962, pp. 1, 18.

<sup>79</sup> Voir/See "U.S. Power Projects Planned in Northwest," *Globe and Mail*, April 11, 1962, p. 3.



283.

E.D.F./Vol. 38

*Le sous-ministre des Affaires du Nord et des Ressources nationales  
au ministre de la Justice*

*Deputy Minister of Northern Affairs and National Resources  
to Minister of Justice*

CONFIDENTIAL

Ottawa, May 1, 1962

Dear Mr. Fulton,

Some two weeks ago when we were discussing the possible basis of an arrangement on the Columbia River that would involve a sale of downstream benefits in the United States, you mentioned that you felt it would be essential to have some provision that the power from Mica at-site generation would be used in British Columbia. Shortly after that discussion Mr. Alvin Hamilton spoke to me about a proposal he had made that, if we agree to the sale of downstream benefits, it should be part of an arrangement that would include an option for Canada to buy back from the United States an equivalent amount of power (i.e. equivalent to the downstream benefits we had sold) – the option to be exercisable at some time after our sale of power had been completed. Mr. Hamilton's point was twofold: that such an option could be valuable in itself, and that it would permit the sale of downstream benefits to be regarded as a part of an exchange of power rather than an outright alienation.

On the basis of the two conversations referred to above, I asked the Water Resources Branch to undertake a study to see how the power involved could fit into a load growth projection and also to work out what the consequences in revenues and power costs would be. I have just received a copy of a memorandum dated April 30th from Mr. MacNabb on this matter and am enclosing one herewith, together with the attached plates.† I am also sending a copy to Mr. Hamilton.

I think you will find the results of this study – while subject to the qualifications that Mr. MacNabb has indicated in paragraph 4 – most interesting. It suggests that the points made by both you and Mr. Hamilton could be accommodated and that the over-all result would be an extremely attractive one.

I am also sending copies of this material to Mr. Parkinson for the information of Mr. Fleming since he may be involved in further discussions with Mr. Bennett. If you think there is any other action that should be taken on this perhaps you could let me know.

Yours sincerely,

R.G. ROBERTSON

284.

PCO

*Note du ministre des Affaires du Nord et des Ressources nationales  
pour le Cabinet*

*Memorandum from Minister of Northern Affairs and National Resources  
to Cabinet*

CABINET DOCUMENT NO. 219-62  
CONFIDENTIAL

Ottawa, July 16, 1962

THE COLUMBIA RIVER TREATY

Consideration has been given in recent weeks to the outstanding policy decisions on the Columbia River Treaty in relation to the current economic situation. It seems apparent that, under certain arrangements that could be entered into, early action on the Treaty could do a good deal to stimulate a substantial inflow of U.S. funds. Decisions on the Treaty must be taken in the very near future and it seems desirable to have the possible economic contributions toward solution of the present problems in mind in taking them.

SITUATION IN RELATION TO BRITISH COLUMBIA

Since the signing of the Treaty on January 17, 1961, it is differences with British Columbia that have held up progress on the treaty. While the position of the British Columbia Government in relation to financing, sale of power in the United States and the relationship between the Columbia and the Peace River development was quite obscure for many months, it was greatly clarified in meetings held on April 5th and 6th between officials of the two governments. The main points that had involved difficulty or that were obscure up to that time were the following:

(a) *Acceptability of the Treaty as it Stands*

There had been some indications that British Columbia doubted whether Columbia power was the lowest cost power available and whether the Treaty was acceptable to it. It was made clear in April that B.C. does not challenge the cost figures for downstream benefits or for Columbia power as a whole. It was also made clear that the Treaty is acceptable to British Columbia as it stands.

(b) *Peace River Development*

It had been feared that British Columbia intended to push ahead with the Peace River and to pre-empt B.C. markets for Peace power. This would have left the Columbia River development with no market for power other than the United States. It was also feared that British Columbia would refrain from the machining of Mica Dam and from the development of the power potential of the Columbia River in Canada in order to make room for the Peace. At the meetings in April the British Columbia Government representatives made it clear that, while British Columbia intended to proceed with the Peace River, it would commit itself (1) to start construction of the treaty projects in Canada at the earliest possible date; (2) to machine Mica as soon as the growth of demand for power made it possible (probably by 1973); and (3) to postpone the later stages of the Peace River development if necessary to make room for Mica.

(c) *Financing*

The federal government had offered to provide the financing for 50% of the cost of the storage projects. Initially British Columbia had taken the position that this was not a sufficiently generous offer and that a substantial federal grant should be made. At the meetings in April, the British Columbia representatives did not press for any improvement in the federal

financial provisions. They said that, if agreement could be reached on the sale of downstream benefit power in the United States, British Columbia would be able to finance the entire scheme without any federal assistance and would prefer to do so by borrowing money in the United States at lower interest rates than are available in Canada. While recent financial problems in British Columbia might affect this position somewhat, the Columbia is an economic self-financing operation and under appropriate conditions financing in the United States at reasonable rates should be quite feasible.

(d) *Sale of Power in the United States*

It was for some time not clear whether British Columbia was pressing for the sale in the United States only of the downstream benefits to which Canada is entitled there or also of power that would be produced at site in Canada in the Columbia system. It appeared that they might be pressing for a total sale of Columbia power in order to facilitate development of the Peace River. At the meeting in April it was made clear (as indicated above) that the latter is no longer the British Columbia position: it is pressing now only for the sale of downstream benefits. Originally it had been feared that a satisfactory price could not be secured in the United States since it was thought that only the private utilities and not Bonneville Power Administration would be legally able to purchase. It now appears that Bonneville Power Administration will have the legal capacity to buy and may be prepared to pay a good price (possibly as much as 5 mills) if this is the only way in which it can secure implementation of the Treaty and thus get its own share of downstream benefit power.

(e) *Application of the Proceeds of Power Sales*

It has originally been feared that the B.C. intention was to use the revenues from any sales of power in the United States to help finance the Peace River development. At the meeting in April the British Columbia representatives made the commitment in writing that "all income from the sale of downstream benefits will be used exclusively for the development of the Columbia River project in Canada."

(f) *Flood Control Payment*

Canada is entitled to a payment of \$64 million (U.S.) for flood control benefits. British Columbia had originally indicated that the payment would be appropriated by the province as compensation to it for other resources taken out of production by the creation of the Columbia reservoirs (even though full compensation to all owners is provided for). At the meeting in April it was indicated that British Columbia would undertake to use the funds "for the rehabilitation and economic development of areas adversely affected by the projects included in the Columbia River Treaty." It was also made apparent that British Columbia would probably be prepared, if pressed, to allocate the payment against construction costs for the treaty projects themselves.

As the above points indicate, British Columbia has clarified its position substantially in the direction of meeting federal objections. It seems apparent that agreement can be reached under which the project can go ahead at once if the federal government is prepared to agree to the sale of downstream benefits.

#### THE QUESTION OF SELLING DOWNSTREAM BENEFITS

The objection of the federal government to the sale of downstream benefits in the United States has been related essentially to two considerations: (a) the traditional Canadian fears about the long-term export of electric power and (b) the desirability of securing the lowest cost power for the benefit of Canadian industries and consumers. It would appear possible to meet both these points if a price of 5 mills and other suitable terms can be secured.

Fears about power exports have largely stemmed from unfortunate experiences in World War I. The problems then arose out of contracts for unduly long terms (usually 50 years) for sales at fixed prices (with no escalation to protect against increases in price levels) and at extremely low figures (well below alternative power costs in the United States). All of these can be protected against. A 20-year term has been proposed and a 5-mill price is not below but probably equal to or even slightly above alternative power costs. An escalation clause might be possible, if it is considered important, in return for some concession on the basic price. The fact that 5 mills is not below alternative power costs would rule out any chance of objection at terminating the sale when a contract provided for it.

There is a further point of difference between a sale to B.P.A. and early export contracts. One of the difficulties in connection with them was that the Canadian exporter was selling power to specific industries which were built up around and relied upon that one single source of power supply. Under present-day circumstances in the Columbia River basin the exported power would be fitted into the Bonneville Power Grid which receives supplies from dozens of sources and distributes these supplies through many outlets. No one customer knows the original source of the power which he is utilizing at any particular moment. So far as B.P.A. is concerned, any power sold by us would be a small part of this total system.

With regard to the cost of power in Canada, it is correct that downstream benefit power is the lowest-cost power that we can produce. (The Water Resources Branch of this department estimated the delivered cost of such power in British Columbia at 3.29 mills per kwh.; the Montreal Engineering Col. set the figure at 3.6 mills.) There was, thus, justification for the argument that it should be used in Canada for Canadian benefit. However, if a good enough price can be got for it, and if the profits are ploughed into the Columbia development so as to reduce the cost of at-site power in Canada, just as low a cost can result for an even larger amount of power for Canadian use. The downstream benefits are relatively small part of the total power output of the Columbia development and it is the *average cost* of the power used in Canada from the *entire project* that is of major significance. The average cost, *with no sale of downstream benefits*, has been calculated at 4.3 mills. If the proceeds of a sale are used to defray project costs, the following figures result:

	U.S. funds at an <u>8% premium</u>
20-year sale of one-half of our downstream benefits at 5 mills per kwh.	3.9 mills per kwh
20-year sale of all of our downstream benefits at 5 mills per kwh	3.2 mills per kwh

(The above figures assume borrowing in the United States at 5% for the projects.)

It is apparent from the above that a 20-year sale of *all* our downstream benefits at 5 mills could reduce the average cost of the Columbia power that would be used in Canada to the cost of our downstream benefit power if we do not sell it. The argument about keeping our lowest cost power is thus met.

There is a further technical consideration of importance. The sale of our downstream benefits to the United States limits the new generating installations required by that country. Through the methods of calculation applicable under the Treaty this has the effect of increasing our entitlement to downstream benefits. While this effect has not been included in the preceding data, it is quite substantial and could increase our annual revenues from the United States by more than \$5 million (U.S.) in 1985.

The above arguments turn essentially on price. If 5 mills can be secured, there is no doubt about the economic advantage of a sale of downstream benefits.

## FINANCIAL CONSIDERATIONS

As has been indicated at the outset the desirability of an early decision on policy has become more urgent as a result of the current financial difficulties. Quick action on the Treaty could be one of the most impressive and effective of the “longer-term measures of a positive and constructive nature” envisaged in the Government’s statement of June 24.<sup>80</sup> The mere announcement of the Government’s decision to proceed with early ratification would in itself be taken as foreshadowing expansive and work-creating policies to follow the present inevitable restrictions. The prospect of Canada and the United States working together on this cooperative project would greatly strengthen the international confidence which the emergency program is designed to develop.

The financing in the United States of the construction program in the Treaty would attract substantial amounts of capital from outside Canada. Not only would this capital inflow be large in amount but it would also be of the right kind for a country in Canada’s position. It would be of a kind which would not involve any transfer of ownership to the United States. If part or all of the downstream benefits can be sold in the United States, the capital would readily pay for itself in foreign exchange earnings. The year-by-year results with U.S. financing and sales of (a) one half and (b) all our downstream benefits in the United States are set out in the Appendix. In brief, these indicate that if the Treaty projects were financed by means of funds raised in the United States, it could involve an inflow of over \$11 million (U.S.) in the first year and over \$200 million (U.S.) in the first 5 years after ratification. If Canada’s share of downstream benefits were sold in the U.S. at 5 mills per kwh. for 20 years, the revenues in U.S. dollars could amount to over \$558 million (U.S.) over the period – an average of \$27,900,000 (U.S.) per year in added export earnings – and could more than cover the operational cost of the projects plus the re-payment of the borrowed U.S. funds. The total net inflow of U.S. funds in the first 5 years would exceed \$290 million (U.S.)

*Recommendation*

In the light of the above considerations, the undersigned recommends that:

- (a) steps be taken at the earliest possible date to reach agreement with British Columbia on a basis for action on the Columbia River Treaty that would involve
  - (i) the initiation of construction immediately upon ratification of the Treaty;
  - (ii) machining of Mica Dam for production of power in Canada at the earliest possible date and with priority over the development of Peace River power if load growth in British Columbia will not absorb both; and
  - (iii) the sale of Canadian downstream benefits in the United States for a term not exceeding 20 years provided a satisfactory price can be negotiated and the proceeds of the sale are allocated solely to the Columbia River development; and
- (b) the Cabinet Committee on the Columbia River be directed to submit for Cabinet approval detailed proposals as to possible terms for an arrangement with British Columbia on the basis of which negotiations should be undertaken through the British Columbia-Canada Policy Liaison Committee.

WALTER DINSDALE

<sup>80</sup> Voir/See “Text of Prime Minister Diefenbaker’s Announcement on Tariff Surcharges and Financial Measures,” *Globe and Mail*, June 25, 1962, p. 8.

[PIÈCE JOINTE /ENCLOSURE]

*Appendice*  
*Appendix*

## YEAR BY YEAR BALANCE OF PAYMENTS WITH THE UNITED STATES

Year	20 Year Sale of One-Half of Canada's Downstream Benefits				20 Year Sale of All of Canada's Downstream Benefits			
	U.S. Investment in Projects	Revenues from Power Sales and Flood Control	Payments to the U.S.	Annual Balance of Payment	U.S. Investment in Projects	Revenues from Power Sales and Flood Control	Payments to the U.S.	Annual Balance of Payment
	Millions of U.S. Dollars				Millions of U.S. Dollars			
1962	11.040	0	0	+11.040	11.040	0	0	+11.040
63	36.800	0	0	+36.800	36.800	0	0	+36.800
64	67.027	0	0	+67.027	67.027	0	0	+67.027
65	59.800	0	0	+59.800	59.800	0	0	+59.800
66	43.380	71.846	2.983	+112.243	43.380	75.442	2.983	+115.839
67	36.800	17.294	7.340	+46.754	36.800	24.485	5.966	+55.319
68	36.800	17.294	7.340	+46.754	36.800	24.485	5.966	+55.319
69	26.947	17.294	7.340	+36.901	26.947	24.485	5.966	+45.466
1970	4.600	20.256	15.427	+ 9.429	4.600	30.090	13.756	+20.934
71	4.600	20.388	23.499	+ 1.489	4.600	32.220	21.545	+15.275
72	0	19.960	29.999	-10.039	0	31.150	28.059	+ 3.091
73	0	17.994	29.985	-11.991	0	30.080	28.059	+ 2.021
74	0	14.578	29.971	-15.393	0	29.010	28.059	+ 0.951
75	0	12.500	29.957	-17.457	0	27.940	28.059	- 0.119
76	0	12.500	29.943	-17.443	0	26.870	28.059	- 1.189
77	0	12.500	29.929	-17.429	0	25.800	28.059	- 2.259
78	0	12.500	29.915	-17.415	0	24.730	28.059	- 3.329
79	0	12.500	29.901	-17.401	0	23.660	28.059	- 4.399
1980	0	12.500	29.887	-17.387	0	22.590	28.059	- 5.469
81	0	12.500	29.873	-17.373	0	21.520	28.059	- 6.539
82	0	12.500	29.859	-17.359	0	20.450	28.059	- 7.609
83	0	12.500	29.845	-17.345	0	19.380	28.059	- 8.679
84	0	12.500	29.831	-17.331	0	18.310	28.059	- 9.749
85	0	12.500	29.817	-17.317	0	17.240	28.059	-10.819
Mid1986	0	6.250	14.902	- 8.652	0	8.555	14.030	- 5.475
Accumulated Totals	327.794	360.654	497.543	190.905	327.794	558.492	463.038	423.248

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DEA/5724-2-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures*  
*Memorandum by Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], July 17, 1962

COLUMBIA RIVER TREATY – CONVERSATION  
WITH MR. WILLIS ARMSTRONG

When Mr. Armstrong, the Chargé of the United States Embassy, paid his farewell call on the Minister this morning, he mentioned that the main bilateral problem between the two countries (apart from defence questions) is the matter of the Columbia River Treaty. He noted certain statements by Secretary Udall and others that if the treaty was going to be of much value to the United States, it was pretty well necessary that it be ratified in time for the next construction season (presumably by the spring of 1963). Mr. Armstrong enquired whether the Minister could say anything about the prospects for the treaty.

2. Mr. Green remarked that two of the political parties had indicated during the recent election campaign that they would expect the treaty to be renegotiated (i.e. the Liberal and New Democratic parties). Mr. Green asked Mr. Armstrong what his view was of the possibility of such a renegotiation.

3. Mr. Armstrong suggested that minor changes in the treaty might be open for renegotiation (and presumably the results could be passed through the Senate within a reasonable period of time). On the other hand he considered that any major renegotiation (for example any change in the Libby Project) was virtually out of the question since the United States would have to do something about its power supplies in the Pacific Northwest within the near future. The United States would still have the problem of flood controls at Bonners Ferry but this would have to be dealt with in some other way if the treaty were to be long delayed.

4. Mr. Green said that the Government had not really examined this matter since the election but his own thought was that the treaty might be thrown into the External Affairs Committee and all the opponents and supporters of the treaty should be given a chance to express themselves there. The Government would be required to defend the treaty against its critics.

5. Mr. Green recalled that the Federal Government had been on the verge of concluding a treaty which would have avoided the Libby Project, but the Provincial Government had reversed itself and opposed such an arrangement. In fact, generally, the main difficulties had been with the Provincial Government and not with the United States, in Mr. Green's view. Mr. Green noted that the main remaining problem also related to the Provincial Government's position, since the British Columbia Government wished to sell all the power benefits in the United States whereas the Federal Government wanted them brought back to British Columbia. Mr. Green remarked that if the benefits were to be sold in the United States, the United States Government would presumably be relieved of the expense of the line for transmitting these benefits to Canada.

6. Mr. Armstrong asked whether there was anything which the United States Administration could helpfully say. Mr. Green suggested that "in fourteen different languages" the best thing would be for the United States to be as quiet as possible about the treaty and not to get involved.

A.E. R[ITCHIE]

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J.G.D./MG01/XII/D/35

*Note du premier ministre*  
*Memorandum by Prime Minister*

CONFIDENTIAL

[Ottawa], August 20, 1962

## COLUMBIA

Yesterday, Sunday August 19th, I had a long interview with the Honourable Howard Green. I don't think I made any particular headway. He can't understand Mr. Fulton's change of attitude<sup>81</sup> and in that I agreed with him. I pointed out that if Mr. Fulton could swallow the dish of crow that he had provided for himself then Mr. Green's position should be less difficult. However he pointed out that one thing above everything else that he valued was his reputation and that he could not do other than withdraw from the Cabinet.

I argued that if 5 Mill rate could be secured on the downstream benefits it would be of tremendous value to Canada, that the essence of the Treaty was that the United States should construct the transmission line to the Canadian boundary. He insisted that this should be gone ahead with now. I asked him when the power would be produced and he said five years hence. The order of construction would be

(1) Upper Arrow, and would end with No. 3 – Mica Dam.

I asked him what purpose there would be in constructing it now and he said he had argued so frequently in the Cabinet and been turned down that the Canadian Government should promise to pay one-half of the transmission costs from the boundary to Vancouver.

While he was here I discussed the question on the phone with Senator McCutcheon who called me and I so advised Mr. Green. I made no impression on him in support of a compromise.

J.G. D[IEFENBAKER]

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PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], August 22, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Secretary of State for External Affairs (Mr. Green),  
The Minister of Justice (Mr. Fleming),  
The Minister of Trade and Commerce (Mr. Hees),  
The Minister of Transport (Mr. Balcer),  
The Minister of Public Works (Mr. Fulton),  
The Minister of Finance (Mr. Nowlan),  
The Minister of National Defence (Mr. Harkness),  
The Postmaster General (Mrs. Fairclough),

<sup>81</sup> En ce qui concerne le changement d'attitude de Fulton, voir Neil Swainson, *Conflict Over the Columbia: The Canadian Background to an Historic Treaty* (Montreal and Kingston: McGill-Queen's University Press, 1979), pp. 227-228.

On Fulton's change of attitude, see Neil Swainson, *Conflict Over the Columbia: The Canadian Background to an Historic Treaty* (Montreal and Kingston: McGill-Queen's University Press, 1979), pp. 227-228.



The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 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 of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

...

#### COLUMBIA RIVER DEVELOPMENT POLICY

(Previous reference May 12†)

36. *The Prime Minister* said immediate consideration must be given to the government's policy with respect to the development of the Columbia River.

37. *The Secretary of State for External Affairs* read from Hansard of January 26th, 1962, a letter from Mr. Fleming to the Premier of British Columbia on the Columbia development.<sup>82</sup> It was pointed out in the letter that Premier Bennett had said that all of Canada's share of the downstream benefits should be disposed of in the United States. This was contrary to the fundamental purpose of the Treaty which was to secure for the people of British Columbia directly and immediately the cheapest and most abundant electrical power available. All through the negotiations on the Treaty, discussions between Canada and British Columbia were based on the intention that the bulk of Canada's share of the low cost downstream benefits should be delivered to Canada for the use and benefit of consumers in British Columbia. The Treaty itself reflected this principle, and the letter quoted sections from the Treaty in support of this view. The Treaty set out specifically that a portion of the downstream benefits to which Canada was entitled might be disposed of within the United States. The letter from which Mr. Green read, had been approved by the Cabinet before it was sent.

38. *Mr. Green* went on to say that Canada had negotiated for the return to Canada of half the downstream benefits and that only temporary surpluses would be sold in the United States. To agree at the meeting on Monday, with Premier Bennett, that all of Canada's share of the downstream benefits should be sold in the United States would be contrary to everything he had said before and during the election campaign. He then read extracts from newspaper reports of speeches by himself and other Ministers which supported the view that the purpose of the Treaty was to bring back low-cost downstream benefits to the people of British Columbia. In one case it was reported that Premier Bennett had said in the Legislature that he would resign before he would bring downstream benefits all the way back to Vancouver and Mr. Green had said there was no chance of Ottawa changing its position.

39. *During the discussion* the following points were made,

(a) In view of what had been said, how could Canada change its position? There would have to be a compromise between Canada and British Columbia if the Treaty was to be implemented.

(b) The proposals put forward by the B.C. officials in April should be examined on their face value. They appeared to be a reasonable compromise on the part of the province. The province

<sup>82</sup> Voir Canada, Chambre des Communes, *Débats*, 1962, vol. 1, pp. 299 à 302.  
 See Canada, House of Commons, *Debates*, 1962, Vol. 1, pp. 281-283.

needed the Columbia development and, although the speeches quoted would be brought up in the press to embarrass the government, it was better to try to move ahead with the project.

(c) The U.S. had also changed its position. It did not appear in the beginning that Canada's share of downstream benefits could be sold in the U.S. at 5 mills per KWH. Now this seemed possible but would have to be checked.

(d) The sale of half the Canadian downstream benefits would not be an effective compromise. It would not be economically sound. The entire transmission facilities would have to be built to carry only half the available power. The U.S. might not pay 5 mills per KWH for only half the available power since they would have to create facilities to carry the other half back to Canada.

(e) There was an obligation on the U.S. to deliver Canada's share of the downstream benefits to the border but they had not agreed to deliver it free, as the International Joint Commission had suggested. A formula had been worked out whereby no direct charge for transmission was made but the U.S. was to be paid a fee for stand-by transmission facilities on an alternative route to Vancouver.

(f) It would be to Canada's advantage economically to sell all of its downstream benefits rather than half. Premier Bennett had said income from the sale of downstream benefits would go into the Columbia development rather than to the Peace development. He would have to give assurance, however, that, notwithstanding the present state of the province's credit, he could still finance the work on the Peace River in the manner he had previously expected.

(g) Premier Bennett had said he would defer the later stages of the Peace development to machine the Mica section of the Columbia.

(h) The sale of Canada's downstream benefits would bring in large amounts of foreign exchange. The arrangement could be terminated after 10 years on 10 years' notice if the situation changed to warrant this action. Canada's failure to ratify the Treaty was becoming embarrassing in the United States. The U.S. Senate was now talking about the U.S. developing the Columbia basin alone.

(i) Some felt that the present proposals were not the best for Canada. General McNaughton's were considered to be better. Other Ministers did not agree with this view. General McNaughton's proposals were not acceptable to the people of British Columbia affected by them.

(j) If Canadian downstream benefits were sold in the U.S., the U.S. would not build transmission facilities to the border and, if Canada later decided to bring them back, there was a question whether the U.S. would then be obliged to build the necessary transportation facilities.

(k) It was suggested that Mr. Fleming and Mr. Green verify with Mr. Ivan White of the U.S. Columbia River Negotiations delegation what the U.S. would pay,

- (i) for half of Canada's share of the downstream benefits; and,
- (ii) for all of them;

and that Mr. Fleming at his meeting with Premier Bennett on Monday should put forward first of all the idea of selling half Canada's downstream benefits together with the other proposals of the B.C. officials at the meeting of April 5th and 6th.

40. *Mr. Fulton* drew to the attention of the Ministers an article which was to be published soon in an engineering magazine written by General McNaughton setting forth his position on

the Columbia River development.<sup>83</sup> It was suggested that no reply should be prepared to this article for the time being.

41. *The Cabinet* decided,

(a) that the Minister of Justice and the Secretary of State for External Affairs should meet immediately with Mr. Ivan B. White, Deputy Assistant Secretary of State, and Member of the United States Delegation, Canada-United States Columbia River Negotiations, and get from him the best estimate of the price the U.S. government would pay,

(i) for one-half of the Canadian downstream benefits developed on the Columbia; and,

(ii) for all of the Canadian downstream benefits developed on the Columbia;

(b) that Mr. D. Fleming, when discussing the Columbia River Development with the Premier of British Columbia on Monday next, should not agree to selling in the United States more than one-half of the Canadian share of the downstream benefits but should base his discussions otherwise on the other terms of the British Columbia plan put forward at the meeting of federal and provincial officials in Ottawa on April 5th and 6th last, i.e.,

(i) All downstream benefits will be sold in the United States at a price of approximately 5 mills per KWH. The term of such sale to be sought by the Government of British Columbia will be 10 years firm with a 10-year period of notice of termination at any time thereafter.

(ii) The Peace River development, already under way, will continue.

(iii) For the interim period, prior to the availability of Peace power, the British Columbia Hydro and Power Authority will meet its current needs by purchase from the Bonneville Power Association at Blaine or other points where it may be needed on the British Columbia border. Consideration will be given to proposals already discussed with and agreed by the Bonneville Power Association for the payment for this power in kind.

(iv) All income from the sale of downstream benefits will be used exclusively for the development of the Columbia River project in Canada.

(v) Mica will be machined as soon as possible to meet incremental needs in British Columbia. It is expected that this will be not later than 1973. This will be effected by postponing the later stages of the Peace River development, if necessary.

(vi) Subject to provincial requirements, energy from the Peace River, the Columbia and other sources in British Columbia will be made available on a first call basis to the proposed national grid at prices not higher than those obtainable from the United States for British Columbia power exported to the United States.

(vii) British Columbia will endeavour to obtain the agreement of the U.S. entity to the inclusion of an escalator clause in the agreement covering the sale of the downstream benefits.

(viii) Subject to agreement between the governments and to immediate ratification of the Treaty the Provincial Government will be prepared to start physical construction on Duncan by July 1962, on Arrow by September, 1962, and Mica as soon as possible in 1963. The

<sup>83</sup> Le rédacteur en chef du magazine, James G. Ripley, a pris contact avec E.D. Fulton pour obtenir ses commentaires, qui ont été publiés à la fin de l'article. C'est Ripley, et non pas le général McNaughton, qui l'a rédigé. Voir Ripley, "The Columbia River Treaty," et la réponse de Fulton, *Engineering and Contract Record*, vol. 75, n° 9 (September 1962), pp. 33-48.

E.D. Fulton had been approached by the editor of the magazine, James G. Ripley, for his comments, which were published at the end of the article. Ripley, not General McNaughton, was the author of the article. See Ripley, "The Columbia River Treaty," and response by Fulton, *Engineering and Contract Record*, Vol. 75, No. 9 (September 1962), pp. 33-48.

later start in the case of Mica is due entirely to investigations and engineering studies which are actively under way but are not yet complete.

(ix) British Columbia will undertake to use the funds received from the United States in payment for flood control for the rehabilitation and economic development of areas adversely affected by the projects included in the Columbia River Treaty; and,

(c) Mr. Fleming should report back to Cabinet the result of his discussions with the Premier on the basis described above.

...

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DEA/5724-2-40

*Note du sous-ministre des Affaires du Nord  
et des Ressources nationales*

*Memorandum by Deputy Minister of Northern Affairs  
and National Resources*

CONFIDENTIAL

Ottawa, August 28, 1962

COLUMBIA RIVER TREATY: DISCUSSIONS  
WITH BRITISH COLUMBIA

Along with Mr. Parkinson and Mr. MacNabb, I was asked yesterday morning by Mr. Fleming, the Minister of Justice, to come to a meeting in his office with Premier Bennett of British Columbia. Mr. Budd, the Premier's Executive Assistant, was also present. The meeting was to carry further the discussions that Mr. Fleming had had with Mr. Bennett about the Columbia River treaty.

In opening the meeting at 10:30, Mr. Fleming said that he felt that a good deal had been accomplished in the meeting of officials on April 5th and 6th. He felt that the governments of Canada and the province were a good deal closer to agreement on a possible basis of approach to get the treaty implemented. Mr. Bennett promptly took the initiative. He fully agreed that the April meeting had been productive and hoped that further liaison between British Columbia and Canada could be carried on by the same committee: he much preferred it to the old policy liaison committee or technical liaison committee. He hoped that with one further meeting of advisers, which he hoped could take place in the immediate future, it would be possible to enter into discussions with the United States to arrive at an exchange of notes for sale of downstream benefits in the United States. With such a sale at 5 mills it should be possible to proceed to ratification and implementation of the treaty in the near future.

Mr. Bennett expanded on his proposals with regard to sale. It should be of the entire Canadian entitlement to downstream benefits, including both the energy entitlement and the capacity entitlement. When a five-mill price had been talked about with B.P.A., it had been on the basis of a 60% load factor. British Columbia would like to have a higher load factor – possibly 85%, but would be prepared to settle for 70%. The price of five mills had been calculated in relation to financing of the projects at 4½% interest rate. What British Columbia wanted to secure was an agreement under which the payments for power sold would be enough to completely service and discharge the financing for three storage dams in Canada, plus the machining of Mica to produce 2 million horsepower. He said that he understood that the policy of the Canadian government was that the export of electric power could be authorized on the same basis as the export of oil and gas – namely, in any case where it was shown to be in excess of the Canadian requirements. Mr. Fleming agreed that that was the position of the

Canadian government. There had been misunderstanding at certain stages but it was clear that the same principles would apply to electric power as to oil and gas.

With regard to the exchange of notes and agreement with the United States, Mr. Bennett said that the sale of power should be on a basis that would commit the United States for the full life of the treaty: it should not have any option of prior cancellation. Canada, on the other hand, should be entitled to give ten years' notice of termination of the sale arrangement at any time after ten years of life of the sale agreement. In other words, the sale would commit Canada for twenty years minimum, but would allow us to be sure of a commitment by the United States to purchase beyond that period if we so desired. In response to a question as to whether he thought the United States would be prepared to enter into any such one-sided agreement, Mr. Bennett said that he thought they would if it was the only basis on which they would be able to secure the increased power deriving from the Columbia treaty. Moreover, a firm commitment by them for the life of the treaty was not altogether unfair since Canada had to make investments in the storage projects that could only be amortized over the life of the treaty. The United States did not have to undertake any comparable financial commitments.

The agreement for sale should be with B.P.A. and not with any private companies. It would be quite unsatisfactory to have an agreement that did not involve the clear commitment of the United States government. To arrive at an agreement it would be desirable to have a meeting with the United States representatives before the session of Parliament opening on September 27th and before the Congressional elections in November.

With regard to payment for the power sold, it might be desirable to try to have this made on the basis of equal annual payments spread over the life of the treaty. This would remove the necessity of checking in detail on the exact quantity of Canadian downstream benefits year by year. Such an arrangement would also be particularly satisfactory in order to ensure the servicing of the financial obligation for the storage and machining of Mica.

In commenting on Mr. Bennett's proposals, Mr. Fleming reiterated the federal government's position on the export of electric power. As far as the treaty was concerned, the federal government still stood behind it and would like to see it implemented. Any arrangement to achieve that effect would have to be on the understanding that it represented genuine concessions by both the province and the federal government to achieve a sensible action in the interests of the country as a whole. It would not be possible to achieve progress if it were to be presented as a triumph by either side. Mr. Bennett expressed full agreement.

Mr. Fleming said that he had understood from the meetings in April that there was no difference in view between Canada and the province concerning the costs of downstream benefits and Columbia power generally. Mr. Bennett confirmed that that was so.

With regard to finances, Mr. Fleming asked Mr. Bennett whether he had explored seriously the possibilities of floating the necessary issues in the United States. He said that the federal government would have no objection to borrowing in the United States for the purposes contemplated. At this point Mr. Bennett said that he had reason to believe that B.P.A. would be in a position to advance the funds for the Canadian storages and Mica machining. They would be able to do this at a lower interest rate than could be secured through financing on the market and that was what British Columbia wanted. The interest rate on the financing would be a very large part of the costs of power and the price at which downstream benefits could be attractively sold was clearly related to the interest rate payable on financing. Mr. Fleming expressed great surprise at the idea that a United States government agency might be in a position to do any of the financing of the Canadian costs and said that this was a completely new suggestion as far as the federal government was concerned.

Mr. Fleming said that one suggestion that had been made since the discussions last April was that it might be desirable for Canada, if it sold its downstream benefits, to secure an option

from the United States under which it would be entitled (but not committed) to secure an amount of power from the United States equal to the amount of power it had sold. The option would be exercisable only if it were desirable as far as Canada was concerned and if a price could be agreed on. Mr. Bennett did not like this proposal. He thought that any such option would involve the likelihood of some commitment to take power at a price comparable to what we hoped to get for our downstream benefits: this would be quite disadvantageous. It was, moreover, unrealistic for a country with a surplus of power to be securing an option to buy it from a country with a power deficiency.

Mr. Fleming referred to difficulties that would still have to be faced with the treaty by the federal government. The Secretary of State for External Affairs had made a commitment that the treaty would go before the External Affairs Committee. General McNaughton and others would certainly level strenuous criticisms. Would British Columbia be prepared to have someone be present to deal with such points as its unwillingness to flood the East Kootenay? Mr. Bennett said that he assumed that the federal government would be supporting its own treaty. Assuming that it was, he was quite prepared to have British Columbia representatives, such as Dr. Shrum and Dr. Keenleyside, attend the Committee sessions to deal with matters of particular interest to British Columbia.

Following the above exchange Mr. Fleming said that he would like to clarify some points relating to the ones that had been laid down by the British Columbia representatives following the meeting of April 5th and 6th. (These appear as Appendix "D" to the memorandum to the Minister of Finance dated April 7th.) The points that were dealt with in relation to the enumeration in that document were as follows:

#I- This point referred to the term of sale "to be sought by the government of British Columbia." It also referred to "all" the downstream benefits. Mr. Bennett said that he clearly understood that the federal government would have to handle the negotiations with the United States but he assumed that British Columbia would be party to the negotiations and would be the actual party to the sale agreement to B.P.A. With regard to "all" downstream benefits, he pointed out that there would be no real advantage in a sale of less than "all" as there would have to be transmission lines to transmit any unsold portion of the power to Canada: this would involve Canada in the obligation to pay the stand-by charge. Mr. Fleming agreed that this would be so but he also pointed out that there would be no real saving if the United States would have to install transmission lines to transmit the power to Canada after, say, twenty years. Mr. Bennett said that to him it was entirely a question of price: if the downstream benefits could be sold at five mills and British Columbia could produce the power it needed at less than five mills, why bring any of it back? Apart from the straight price advantage, there was also the fact that the larger our sale to the United States was and the longer it lasted, the less they would turn to other sources of power and the less our entitlement to downstream benefits would diminish.

Mr. Fleming asked what the position of British Columbia would be if it were finally decided that only a part of downstream benefits should be sold to the United States – or if the United States should indicate a willingness to buy on a basis that would cover only part of the financing. Mr. Bennett said that British Columbia would not go ahead on any such basis. If the federal government did not want all the power sold, British Columbia would expect a grant (not a loan) to make up the deficiency in the revenue that would be forthcoming to service the financial obligations. He reiterated that British Columbia wanted annual payments to cover the total annual costs of the three storages plus Mica financing.

(The meeting broke off at the above point and resumed at 4:00 p.m.)

- #II- Mr. Fleming said as he understood it British Columbia would go ahead with the Peace River development but would carry on only the first stage and would postpone later stages if necessary (see point No. V). What did “first stage” mean? Mr. Bennett confirmed that the above was British Columbia’s position and said that “first stage” meant the Portage Mountain dam. Nothing further would be done on the Peace River development until Mica machining was completed. Mr. Fleming referred to a statement by Dr. Keenleyside on April 5th to the effect that Peace River power “would not bump Columbia power out of the natural Columbia service area.” Did that mean that British Columbia would not take Peace River power into Vancouver? Mr. Bennett said that that was not the meaning: they could not exclude Peace River power from Vancouver. Their intention was to “dovetail” Peace and Columbia output and to take care of the surplus by exporting. As surpluses developed they would make application to the National Energy Board for export permits.
- #III- Mr. Bennett’s only comment here was to object to the words “in kind.” British Columbia expected to be able to buy interim power from B.P.A. at a very favourable price that would make it better to pay for it in cash than to provide power in exchange.
- #IV- Mr. Fleming stressed that this was of very great importance to the federal government. Mr. Bennett confirmed the statement in the enumeration and said that British Columbia included transmission lines as well as storages and generators in “development” of the Columbia.
- #V- Mr. Fleming asked if Mr. Bennett would be prepared to make the date for the machining of Mica firm. Mr. Bennett said that as far as he was concerned it was a purely technical point: if the experts could advise on a specific date, he would be quite prepared to specify it.
- #VI- Mr. Bennett confirmed this.
- #VII- There was some discussion on what any escalation might be related to. Mr. Bennett said that if the United States would agree on an arrangement that would provide fixed annual payments plus fixed finance charges over the lifetime of the treaty, an escalation clause would not be necessary.
- #VIII- It was agreed that the treaty clauses provided their own timetable for the structures.
- #IX- There was a good deal of discussion over Mr. Bennett’s concept that the land taken out of other use to provide the reservoirs required “compensation” over and above the compensation paid to private owners. He took the position that in addition to the effect on private owners there was a loss to the community in perpetuity. He said that he wanted to hold the \$64.4 million as a capital sum to provide interest revenues that could be used for economic development in the Kootenays: this would considerably reduce objection there to the whole Columbia development. He said he particularly did not want to have the \$64.4 million credited to the storage structures at the time of negotiation with the United States since it would reduce the claim that Canada might make for financial payment. At the end of the discussion Mr. Bennett said that if the payment by the United States for our power were not sufficient to cover the financing of the three storages plus Mica machining, he would not object to having the \$64.4 million used to bring Mica into generation.

Following the above clarifications there was some discussion about the handling of negotiations with the United States. Mr. Bennett said that they should be undertaken by Mr. Fleming and himself, together with federal and provincial officials as needed and that they should be in Washington at the earliest possible date.

Mr. Fleming raised a question as to what assurance the federal government would have about the implementation of treaty obligations by the provincial government in future and what

sanctions there might be against non-implementation. Mr. Bennett said that he would be quite prepared to have the committee of officials made permanent as an advisory group to check on all aspects of implementation. He also said that there should be provincial legislation to tie in with the federal legislation. If the Minister of Justice and the Attorney General of the Province could produce any other suggestions he would be glad to comply with them.

In reply to an enquiry about a joint entity, Mr. Bennett indicated his complete opposition. British Columbia Power and Hydro would be the entity to implement the project. All contracts would be open to competitive bidding and the joint committee could look at both tenders and contracts. He would be prepared to have a preference given to Canadian workmen and materials, but he thought a 10% preference would be too great.

At the conclusion of the discussions Mr. Bennett indicated his desire to have something said to the press that would indicate that the provincial and federal governments had arrived at a basis of understanding – say, a “meeting of minds” and that meetings of experts and meetings with the United States were contemplated. Mr. Fleming made it clear that he could not go that far and would have to report to his colleagues in the Cabinet on the positions that Premier Bennett had taken. He would get in touch with Premier Bennett thereafter. The situation was left on that basis with Premier Bennett reiterating his desire to see action at the earliest possible date.

R.G. R[OBERTSON]

289.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], September 5, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (Mr. Fleming),  
 The Minister of Trade and Commerce (Mr. Hees),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Labour (Mr. Starr),  
 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 Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

...



COLUMBIA RIVER DEVELOPMENT POLICY  
(Previous reference Aug. 29†)

28. *The Secretary of State for External Affairs* said the proper way to get the Columbia Treaty before a committee of the House of Commons was simply to state in the Speech from the Throne that it would be made available to the Standing Committee of the House on External Affairs for examination. The Committee could not be directed as to what to do about the Treaty but would have its own time to examine it in its own way. There would be no debate on a resolution to refer the matter to the Committee. When evidence was given before the Committee, the whole story would come out and the pressure would be off the government. The estimates of the Department of External Affairs would be referred to the Committee and when the departmental items had been dealt with, the International Joint Commission item could be examined. During the hearings there would be an opportunity to impress the Premier of British Columbia with the necessity of coming around to the view of the Federal government.

29. *During the discussion* it was said:

(a) The government would have to decide on the position it would take before the Committee.

(b) What would the government's position be if the Committee concluded that the Treaty was unsatisfactory to Canada?

(c) The government could not ratify the Treaty until it had come to an agreement with Premier Bennett.

(d) Premier Bennett would not sign an agreement on the whole Treaty until there had been an agreement with him on the terms he laid before Mr. Fleming and until he knew the U.S. was prepared to agree also.

(e) If Canada were to ratify the Treaty before an agreement had been reached, the Federal government would then be in the Premier's hands.

(f) The Treaty should be ratified, taken into the House and then supported there by the government. There would be two steps – (i) it would be ratified by resolution of the House; (ii) a bill would be introduced to approve the agreement with British Columbia.

(g) The Treaty could not be given to a Committee until there had been a tentative agreement with British Columbia and it could not be ratified until there had been agreements with both British Columbia and the United States.

(h) All other considerations were premature until it had been decided:

(i) to what extent Premier Bennett's terms were acceptable to the government; and,

(ii) what the government's position would be if it was impossible to get agreement with the Premier on the terms set out by him or on a modification of them.

It would be better to tell the Premier that the government could not agree with his terms, rather than to continue floundering around. If he did not hear from the government soon he would go to the press and tell them that Canada had let the Treaty go by default. He would say that Ottawa had prevented Canada from getting three dams built for nothing as well as free Mica power because it insisted on bringing back Canada's downstream power.

(i) There could be no objection to officials exploring with U.S. officials the question of the sale of Canada's downstream benefits in whole or in part, as well as financing, but the government should not be committed until it had seen what the U.S. could do on these two points. Premier Bennett, however, was asking that Canada agree now to his terms, whereas it was not known for certain what price Canada would receive for all or part of its downstream power.

(j) Premier Bennett should be told that the Federal government would explore the sale of downstream benefits in Washington but would not agree to financing by the Bonneville Power Administration.

(k) It was suggested that Canadian officials go to Washington with B.C. officials to assess the situation with respect to sale of downstream benefits and financing, without making any commitments, and that Ministers might go to Washington after they had seen the report of the officials on their discussions. Others said that Canada would not get a satisfactory answer if officials went to Washington alone.

30. *The Cabinet* agreed to give further consideration to a decision along the following lines:

(a) that officials representing the Federal government and the government of British Columbia should go to Washington immediately to endeavour to ascertain from U.S. officials the terms on which Canada's downstream benefits under the Columbia River treaty could be sold in the United States;

(b) that the officials should make no commitment on behalf of the government of Canada; and,

(c) that Ministers of Canada and British Columbia should go to Washington to discuss the sale of downstream benefits after the report of the officials on their discussions had been considered.

...

**290.**

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], September 6, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (Mr. Fleming),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 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 Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

COLUMBIA RIVER DEVELOPMENT POLICY  
(Previous reference Aug. 29)

21. *The Prime Minister* said that the tentative decision reached on the previous day on the Columbia River development should be further reviewed. His own absence and that of Mr. Green should not delay the efforts to reach firm agreements on this subject. The Ministers concerned could keep in touch with him by telephone.

22. *During the discussion* the following points were raised:

(a) Some said it should be made clear that the proposed sale of Canadian downstream benefits to the United States should be discussed on the basis of a term of years and not of a sale in perpetuity.

(b) Others said the decision whether Ministers of the Federal government and the British Columbia government should go to Washington ought to be postponed until after the report of officials had been reviewed by the Cabinet.

(c) Premier Bennett was unlikely to permit his officials to proceed to Washington on the basis suggested. U.S. officials would not give answers to Canadian officials on such a matter of high policy. This exploration would in reality become an active negotiation, and the Premier wished to participate directly in the negotiations and to drive a hard bargain.

(d) Some said that if two successive journeys were to be made to Washington as proposed, no firm decision could be taken in time for insertion in the Speech from the Throne. Others said that there was no need to complete negotiations this month, and that the government should not permit Premier Bennett to "put a gun to our heads."

23. *The Cabinet* agreed,

(a) that officials representing the Federal government and the government of British Columbia should go to Washington immediately to endeavour to ascertain from U.S. officials the terms on which Canada's downstream benefits under the Columbia River treaty could be sold for a term of years in the United States;

(b) that the officials should make no commitment on behalf of the government of Canada; and,

(c) that, if deemed advisable, Ministers of Canada and British Columbia should go to Washington to discuss the sale of downstream benefits after the report of the officials on their discussions had been considered.

...

**291.**

PCO

*Note du ministre de la Justice  
pour le Cabinet*

*Memorandum from Minister of Justice  
to Cabinet*

CABINET DOCUMENT NO. 297-62  
CONFIDENTIAL

Ottawa, September 14, 1962

COLUMBIA RIVER TREATY

Pursuant to the decision of the Cabinet on September 6th meetings were held this week in Washington to discuss the Columbia River treaty. The following is the text of a report that I have received from the officials who represented the Canadian Government:

“

Ottawa, 13 September, 1962

*Memorandum for the Minister of Justice*

## DISCUSSIONS ON THE COLUMBIA RIVER TREATY

According to the official record of Cabinet decisions, the Cabinet at the meeting of September 6th discussed Columbia River development policy and agreed as follows:

(a) that officials representing the Federal government and the government of British Columbia should go to Washington immediately to endeavour to ascertain from U.S. officials the terms on which Canada's downstream benefits under the Columbia River treaty could be sold for a term of years in the United States;

(b) that the officials should make no commitment on behalf of the government of Canada.

Pursuant to the above decision which followed upon your report of your discussions with the Premier of British Columbia on August 27th, there was a meeting in your office on September 7th at which Messrs. Robertson, Parkinson and MacNabb were present. You directed that we carry out the above decision of the Cabinet at a meeting which was thereafter arranged to take place in Washington beginning September 11th at 9:00 a.m. You indicated to us the understanding that the Cabinet decision had reference to the possibility of United States acceptance of the British Columbia proposal as outlined to you by Premier Bennett on August 27th, including the possibility of financing of the storage projects by funds advanced by a United States federal agency.

The meetings in Washington took place on the morning and afternoon of September 11th and the morning of September 12th. In order to make clear the Canadian government's position, Mr. Robertson, who acted as chairman of the Canadian group, said at the outset of discussions that, in order to ascertain the possibility of arriving at an arrangement that would be acceptable to all governments under which the Columbia Treaty could be implemented, Canada had requested the meeting so that certain proposals by the Province of British Columbia could be put forward for consideration by the United States. If it emerged that the proposals were acceptable to the United States, the Government of Canada would give the matter further and careful consideration. It was made perfectly clear that the federal government was not committed to accepting the proposal and that no other commitment could be made by the officials representing the Canadian government.

Following upon the above statement, Dr. Keenleyside set forth the British Columbia proposal in five points:

(a) There should be a contract between Bonneville Power Administration and the Canadian entity (the British Columbia Hydro and Power Authority) under which B.P.A. would undertake to buy the Canadian share of downstream benefits.

(b) the contract should be for the life of the treaty but with a clause that would enable Canada at any time after ten years to give ten years' notice that it would reduce the amount of power to be sold under the agreement.

(c) the sale would comprise the entire Canadian entitlement both of energy and capacity. There should be a formula for conversion of capacity to energy (as provided in the treaty) such that the entirety of the Canadian entitlement would be sold at the equivalent of five mills per kilowatt hour. (Dr. Keenleyside added that this figure was completely essential and that there was "no leeway for bargaining at all").

(d) the contract should be a straight commercial arrangement between the two entities themselves under the authority of or comprising a part of an exchange of notes as provided for in the treaty.

(e) for the financing of construction of the storages, British Columbia would like to obtain funds from the United States, preferably from a federal agency such as B.P.A., at a rate of interest that was normal for the financing of similar developments in the United States.

Following some clarification of the British Columbia proposition the United States group withdrew to consider the matter. At the next stage of the meetings they indicated various difficulties that they thought stood in the way of achieving anything like the price that British Columbia had proposed and the problem of absorbing the total Canadian entitlement in the United States. B.P.A. is required to give priority to the requirements of public agencies and hence might have difficulties in handling the resale of Canadian downstream benefit power to the private companies on the best terms. It would also be difficult to get the best price when the amount of Canadian power to be sold was not constant (our downstream benefits diminish over time) and there was at least the theoretical contingency of a Canadian decision to reduce amounts sold at the end of twenty years. On the latter points the British Columbia representatives said they felt that reduction in Canadian entitlement could be made up by exports of Canadian power and also that the reduction in sales at the end of twenty years was most improbable – both being because British Columbia would have “a great surplus of power twenty years from now.” On the price question, the B.P.A. representatives indicated that California was the highest market and that both for price and also for absorption of additional quantities of power the possibility of constructing a tie line to California (which could be completed in a few years) was important.

With regard to financing of construction by B.P.A., the United States side said there had been no opportunity to discuss the matter with the Bureau of the Budget. If funds could be provided at an interest rate determined in the same way as the rate used to arrive at the flood control payment under present market conditions, it would be 4% per annum. They pointed out that if money could be provided at this rate the reduction in cost from the 5½% rate used in Canadian calculations would amount to \$5 million per year on the cost of the three storages. If the Bureau of the Budget agreed that such financing could be provided it would require legislation to authorize the action, plus one or more appropriations Acts to advance the funds. No legislation could be completed before the spring of 1963 at the earliest.

Technical sessions were held to discuss possible formulae for conversion of energy to capacity and to work out the equivalents of various capacity prices in energy terms. It appeared at the end of September 11th that the best B.P.A. were prepared to consider at that time amounted to about four mills per kilowatt hour on the Canadian entitlement.

On the morning of September 12th Mr. White for the United States indicated their position as follows:

(a) With regard to the possibility of financing of construction by B.P.A. they would need to talk to the Bureau of the Budget and the Secretary of the Interior. He also mentioned the difficulties which now existed with respect to the balance of payments and the need to create new employment in the United States.

(b) With regard to the best terms of purchase of power, B.P.A. would have to undertake immediate discussions with private utilities in the Pacific northwest. They had deliberately refrained from doing so thus far. They would undertake such discussion in the course of the next week and would also look into the California situation. They would be prepared to indicate the best terms they could provide if a further meeting could be held in Portland, Oregon, on September 21st.

The British Columbia representatives indicated that they would be prepared to attend a meeting as proposed. The federal representatives said that they would report the situation to the Canadian government and indicate as soon as possible whether they could attend the meeting on September 21st.

Up to the above point there had been no exploration of the possibility of selling something less than the full Canadian entitlement in the United States. Although the British Columbia representatives indicated clearly that anything less than the total entitlement would not meet the British Columbia position, the Canadian group, with the concurrence of the B.C. representatives, raised the matter in order that all possibilities might be explored.

The United States group indicated that it would definitely ease their marketing position if something less than the full Canadian entitlement were being sold to them and it might make possible some improvement in the unit price. The British Columbia representatives indicated that there might be room in the B.C. market for some of Canadian entitlement during the initial few years but not thereafter: after the Peace River project came in about 1968 or 1969, they would have a surplus of power.

The United States representatives said that they would, before September 21st, investigate what the situation would be if they were to purchase less than the total Canadian entitlement at least in initial years with a gradual increase to possibly the full Canadian entitlement after surplus power existed in Canada and a market for added power was available in the United States.

The discussions adjourned on the above basis.

R.G. ROBERTSON  
A.E. RITCHIE  
J.F. PARKINSON  
G.M. MACNABB

Since the above report was submitted yesterday, the United States Embassy have advised that it now appears that the necessary information for the proposed meeting in Portland cannot be available before October 4th at the earliest, or possibly the week beginning October 8th. Whatever the date, it is apparent that there would be no advantage in having a meeting at the ministerial level before the further meeting of officials takes place.

*Recommendation:*

In order that the discussions that were authorized by the Cabinet on September 6th at the official level can be carried to completion, I recommend that the officials who represented the Canadian government at the meetings on September 11th and 12th should be authorized to attend the proposed meeting in Portland on whatever date can be arranged with the United States and British Columbia representatives.

DONALD FLEMING

292.

DEA/5724-2-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures  
au secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], October 5, 1962

COLUMBIA RIVER TREATY

The attached papers contain the report of the Canadian federal officials on the tripartite talks which took place this week in Portland Oregon.†

2. The following would seem to be the main points of particular interest to you:

(a) The talks were not finished on this recent occasion but are expected to go on for at least another session.

(b) Insofar as any conclusion has been reached it would seem to be that Premier Bennett's original proposal is viewed pretty unsympathetically by the United States in many respects (price, U.S. Government financing, etc.).

(c) While the U.S. proposals would involve the sale in the United States of all of Canada's share of the *downstream* power benefits, the second alternative put forward by the U.S. in appendix E would permit the retention in Canada of about one-half of Canada's *total* power benefits (including power generated immediately in Canada at locations such as Mica).

3. Although it may be premature and presumptuous to attempt to sketch a settlement which would be beneficial to Canada as a whole and at the same time politically tolerable to both the Federal and British Columbia Governments, I wonder whether it might be possible to get consideration of a compromise along the lines of the second alternative in appendix E. Such a compromise would of course require major concessions from Premier Bennett. For example, he would have to admit that the terms stated publicly by him are unattainable. He would also have to accept a substantial delay on the Peace River Project. At the same time, he would have to be prepared to get ahead rapidly with the "construction and machining" of the Mica Project with which the Federal Government is identified. Against these concessions on his part, Premier Bennett would naturally get some credit for enabling the Columbia development to get under way.

4. This compromise might appear to entail some concessions from the Federal Government as well. In particular the Federal Government would have to be willing to allow the sale in the United States of most or all of the downstream benefits, and perhaps to allow some export of power from Canadian sites. This concession might not, however, seem to be so substantial since it might not appear to go significantly beyond the point apparently reached in the Speech from the Throne. Moreover, as noted in paragraph (c) above, it can be quite reasonably represented that under this compromise half or more of Canada's *total* power benefits would be available for use in Canada in addition to the very substantial financial payments which Canada would receive for downstream benefits sold in the United States. The Federal Government could also take a good deal of satisfaction from the fact that the development of Mica would proceed at an even faster pace than originally contemplated. Finally, under this proposal, it would become economic to install generating equipment in the High Arrow Dam to produce power for export or for local use and thus remove any impression that this dam was simply devised for holding back water to be released for use by the Americans. (See paragraph (a) on page 5 of the report of the federal officials.)

5. It should perhaps be mentioned that Dr. Shrum was not able to be present at the meeting in Portland. If he had been present, he might have reacted more strongly than Dr. Keenleyside to the suggestion that the Peace River Project might be deferred.

A.E. R[ITCHIE]

293.

D.M.F./Vol. 20

*Note du sous-ministre des Affaires du Nord et des Ressources nationales  
au ministre des Affaires du Nord et des Ressources nationales*

*Memorandum from Deputy Minister of Northern Affairs and National Resources  
to Minister of Northern Affairs and National Resources*

CONFIDENTIAL

Ottawa, October 12, 1962

## COLUMBIA RIVER DISCUSSIONS

I had a telephone call just before noon today from Dr. Keenleyside. He had just returned to Vancouver from New York where he had been reporting to Mr. Bennett on the Columbia River discussions.

Apparently Mr. Bennett is not prepared to accept the negative results of the Portland discussions as being final. He appears to feel that when the Congressional elections that are now under way in the United States are over it will be possible to get the most senior officers in the United States to direct their attention to the Columbia problem and perhaps to extend more liberal possibilities than the officials who have been dealing with the matter are in a position to do. Dr. Keenleyside said there had also been some indication by "political leaders most concerned" of reluctance to have anything done at this stage. I assume by this he means Senator Magnuson and some others in the Pacific Northwest who are anxious to see the Columbia treaty ratified. In any event, in the light of the above considerations Mr. Bennett feels that some time about the end of November would be the earliest at which it would be profitable to have a further meeting with the United States.

I asked Dr. Keenleyside whether Mr. Bennett had given any reaction to the four alternatives that had been put forward by the United States delegation for consideration in lieu of Mr. Bennett's proposal. Dr. Keenleyside said that it was his impression that Mr. Bennett was not prepared to look at any other possibility until he was sure that there was no chance of securing the kind of arrangement he has been working toward.

According to Dr. Keenleyside, Mr. Godhammer (who is the right-hand man to Mr. Luce – the head of B.P.A.) and Mr. Kidd (on the engineering side of B.C. Hydro) have been working on the possibility of establishing a corporation in the United States which would have some relationship to B.P.A. but would be separate enough from it that it would not be subject to some of the difficulties that stand in the way of B.P.A. buying power at as high a price as Mr. Bennett has been hoping for. Such a corporation would buy our downstream benefits and resell them to the utilities in the United States. The idea behind this is essentially one I think that has been applied in handling the power from the new Hanford plant that is being constructed to use waste head from the production of plutonium. Whether it would in fact permit any better price to be paid for Canadian power I do not know but in any event it is apparently being considered.

Apparently Mr. Bennett has also not entirely given up his hope that some special means of securing United States financing might be possible.

All in all, Mr. Bennett feels that Canada has nothing to lose by waiting to see what kind of climate there may be after the United States elections.

I reported the above to Mr. Fleming immediately after hearing it from Dr. Keenleyside and he felt that it would be best if the United States were to receive the above reaction from the British Columbia representatives rather than from us. I so advised Dr. Keenleyside and he said that he would get in touch with Mr. White of the United States Embassy this afternoon.



My report to Mr. Fleming was *after* the Cabinet considered the memorandum that was sent forward on Wednesday. Mr. Fleming advised me that the Cabinet had come to the conclusion that the Canadian official group should be authorized to attend the further meeting on the Columbia that we thought might take place in the coming week. In view of the substantial delay that there will now be there will, of course, be a further opportunity to review the situation when we see what new suggestion Mr. Bennett comes forward with at the end of November. Mr. Fleming was of the view that since the delay was at the suggestion of British Columbia the proper course would be not only for them to intimate that fact to the United States but also for us to wait for British Columbia to take some new initiative.

R.G. ROBERTSON

294.

E.D.F./Vol. 38

*Le ministre des Affaires du Nord et des Ressources nationales  
au ministre de la Justice*

*Minister of Northern Affairs and National Resources  
to Minister of Justice*

CONFIDENTIAL

Ottawa, November 7, 1962

My dear Colleague,

I am enclosing herewith a copy of an item that appeared in the *Vancouver Province* on October 22nd concerning the Columbia River development.<sup>84</sup> I do not know whether it will have come to your attention but if not, I think it should.

There are two things that appear to be significant in Mr. Bennett's statement. One is his emphatic declaration that the Peace River is "for sure" and that "the contract is going right ahead." This seems to suggest that he is not going to permit any flexibility on this point so as to reach an agreement with the United States along one of the lines that was held out as a possibility in the meetings in Portland.

The more important statement is the one saying that "unless arrangements can be made to sell our share of the Columbia River power to the United States for enough money to give us 2 million h.p. free from Mica Creek, somebody else will build the Columbia, but not us." Since the Portland discussions made it pretty clear that Mr. Bennett cannot get the amount of money referred to in the above statement, he may be preparing to take a position that would put the Columbia completely in the lap of the federal government. He would, as I see it, be able to say that he very much wanted to go ahead with the Columbia and would be glad to do so if suitable terms could be arranged. Since they cannot be arranged, he is not going to stand in the way of the federal government: if it regards the matter as being of national interest it can build the Columbia projects and sell the power either in British Columbia or in the United States as it thinks best. This would enable him to say that it was not he who had rejected the treaty development: it would be the federal government if it did not choose to go ahead at its own expense.

A move along the above lines could put us in quite a dilemma. It would obviously be awkward if it appeared that it was the federal government that was deciding not to proceed with the treaty development. On the other hand, if we went ahead we would be doing it in very unfavourable circumstances: Mr. Bennett would be a monopoly buyer for the power in Canada and the only alternative would be the export of all or nearly all the power to the United States.

<sup>84</sup> Voir/See "Power Critics Called Enemies," *Vancouver Province*, October 22, 1962, p. 23.

I doubt if there is anything that can or should be done with regard to this before the further meeting of officials that is now contemplated for the latter part of November or early December. It might however be something to which some thought should be given and I am sending copies of this letter to our colleagues, Mr. Green and Mr. Fulton for their attention.

Yours sincerely,

WALTER DINSDALE

295.

J.G.D./MG01/XII/C/106.6

*Le ministre de la Justice  
au premier ministre*

*Minister of Justice  
to Prime Minister*

PERSONAL AND CONFIDENTIAL

Ottawa, November 13, 1962

My dear Prime Minister:

I met with Mr. Ivan White, United States Chargé d'Affaires, yesterday at lunch at his invitation. It did not surprise me that he opened discussion on the Columbia River project.

You will recall that Premier Bennett was quoted in the British Columbia press on October 22nd stating in effect that unless Canada's share of the downstream benefits could be sold for sufficient to pay the cost of construction of the storage dams and power development projects in Canada there would be no development of the Columbia unless the Federal Government chose to undertake it. Premier Bennett also intimated that he was proceeding with the first stage of the development of the Peace River power project and was making headway with his plans for financing this stage.

Mr. White expressed himself as being pleased with Premier Bennett's statement and as hoping that the Federal Government would proceed with the Columbia River development as a federal project. I at once made it clear that it was very doubtful if the Federal Government would or could undertake such a development on its own. I pointed out that as Mr. Bennett controls the sale of power for consumption in British Columbia there would be no market in B.C. for power developed on the Columbia under federal auspices.

Mr. White countered by suggesting that the Federal Government might export the power to the United States or link it with the proposed Canadian grid. I stated that I doubted that the Federal Government would propose to undertake the development of a resource, which normally is strictly within provincial jurisdiction, for the purpose merely of export, and that it would be very difficult to tie power generated on the Columbia River to a national grid because of the topographical problems.

Mr. White argued that Peace River power is bound to be more expensive than Columbia River power, and that both may be needed by British Columbia by 1972. My answer was that this was essentially a question for the Province and its government, and I could foresee no likelihood of Mr. Bennett abandoning his plans for development of the Peace River.

Mr. White referred to the fact that there had been press reports that Premier Bennett anticipates an expenditure of \$400 million on the development of the first stage of the Peace River project. He expressed the opinion that the cost would really amount to \$600 million. He is under the impression that Premier Bennett has succeeded only in raising some very short-term credit in the United States to finance the Peace River project. He intends to make enquiries with a view to ascertaining, if possible, what credit arrangements Premier Bennett has succeeded in making.

I pointed out the difficulties created by the position taken by the American technical representatives at the meeting in Portland a month ago. If Bonneville Power Corporation, which is the United States Government agency, will not itself purchase the Canadian share of the downstream benefits, and if there is no hope of obtaining a price of five mills per k.w.h., and if financing is not available at 4½% interest, I now see little likelihood of Mr. Bennett agreeing to terms. I asked if the terms put forward by the Americans at the Portland meeting were final. Mr. White intimated that they were virtually so, and that there was very little room for modification of them. I expressed to Mr. White the opinion that the position taken by the United States representatives appeared in the light of the position taken by Premier Bennett, to doom the entire Columbia project.

In the meantime there have been some technical exchanges between the United States and British Columbia experts. The next meeting of the technical experts of the three governments will probably be held about December 10th.

I shall be prepared to bring this report to Cabinet should you so decide.

Yours sincerely,

DONALD M. FLEMING

296.

D.M.F./Vol. 20

*Le premier ministre  
au ministre de la Justice*

*Prime Minister  
to Minister of Justice*

PERSONAL AND CONFIDENTIAL

Ottawa, November 19, 1962

My dear Colleague,

On the 13th of November you wrote me regarding your discussion with Mr. Ivan White, United States Chargé d'Affaires on the Columbia River project.

I think the matter should be brought before Cabinet at once.

Yours sincerely,

JOHN G. DIEFENBAKER

297.

D.M.F./Vol. 20

*Le sous-ministre des Affaires du Nord et des Ressources nationales  
au ministre de la Justice*

*Deputy Minister of Northern Affairs and National Resources  
to Minister of Justice*

CONFIDENTIAL

Ottawa, November 28, 1962

Dear Mr. Fleming,

I am enclosing herewith a copy of a letter that I am sending today to Mr. Ritchie in the Department of External Affairs, together with a copy of its enclosure. I think they are self-explanatory.

It seems to me, as the letter states, that the proposed discussions in Vancouver on December 19th and 20th could be critical for the prospects of the Columbia Treaty. In the circumstances,

you may agree that some assessment of the situation in the terms suggested would be desirable. If you have any comments or views on the matter it would be most helpful if you could let me know.<sup>85</sup>

Yours sincerely,

R.G. ROBERTSON

[PIÈCE JOINTE/ENCLOSURE]

*Le sous-ministre des Affaires du Nord et des Ressources nationales  
au sous-secrétaire d'État adjoint aux Affaires extérieures*

*Deputy Minister of Northern Affairs and National Resources  
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, November 28, 1962

Dear Mr. Ritchie,

I refer to our telephone conversation of Monday last, in the course of which you advised me of Mr. Green's view that it would be desirable to have a paper prepared for possible submission to the Cabinet on the Columbia River Treaty. You told me that Mr. Green particularly had in mind examination of the possibility of trying to provide a solution to the present impasse through an offer by the federal government to provide 50% of the cost of transmission of power from the Columbia sites to the lower mainland of British Columbia.

I mentioned to you that Mr. MacNabb had just returned from the Coast and was preparing a report covering the information and conclusions he derived there. I have now received it and I am enclosing a copy herewith.† I think you will agree that it is an extremely capable and valuable document.

It is apparent that from the general position we are approaching in our unofficial discussions, from public comments in the press, and from the conclusions in Mr. MacNabb's report, that we are at a decisive point as far as the Columbia Treaty is concerned. It seems to me that the meeting now planned for December 19th - 20th could well be conclusive as to the likelihood of the Treaty coming into effect or being definitely dropped. In these circumstances I have asked the Water Resources Branch to develop the paper that would include Mr. Green's suggestion into a comprehensive document that will set forth the picture as it now appears in order that Ministers can give it their careful consideration and take such decisions as they think desirable.

With regard to the essential nature of the position I am asking that the paper include in very brief form the substance of the conclusions in Mr. MacNabb's report, with which I fully agree. The first line that must be explored – in effect it is the one we are exploring in our discussions – is the one referred to in recommendation (b) on page 3. I am asking that the paper set forth the most realistic assessment we can make at this stage of the best possible agreement from our point of view for the sale of power in the United States. The closest approach to Premier Bennett's requirements will, I think, involve the assumption of a sale of all downstream benefits for a thirty year period at a price of approximately 4 mills and with payment by a

<sup>85</sup> Note marginale :/Marginal note:

No need for paper or for meetings you propose. We have rec'd instrs by which [we] are to be guided at meeting. No changes in [them]. If any change by Cab U [sic] will be duly inf'd.

Copy to P.M. [?]

Ditto [?] McNabb [Auteur inconnu/Author unknown]

lump sum in advance in order to facilitate financing of the Treaty structures. The paper will try to set forth not only the results of such a sale in direct financial terms for the Treaty and power production in British Columbia, but also the consequences for our balance of payments in the immediate and more distant future.

The Branch will prepare the paper just as quickly as it is possible to do it but it obviously will take a little time. It seems to me that it might be desirable to have a meeting of the Cabinet Committee on the Columbia just as soon as it is ready so that the Ministers on the Committee can have a chance to discuss it with officials present before the matter goes to the Cabinet itself. It might, I hope, be possible to have such a meeting if Ministers so wish by the end of next week. This would give the following week for Cabinet consideration in advance of our departure for Vancouver.

I am sending copies of this letter together with its enclosure to my own Minister and Mr. Fulton. I assume that you will discuss it with Mr. Green. I am also sending copies to Mr. Bryce and Mr. Parkinson. While Mr. Fleming has not been on the Cabinet Committee on the Columbia it is clear that he too will want to consider this matter in view of the critical state at which we are now arriving. I am accordingly sending a copy to him.

If there are any comments or suggestions that you have in relation to the above proposals or to the paper that is under contemplation, I should appreciate it if you would let me know just as soon as possible.

Yours sincerely,

R.G. ROBERTSON

298.

D.M.F./Vol. 20

*Le ministre des Travaux publics  
au premier ministre  
Minister of Public Works  
to Prime Minister*

URGENT. PERSONAL AND CONFIDENTIAL

Ottawa, December 14, 1962

My dear Prime Minister,

I have just received a copy of the letter to you of December 14th from our Colleague Walter Dinsdale,† in which he recommends that there be a meeting of the Cabinet Committee on Columbia River prior to the departure of our officials for the meeting with British Columbia and United States officials on December 19th and 20th.

I fully concur in the desirability, indeed the necessity of having a meeting of the Cabinet Committee for this purpose. However, I am very much concerned at the implication that appears to be contained in paragraph (a) of Mr. Dinsdale's letter. While it is of course necessary that our officials should listen to any proposal put forward by the United States for the purchase of the Canadian downstream entitlement, I am strongly of the view that we should make no reference, even in our own instructions to them, to any possibility of a price of less than five mills; and we should certainly not, even by implication, in such an instruction, suggest that we could be interested in a price of four mills.

I understand that the Americans feel that the best price they can offer is 3 and 3/4 mills U.S. which would work out at four mills Canadian. If the whole Canadian entitlement to downstream power is to be sold to the United States at such a price, this means that it is being sold for not more than it would cost to deliver it to Vancouver. I do not see how we could agree to what would be in effect flooding Canadian territory in order to sell power to the

United States at a price no better than what would be the cost of the same power delivered to our own load centre.

There are other features of what I understand to be the developing American proposal which would require that our officials exercise the greatest caution at this meeting. My main concern at the moment however is that we should not, inadvertently or by implication, commit ourselves to the price of four mills. My own view is that the form of instructions to our officials envisaged in para. (a) should stop at the word "entitlement" in the second last line, thus deleting all reference to a possible price. This is the view I shall put forward on this point in the Cabinet Committee.

Yours sincerely,

[E. DAVIE FULTON]

299.

D.M.F./Vol. 21

*Note pour le ministre de la Justice*

*Memorandum to Minister of Justice*

CONFIDENTIAL

Ottawa, December 27, 1962

COLUMBIA TREATY DISCUSSIONS IN VANCOUVER,  
DECEMBER 19 AND 20, 1962

The main item at the meeting in Vancouver on December 19 and 20, was the formal presentation by the United States of an offer along the lines of the one that had been forecast at the meeting in your office on December 14 with the U.S. Ambassador and Messrs. Johnston and White. The paper submitted by the United States side is attached as an appendix to this memorandum. The essential features of the proposal appear beginning at page 6. A few matters were clarified in discussion as follows (the numbers refer to the points as enumerated on pages 6 and 7 of the United States paper):

1. *Purchase by the United States of the Canadian entitlement at 3.75 mills (U.S.) per kilowatt hour (4 mills, Canadian Funds)*

In reply to questions, the United States representatives confirmed that their offer is in terms of the purchase of the entire Canadian downstream entitlement plus enough export power in the later stages to maintain the quantity of power at a constant figure. The arithmetic to which various other items in the paper refer is done on that basis. They said that if Canada wanted something less than the entire entitlement to be purchased, they had no fixed views and would be glad to look into it. (From the Canadian point of view the difficulty about any sale of less than our full downstream entitlement is that, with the Peace River project under development, we will have a surplus of power. Any return of a portion of our downstream benefits will add to it.)

2. *Export of at-site power to maintain a constant quantity*

Calculations done by the Water Resources Branch, and substantially confirmed by the British Columbia experts, indicate that it is very doubtful whether it would be advantageous for Canada to sell power at the border at a price of 4 mills in Canadian funds. We accordingly asked whether the United States regarded this as an essential feature of the proposal. They said they did not know whether they could offer the same price for a diminishing amount of power as for a firm amount: it would require further study. After discussion it appeared that the most likely possibility (if there were to be no export of at-site power) might be to arrange a sale in two "slices": part of the power would be sold for twenty years and another part would be sold

for thirty years. Adjustment of load factors and exchange of energy and capacity could facilitate such an arrangement. On such a basis there would be a reduction in our commitment at the end of twenty years and there would thus be no, or a much reduced amount, of at-site power to be exported to maintain the respective “slices” at constant levels. It seemed apparent that something along these lines could be worked out if it seemed desirable. At the same time, Dr. Shrum for British Columbia registered the objection that this would reduce the total amount of revenue that would derive from the Canadian sale and thus would reduce the adequacy of the arrangement to cover the costs of construction of the Canadian storages as Mr. Bennett desires.

### 3. *Thirty year term*

We enquired whether a twenty year term could be acceptable. The United States’ side gave the impression that it would be but that the price would not be quite as favourable – probably .25 of a mill (U.S.) less. It was not entirely clear whether this lower price (3.5 mills U.S.) would have to apply to the twenty year “slice” if a contract were arranged on the basis referred to above. The better price for a thirty year term is apparently *not* related particularly to the amortization of the tie line that would have to be built to California. It relates rather to the preference of utilities to have power committed at a firm price for as long a period as possible and their willingness to pay a premium for a longer term.

#### 5. (a) *Purchase of the part of our entitlement produced at private plants (26%)*

The United States representatives appeared to be quite confident that this portion of the power could be paid for in advance with discounting at a 4 to 4½% interest rate. (At 4 mills and 4% this would amount to \$84 million in Canadian funds.)

#### (b) *Loan to cover flood control benefits*

The advance payment of the \$63 million for flood control benefits from High Arrow and Duncan Dams apparently can be handled under a special arrangement by the Export-Import Bank. What might be done is to utilize a portion of the \$150 million standby credit that was arranged with the Bank to strengthen our reserve position last June. While normally Export-Import loans are at 5½% interest, the rate under a possible arrangement might be as favourable as 4% and would not be worse than 4½%. The loan would have to involve the Government of Canada and could not be to the Provincial Government alone. (The payment, discounted at 4% would amount to \$59 million. This, plus the payment under (a) would thus come to \$143 million. The estimated cost of the High Arrow and Duncan storages is \$148 million.)

### 6. *Re-scheduling of Mica Dam*

It is quite apparent that the load growth in British Columbia will not justify *both* the completion of the first stage of the Peace River Project on its present schedule *and* the immediate installation of the generators at the Mica project when it is completed on the schedule called for by the treaty. (The schedule for the Mica project assumed that it would be machined very shortly after construction in order to assist in covering the heavy costs of the dam. If there is no requirement for its machining, early construction of the storage alone is a heavy financial burden.) We enquired whether the “first-added” credit position of Mica would be preserved if it were postponed. The United States representatives said they would be prepared to preserve its priority over the Libby storage. They would *not* be prepared to protect its position in relation to other projects that might have to be constructed in the United States before Mica was built. It would have to take whatever credit position was factually justified at the time of its construction. If Mica were postponed and, as seems probable, both Knowles and Bruce’s Eddy storage projects in the United States were completed during the postponement period, Mica’s estimated energy credit would be reduced 12% and its capacity credit 23%.

### 7. *Financing based on power sold to California (74% of our entitlement)*

The United States side did not rule out the possibility that the potential customers in California for the 74% of our power *not* produced at private plants in the Pacific northwest (probably Los Angeles and Sacramento) would be prepared to arrange financing and make an advance payment for the power sold to them. As indicated, the United States would be prepared to explore this but it is not clear to what extent it can be relied on.

Mr. White, who presented the United States proposal, emphasized on several occasions that it was a *final and maximum effort* by the United States to make it possible for the treaty to come into effect. He did not rule out discussion of points of detail and possible adjustment on them but both he and Mr. Luce (head of Bonneville Power Administration) emphasized that the price and the general arrangements were the best they could offer. If it did not prove possible to work out an acceptable arrangement they would have to explain the situation to *Congress* and *would table the offer* they have made in order to make clear how far the United States had been prepared to go to provide a workable scheme.

Both Mr. White and Mr. Luce also emphasized that time was important to the United States. If the Columbia treaty is not to come into effect they must make alternative provision for power and, so far as is possible, for flood control, in the United States. They will be presenting proposals to Congress in February or March, including recommendations for authorization of certain storages and they must know the situation by that time.

#### *General*

Following the meetings with the United States there were discussions by the Federal and Provincial representatives. It appeared to be generally the view that:

(a) It would be desirable if an arrangement were made on the lines of the United States proposal, to try to avoid a commitment that requires an export of power from Canada at 4 mills.

(b) A plan adjusted for maximum economy would require that *either* the Peace River project or Mica at-site generation be postponed. From preliminary calculations it appeared that if the Peace goes ahead on its present schedule, Mica generation should be postponed about 6-8 years. Alternatively, if Mica goes ahead on schedule, and is machined immediately, the Peace should be postponed about 6 years.

It was agreed that Mr. MacNabb of the Water Resources Branch and the Provincial engineers should undertake work to provide at the earliest possible date figures on:

(a) The economics of the United States' proposal including possible modifications on points such as those referred to above;

(b) The cost of energy under a development with early Mica machining and postponement of the first stage of the Peace River project;

(c) The cost of energy under a development with the first stage of the Peace on schedule and postponement of Mica generation; and

(d) The same as (c) but with the Mica *storage as well as generation* postponed (including possible loss on its downstream benefit entitlement).

It is not expected that the results of such calculations can be available before January 15.



Dr. Keenleyside was to report to Mr. Bennett at once on the result of the meetings. Either before or immediately after the above calculations are available, you and your colleagues may want to ascertain what position the provincial government takes with regard to this definite offer by the United States in response to their proposals that have now been under discussion since last September.

R.G. ROBERTSON  
A.E. RITCHIE  
J.F. PARKINSON  
G.M. MACNABB

[PIÈCE JOINTE /ENCLOSURE ]

*Note*  
*Memorandum*

LIMITED OFFICIAL USE

December 18, 1962

PROPOSAL OF UNITED STATES REPRESENTATIVES RELATIVE  
TO IMPLEMENTATION OF THE COLUMBIA RIVER TREATY

In considering at this time still further efforts to find a solution to the problem of Canadian ratification and implementation of the Columbia River Treaty, it would be useful to recall briefly the background and status of this Treaty in order that suggestions for implementation may be viewed in perspective.

In 1944 the United States and Canada requested the International Joint Commission to investigate whether cooperative development of the water resources of the Columbia River Basin would be practicable and in the public interest from the points of view of the two countries. In response to that request, the International Joint Commission carried out extensive technical studies with particular emphasis on possibilities of power generation and flood control. It was confirmed that cooperative development was both practicable and in the public interest. In January 1959, Canada and the United States requested the International Joint Commission to recommend principles to determine and apportion the benefits which would result from cooperative development of the Columbia River Basin. In January 1960, Canada and the United States appointed delegations to negotiate a Treaty covering cooperative development of the Columbia River Basin for the mutual benefit of both countries. A representative of the British Columbia Government was a member of the Canadian delegation.

By the end of 1960, a Treaty had been negotiated after a year of exhaustive mutual consideration and careful work. The result was generally acknowledged to be a balanced, equitable, and practical instrument. The Canadian and United States delegations reported that in arriving at terms which would be acceptable to both countries in a development of such far-reaching significance, it was not possible for either of them to adopt a position that took no account of the interests and aims of the other.

The Treaty offers mutual advantages to both countries in flood control and power production. It requires that Canada build three storage dams on the headwaters of the Columbia River (High Arrow, Duncan, and Mica Creek), and it authorizes the United States to build a fourth dam (Libby) which, though located in Montana, would back water into Canada. Upon commencement of operation of all Canadian storage, the United States agrees to pay Canada \$64,400,000 for the flood control benefits, of which \$63,200,000 is assigned to High Arrow and Duncan dams. It also agrees to deliver to the Canadian border 50% of the additional power which downstream dams in the United States can generate because of the three

Canadian storage dams when next added to a United States "Base System" defined in the Treaty. Canada's total initial power entitlement would be about 1,300,000 kilowatts of firm power at about a 60% load factor; from High Arrow and Duncan dams only, it would be about 900,000 kilowatts. The Treaty contemplates that each country will finance the projects it agrees to build and will make its own arrangements for use of its power benefits.

On January 17, 1961, the Prime Minister of Canada and the President of the United States signed the Treaty for cooperative development of the Columbia River Basin. The Treaty was generally regarded as an important step toward achieving optimum development of the water resources of the Columbia River Basin as a whole from which the United States and Canada would receive benefits materially larger than either could obtain independently. This Treaty was subsequently approved by the United States Senate, and ratification by Canada has been pending largely because of differences within Canada over disposition of the Canadian share of the benefits.

The United States Government would like to reiterate for purposes of the record that the United States is *still prepared to see the Treaty ratified in its present form* and in accordance with the original concept that the Canadian power entitlement would be used in the British Columbia market in meeting domestic requirements (with the possibility that initial surpluses in this situation might for temporary periods be sold in the United States). In fact, *the United States would prefer that the Canadian power entitlement be used in Canada*, and that the Canadian projects be financed by Canada, as contemplated by the Canadian and United States governments at the time the Treaty was negotiated.

It appears, however, that Canada and British Columbia cannot agree upon a program of using the Canadian power entitlement to meet load growth in Canada as contemplated during Treaty negotiations. British Columbia has proposed that, instead, the Canadian power entitlement be sold in the United States on long-term contracts, and that the Peace River be developed immediately to meet load growth in Canada. It has further proposed that the United States Government finance the construction of the Canadian projects. The British Columbia proposals would place upon the United States major obligations not contemplated in the Treaty.

Specifically, the British Columbia Government in September 1962 made a proposal, the most important points of which were that the entire Canadian downstream entitlement be sold in the United States on long-term contracts at an effective price of more than 5 mills per kilowatt-hour at the point of generation, 73% load factor, and that the United States make available funds (approximately \$400 million) for construction of the Columbia River projects in Canada at the interest rate charged by the United States when supplying funds for hydroelectric projects in the United States. (The current interest rate is 2½%). After thorough exploration, it was concluded that the Canadian proposal would require the United States to pay more for the Canadian entitlement than the United States market would justify on the basis of the cost of alternative sources of power. These alternative sources of power in the United States are available at a cost substantially less than a 5-mill rate for the Canadian entitlement (at 60% load factor, which is average utility load factor, other than BPA, both in the Pacific Northwest and California). Additionally, United States officials observed that the purchase of the Canadian entitlement at a price unilaterally fixed above the fair market value would, in effect, amount to a derogation of the principle of the equal sharing of benefits upon which the Treaty was negotiated. Extensive discussions with potential customers in the United States have again confirmed that an *over-all price of 5 mills at a 60% load factor exclusive of transmission costs is not possible*.

Likewise, it will be recalled that United States officials reported that it would *not appear possible for the United States Government to finance the construction in Canada of the storage*

*projects under the Treaty*. It could not be anticipated that the United States Congress would appropriate funds for public works investment in developed countries, particularly in light of the United States balance of payments problem.

It will be recalled that the United States representatives, in view of the new concept to sell the Canadian share of the power in the United States, offered to explore several alternative approaches in hope of a solution which might be advantageous to all the governmental entities concerned. None of these alternative approaches has apparently been considered acceptable by both British Columbia and Canadian government representatives. The United States representatives, therefore, have decided to make *one more attempt to offer a solution*.

This U.S. offer has been formulated as a *maximum one* because of the pressure of time. It has now been nearly 20 years since Canada and the United States decided that cooperative development of the Columbia River basin deserved attention. In January it will be two years since the Treaty was signed. For at least two reasons the need for a prompt decision as to whether this Treaty is going to be implemented has become increasingly urgent: (1) In the U.S. both governmental and nongovernmental agencies have reached the point where action will have to be taken in the immediate future to meet future power needs, either under the Treaty or from alternative sources; and (2) if alternative power and storage projects should proceed prior to Canadian ratification of the Treaty, the benefits from the Canadian storage would be substantially reduced and it would be necessary to modify the Treaty accordingly at such time in the future as Canada may desire to develop storage and share in the resulting downstream benefits in the United States.

In 1962, the Congress of the United States authorized the start of construction of a multipurpose storage project, Bruce's Eddy, on the Clearwater River in Idaho, which has substantial downstream benefits. At the forthcoming session of Congress, within the next three to four months, it is expected that hearings will commence on the authorization of at least one more large storage project, Knowles-Paradise, near the confluence of the Flathead and Clark Fork Rivers, Montana. This project, like Bruce's Eddy, has important downstream benefits. Pending before the Federal Power Commission are competing applications by two non-federal agencies to construct a third large storage project, either Nez Percé or High Mountain Sheep on the Snake River, Idaho-Oregon. Decision on this controversy may be made within 1963.

The Treaty assumes that the first two Canadian storage dams would be constructed before any of these three storage dams in the United States. If delays in ratification and implementation make this assumption incorrect, the downstream benefits from the Canadian projects would be materially reduced.

Under construction, or active consideration, are a number of other new power projects in the Pacific Northwest. Though not including storage reservoirs, they can supply large quantities of power. Such projects include Lower Monumental, Little Goose, Lower Granite, Asotin, and China Gardens dams on the Snake River; Wells dam on the Columbia; Boundary dam on the Pend Oreille; and the Hanford and Cle Elum steam-electric plants.

The estimated cost of power from these various projects, assuming the same financing as the federal Columbia River System, ranges from less than two mills per kilowatt-hour for the most efficient to 3¾ mills per kilowatt-hour for the higher cost projects, 60% load factor, at the generator. Altogether, they would represent an additional power supply of about 5,400,000 kilowatts.

It is in the light of all the circumstances outlined above that the U.S. offers the following proposal for consideration:

1. The United States, after a careful survey of the market, believes that the maximum obtainable price *for the Canadian power entitlement* in the United States is 3.75 mills per KWH at a 60% load factor at the point of generation in the United States. We will proceed to

attempt to secure firm assurances from prospective purchasers of this power in the United States prior to exchanges of ratification.

2. As the Canadian part of the entitlement decreases in the future, Canada will deliver *at the Canada-United States border at the same price* that amount of power from other sources necessary to *keep constant the quantity* sold in the United States.

3. The term of the contract will be *30 years* from initial delivery of power.

4. The Administration will request from Congress in the 1964 budget the necessary funds to build an extra-high voltage interconnection from the Columbia River to Southern California markets.

5. The United States will use its best efforts to secure firm assurances of:

(a) Long-term non-federal financing from sources in the United States at about *4 to 4½% interest* equal to approximately *25%* of the *present value of Canada's Treaty entitlement*. Since non-federal dams on the middle Columbia River will account for about one-fourth of the power generated from water stored in Canada, it appears possible that the public agency licensees of these dams *might finance* one-fourth of the cost of the Canadian storage projects by an advance payment for power.

(b) A *short-term loan* from a United States lending institution in the amount of the *flood control benefits assigned to High Arrow and Duncan Lakes* (approximately \$63 million).

6. The *United States is prepared* to work out a rescheduling of the Mica project *if Canada decides* that such rescheduling is necessary to meet more closely the marketing possibilities for power to be generated at Mica.

7. The United States also is prepared to explore the possibility of additional financing of the cost of construction of Canadian storage facilities by prospective purchasers of the Canadian power entitlement. It should be recognized, however, that the possibility of such additional financing in the United States *cannot be considered as strong*.

The proposal as outlined above is considered to be the *maximum the United States can do* in assisting Canada to dispose of its power entitlements under the Treaty and to finance, in part, the construction of the Canadian projects.

If the above appears satisfactory, we suggest that Canada ratify the Treaty but the exchange of ratifications be held until such time as the sale of the Canadian entitlement in the United States has been completed and the financing outlined above has been arranged. Ratification is desirable so that United States interests can proceed with water and power resource development, taking the Treaty potential into account. Also, ratification would be necessary in order that the United States proceed with the sales and financing arrangements described above.

Our proposal, in effect, offers a means by which the governments of Canada and British Columbia can obtain at low interest rates all or more of the capital necessary to construct the High Arrow and Duncan dams. It proposes a price for Canada's power entitlement which is as high or higher than the cost of power from numerous alternative projects in the Columbia Basin in the United States. At this price, the proceeds from the sale of Canada's power entitlement would completely pay for High Arrow and Duncan dams in less than nine years, even assuming the new, higher cost estimates for these dams made by the B.C. Hydro and Power Authority in the past several months. Over the 30-year life of the sales contracts, Canada could reasonably anticipate a profit of about \$160,000,000 from the sale of its share of downstream benefits from High Arrow and Duncan. In addition, Canada would receive from Libby dam important flood control benefits and improved regulation of stream flows on the Kootenay which could produce about 200,000 kilowatts of additional power at about 2 mills per kilowatt-hour.

The proposal indicates a willingness on the part of the United States to agree to a rescheduling of the Mica project to coincide with the need for new power supplies in Canada. The problem of relating the construction schedule of Mica dam on the Columbia and the Portage Mountain dam on the Peace could be resolved between the governments of Canada and British Columbia. The United States would agree to any reasonable construction schedule that Canada and British Columbia propose.

For many reasons, familiar to all who have been concerned with the negotiations of the Treaty for cooperative development of the Columbia River, we hope this great international resource development program will go forward. We stand ready to take every reasonable measure to assure its success. We believe that the proposal herein set forth offers the best chance of resolving the difficulties in Canada which thus far have delayed its ratification.

300.

PCO

*Note du ministre de la Justice  
pour le Cabinet*

*Memorandum from Minister of Justice  
to Cabinet*

CABINET DOCUMENT NO. 38-63  
CONFIDENTIAL

Ottawa, January 28, 1963

COLUMBIA RIVER TREATY: GENERAL PERSPECTIVE

There has been so much attention in the months since the signing of the Columbia River treaty to points of detail and alternative power possibilities that there may be some danger of losing sight of the general values of the treaty and the development it contemplates. This memorandum has been prepared with a view to giving, in brief and summary form, an assessment of the broad importance of the treaty and the possible consequences to Canada if it does not proceed.

If an arrangement cannot be worked out with British Columbia within the limits of the United States offer, the following would appear to be the results:

(1) *There appears to be no serious likelihood that the United States will substantially improve the offer it has made.*

It has been made clear that the offer of December 19th, 1962, is a "maximum one." It is specifically stated that "the proposal ... is considered to be the maximum the United States can do ...". There may be modifications of detail, perhaps some of substantial importance will be possible, but no change in general level appears to be a realistic possibility.

(2) *If an arrangement for the present treaty cannot be worked out there appears to be no likelihood that any other joint agreement with the United States can be reached.*

It took a year of active negotiation to agree on the first treaty – and that was under very great pressure. The United States requirements for power are such that they almost certainly would not be prepared to wait for further negotiations to be completed before beginning alternative developments on their side. Recent engineering studies indicate that the two projects the United States is presently considering (one is already authorized by Congress) would cut our present downstream benefit entitlement by one-half if introduced before our Treaty dams. If that happened the present Treaty would become uneconomic and the chances of any successful negotiation of a new Treaty would be poor because of the increased costs and reduced benefits of cooperative development at that time. One has also to consider whether

the United States would be disposed to try to work out another arrangement when the first, after approval at all stages up to and including signature, had failed. There are, of course, problems for the U.S. in providing equivalent flood control entirely on their own side and in the loss of the Libby dam. Flood control can be provided by them in most locations without the Treaty, although at greater cost. The interest in Libby appears to be less than it was. Altogether, neither problem appears to be insurmountable for them and the likelihood that they would be prepared to enter into a completely new series of negotiations seems very dubious.

(3) *If the above two points are correct and there is no arrangement with the United States, the Columbia River will probably never be developed for power at all.*

It has frequently been assumed or implied that we need not proceed with the Columbia treaty and can in our own time and at our own volition proceed to develop the Columbia for Canadian purposes. The engineers of the Water Resources Branch and of the B.C. Hydro and Power Authority are generally of the view that this is unrealistic. If joint development does not occur, there appears to be a strong possibility that the Columbia as a purely Canadian project will never be economic. This view is supported by two separate reports of consulting engineers.

The 1957 report of the Montreal Engineering Company indicated that 65% load factor energy could be produced by thermal-electric plants at Vancouver for 7.3 mills per kwh using coal as fuel and 6.4 mills per kwh using gas. Their estimate of the cost of power from a fully developed *independent* program on the Columbia was 7.1 mills per kwh, with the initial portions of this development costing 12.9 mills per kwh. They concluded that:

“Hydro-electric development of the Canadian Columbia River for *integrated* operation with United States plants would provide the cheapest source of power for British Columbia for many years to come if a satisfactory agreement for sharing of benefits can be reached. Otherwise, steam would provide the cheapest power.”

The Government of British Columbia, as a completely separate matter, commissioned Crippen Wright Engineering Limited to do a report for them in 1959. That report states:

“The best initial project available to British Columbia on the Upper Columbia River on the basis of *independent planning* is the Low Mica Development which would cost \$278,000,000 in one construction phase and deliver power to load centres at a cost of 7.06 mills per kilowatt hour. Development of power on the Columbia would not necessarily be competitive or at all attractive on this basis.”

Construction costs for hydro projects are trending upward. Thermal costs are trending downward. If the above conclusions were correct in 1957 and 1959 they will be reinforced by developments in the next few years.

(4) *Fraser River Diversion*

A diversion of Columbia River water to the Fraser River will not improve the economics of an independent development of the Columbia River. A detailed study by the B.C. Engineering Company in 1956 indicated that the incremental energy provided by such a diversion would cost 7.1 mills per kwh. If this is correct, it would appear that, apart altogether from the unresolved fisheries problem associated with the diversion, the proposal is not economic.

(5) *The “McNaughton Plan”*

The “McNaughton Plan” for Columbia development is not acceptable to British Columbia, the owner of the resource. It was not acceptable to the United States during Treaty negotiations without Canadian acceptance of subsidized power sales to the United States.

Even without such sales to the United States, it is highly doubtful if the plan would be an economic development for Canada. Many details about it have never been made entirely clear by General McNaughton, including the financing [of] the very high costs at the outset and the method of disposing of the very large initial surpluses of power. The Plan would, however, by flooding the East Kootenay valley, inundate more land than the Treaty proposal. The extra 7% of energy it could produce in Canada could be developed at a lower cost by other resources. Altogether, the McNaughton Plan does not appear to be a practical proposition, particularly for cooperative development under a Treaty.

(6) *If the Columbia is not developed the loss of low cost power to Canada will be very great indeed.*

The annual output of a full Columbia River development (including downstream benefits under the treaty) at 70% load factor is estimated at 27 billion k.w.h. This is approximately double the total present power production in British Columbia. Of this, over 75% (21 billion kw.h.) would be at-site production in Canada available in perpetuity and not subject to any diminution. British Columbia may not show too much concern over this potential loss of power, since it may feel that the resources of the Peace River are sufficient to meet the needs of the Province for the next ten or fifteen years. However, this would be a very short-sighted approach.

The downstream benefits have been seriously under-rated by some critics because of a long term diminution in magnitude. They will diminish at some time as the introduction of more thermal power plants in the Pacific Northwest makes the area less dependent on hydro plants – and therefore on our storages – to adjust their output of power to meet demands at any particular time. Present estimates are that in 1972 our downstream benefits could amount to as much as 1,375,000 kilowatts of capacity and that by 1985 they would still be in excess of 1,200,000 kilowatts. Load growth in the Pacific Northwest has not proceeded as rapidly as originally estimated. If this continues, they will not introduce thermal power as rapidly as had been estimated. They will then remain dependent on our storages and, as a result, the diminution of our downstream benefits will be much slower than had been thought.

If the Columbia does not go ahead, the power lost will be the lowest cost power available in British Columbia. The consulting engineers retained by British Columbia to compare the Peace and Columbia developments (Sir Alexander Gibb and Partners and Merz and McLellan) estimated the delivered cost of Peace power at 4.2 mills. Using their assumptions and in addition taking into account (i) the flood control payment, (ii) West Kootenay developments and (iii) sale of short term surplus downstream benefits to the United States at 4 mills, the power from the Columbia would be available to Canada at an average cost of 3.26 mills per k.w.h. This is 80% of the unit cost of Peace energy and applies to a quantity some 60% greater than the Peace River potential.

(7) *The loss in employment possibilities is substantial*

Direct employment on the treaty projects alone would be very great and last over a period of years. In addition to such direct employment there would be a very large amount of indirect employment for manufacturers of equipment. The stimulus to the B.C. economy from the certainty of having available large amounts of low cost power would also have substantial results for employment and the prosperity of the province generally.

(8) *The loss to Canada of remunerative investment if the Columbia is not developed will be very great and the loss to our balance of payments will be substantial.*

At the time the treaty was signed the investment for the storages called for by it was estimated at approximately \$350 million. With transmission and extensions in the West Kootenay the total investment was estimated at \$540 million. For full Columbia River

development, plus transmission, the investment was estimated at \$1,511,000,000. No other project designed to provide an alternative source of power for British Columbia would be as effective in drawing in United States financing quickly and in large volume. No other project would provide its own automatic means of repayment as the treaty projects would under the United States proposal.

Under the United States proposal there would be a cash payment to Canada immediately upon the commencement of construction of approximately \$137 million in Canadian terms (\$127 million U.S.). If the power sold to California could also be financed on the same basis it would result in a total outright cash payment of \$340 million U.S. in 1963 or the equivalent of about \$23 million U.S. per year for the 30-year sale period. These amounts are not subject to repayment and therefore to any reverse flow at a later date because they are a payment for power sold and for flood control and not an obligation incurred. Apart from the Columbia there are no other major hydro projects in British Columbia which appear to be capable of earning export income from the sale of power.

The above assessment is presented in an effort to complete the picture that has to be considered in the light of the exchanges over the last year or so.

Altogether it appears the Columbia project is so large in scale; so important in employment, industrial and general economic consequences; and potentially of such great value in meeting some of the most pressing problems of our balance of payments that it is essential for the government to consider the Treaty in the broadest perspective. It is apparent that if it is not implemented the loss to Canada will be of major importance.

DONALD FLEMING

301.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], January 29, 1963

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).



The Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretary to the Cabinet (Mr. Watters).

...

COLUMBIA RIVER DEVELOPMENT POLICY  
(Previous reference January 24, 1963†)

13. *The Minister of Justice* said that a team of four experts had made an evaluation of the U.S. proposals of December 19th relative to implementation of the Columbia River Treaty. The findings of their report were summarized as follows:

(1) The U.S. proposal is attractive, especially when allowance is made for the fringe benefits and intangible benefits listed in Chapter 6 of the report.

(2) The proposal results in total revenues equal to a unit payment of 4.6 mills per kwh, for our Treaty energy if the need to provide firming energy to the United States is overcome.

(3) The advance payment for the High Arrow and Duncan flood control credit and for 26% of the power sales will pay for the construction of the High Arrow and Duncan Lake projects; revenues from 74% of the power sales can therefore be applied against Mica storage and generation.

(4) Mica generation in all of the alternatives studied in connection with this offer is believed to be the lowest cost energy available in British Columbia and should therefore not be needlessly postponed.

(5) If construction of the Peace River project continues and Mica generation must be deferred, very careful study should be made of the advantages and disadvantages of postponing the Mica storage project as well.

(6) If a decision is made to defer Mica storage as well as its generation, no commitment should be made at this time to sell its downstream benefits. Sales to the United States should be limited to the benefits provided by High Arrow and Duncan.

(7) If the Treaty is ratified early enough in 1963 the United States proposal would mean an inflow of 130 million U.S. dollars in late 1963 and a total of approximately \$350 million (U.S.) by 1970. There would be no corresponding outflow of dollars in later years as advance payments and loans would be met by downstream benefit sales.

(8) The possibility of any development of the Columbia River in Canada may depend upon decisions made on the present U.S. offer, or some modification of it. There is no evidence available at this time that independent development of the Columbia River after 1978 would be economically feasible.

The four Canadian officials who attended the Columbia discussions drew the following conclusions from this report:

(a) The present U.S. proposal is sufficiently attractive to warrant the most serious consideration of the federal government.

(b) The proposal, with its requirement to provide firming energy removed, presents a basis for an advantageous development of the Columbia River in Canada as envisaged by the Columbia River Treaty.

(c) A decision on the Columbia River Treaty is required at an early date to permit a profitable co-operative arrangement. The alternative may very well be no economic development of the River in Canada now or at any time.

(d) Federal ministers may wish to ascertain as a matter of urgency the views of the British Columbia government, as that government will have also received copies of the report of federal and provincial engineers.

After reviewing the report and the conclusions of the federal officials, Mr. Fleming recommended:

- (a) that the Cabinet approve the U.S. proposal in principle as the basis for further negotiations with British Columbia and the United States in order to secure such modifications in detail as will make the arrangement as advantageous as possible for Canada;
- (b) that a Minister be authorized to get in touch with the Premier of British Columbia immediately in order to ascertain the position of the province with regard to the U.S. proposal;
- (c) that if the Premier is prepared to have a meeting between the provincial and federal governments, such Minister be authorized to make the necessary arrangements in the hope of getting agreement at the earliest possible date.

An explanatory memorandum had been circulated. (Minister's memorandum, Jan. 28 – Cab. Doc. 38/63).

14. *Mr. Fleming* then referred to a memorandum (Cab. Doc. 39/63, Jan. 28)<sup>86</sup> which placed the Columbia River Treaty and the development it contemplates in perspective. The main points to be borne in mind were as follows:

- (1) There appears to be no serious likelihood that the United States will substantially improve the offer it has made.
- (2) If an arrangement for the present treaty cannot be worked out there appears to be no likelihood that any other joint agreement with the United States can be reached.
- (3) If the above two judgements are correct and there is no arrangement with the United States, the Columbia River in Canada will probably never be developed for power at all.
- (4) A diversion of Columbia River water to the Fraser River will not improve the economics of an independent development of the Columbia River.
- (5) The "McNaughton Plan" for Columbia development is not acceptable to British Columbia, the owner of the resource. It was not acceptable to the United States during Treaty negotiations without Canadian agreement to subsidize power sales to the United States. Even without such sales to the United States, it is highly doubtful if the plan would be a development of economic value for Canada.
- (6) If the Columbia is not developed the loss of low cost power to Canada will be very great indeed.
- (7) The loss in employment opportunities would be substantial.
- (8) The loss to Canada of remunerative investment if the Columbia is not developed will be very great and the loss to our balance of payments will be substantial.

15. *Mr. Fleming* said that it was important that the United States be informed of Canada's decision in February.

16. *During the long discussion* it was said that it was the view of the Canadian and B.C. experts that Premier Bennett would be prepared to reach a compromise agreement but it would be difficult to get him to agree to the sale of downstream benefits on these terms. B.C. was going ahead with the construction of the first dam on the Peace, but if the Columbia development was begun, the construction of the subsequent dams on the Peace would be held up.

17. *Mr. Fulton* said that he did not agree that we should accept the U.S. offer even as a basis for negotiation. Canada should not be taking the initiative in favour of proposals which Premier Bennett had already said were not good enough. He did not agree with the two main

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<sup>86</sup> Identique au document 300./Identical to document 300.

assumptions of the experts concerning the price at which the power would be sold and that the exchange rate would remain where it is for 30 years.

Under the present proposals, dams would be built in Canada to develop power of which Canada would be entitled to half. It was now proposed that this be sold to the U.S. on a thirty-year contract at less than the price of power in Canada. For this purpose, great areas of Canadian territory would be flooded. Added to this was the possibility that the Mica dam, which was designed to develop power for consumption in Canada, might be postponed for 15 years. Taken together, these factors would create a situation which would not sit well with the Canadian people.

It was far better to let Premier Bennett turn down the U.S. proposals. The responsibility then for the failure of the Treaty would be his. He had not yet secured financing of the Peace project. He was putting up a dam on a navigable river in defiance of the Navigable Waters Protection Act. Canada could impose a delay on the construction of this dam. A new Treaty could be negotiated with the U.S. later on when Premier Bennett was no longer in power. He would rather see the Treaty fail than proceed on this basis.

The present U.S. offer was in direct conflict with both the original concept of the Treaty and Canada's economic interests. The Federal government's intention had been to provide low-cost power from the Columbia to the lower mainland of British Columbia, but the current proposal would involve the use in the United States of Canada's power entitlement on the Columbia, and the use of the more expensive power from the Peace River to meet the load growth requirement of B.C.

Others said the project was consistent with Canada's economic interests, and that Canada would enjoy the use of the cheap on-site power that would be obtained by machining Mica. The suggestion that the province be prevented by injunction from developing the Peace River was unrealistic, and the taking of injunctions against the Crown in right of the Province would introduce new difficulties. The province had obtained enough financing to enable it to proceed with work on the Peace River development for perhaps a year. If the Federal government "declared war" on the province over the development of the Peace River, any agreement with the province on the Columbia would then be out of the question.

Premier Bennett had not rejected the U.S. offer, but had merely taken a negotiating position. The press quoted him as having said that the U.S. proposal was "a good offer as a starter," but that it would have to be improved. There was no intention that the Federal government should urge the province to accept the offer, but only that the Federal government should approve the offer in principle and obtain the views of the province. The province had the primary responsibility for the Columbia, and would own the power if development proceeded. If the treaty should collapse, it should be made clear to the Canadian public that the province was responsible.

Time was running out, and it was therefore important to ascertain the province's views. The negotiations with the U.S. must be completed during February, because the U.S. would have to develop other power sources if the Columbia development was not assured by that time. The subject bristled with difficulties for the Federal government, but unless the deal was completed very soon, the Columbia development would be dead for all time.

Some said that if the province refused to proceed with the development of the Columbia under the terms of the Treaty, the Federal government should give serious consideration to the desirability of declaring the project to be for the general advantage of Canada, and developing it as a national project under Federal government direction.

Others said that the selection of Mr. Fulton as Conservative leader in British Columbia had introduced an important new factor. Experience had demonstrated the impossibility of making binding agreements with the present provincial régime. During the Columbia negotiations the

province had broken faith on many occasions and would doubtless do so in the future. Mr. Fulton could defeat Premier Bennett in a general election, and a new provincial premier was an essential prerequisite to a sound agreement on the Columbia. The public in B.C. were criticizing Premier Bennett at this time because he had failed to obtain a price of 5 mills in the U.S. for the Canadian share of downstream benefits and had failed to obtain financing from the U.S. for the whole development. If the Federal government now approved the U.S. offer, Premier Bennett's hand would be immensely strengthened, and it would become impossible for Mr. Fulton to defeat him at the polls.

Some said that one possible course might be to abstain from approving the U.S. proposal at this time, but to authorize Mr. Fleming to discuss it with Premier Bennett in order to obtain the views of the province. Others said that if the Federal government should now reopen discussions with the province, Premier Bennett would issue misleading statements to the press in order to transfer his present difficulties to the Federal government.

18. *The Cabinet* agreed to give further consideration, at another meeting, to its policy on the development of the Columbia River.

...

5<sup>e</sup> PARTIE/PART 5

PROJET NIMBUS (SATELLITES MÉTÉOROLOGIQUES)  
PROJECT NIMBUS (WEATHER SATELLITES)

302.

DEA/12798-C-2-40

*Le sous-ministre des Transports  
au sous-secrétaire d'État aux Affaires extérieures*

*Deputy Minister of Transport  
to Under-Secretary of State for External Affairs*

Ottawa, February 2, 1962

Dear Sir:

U.S. METEOROLOGICAL SATELLITE PROGRAMME  
(PROJECT NIMBUS) – CANADIAN PARTICIPATION

You will recall that some months ago, the Deputy Minister of Transport, accompanied by senior officials from the Telecommunications and Meteorological Branches of that Department as well as representatives of the National Research Board and the Defence Research Board, visited Washington for a briefing session with NASA, including discussions on the possible Canadian role in regard to civil use of satellites.

These discussions were followed up further by discussions, on several occasions, between representatives of the two branches of the Department and representatives of NASA and of the U.S. Weather Bureau with reference to both the field of communications and of meteorological satellites. Prospects for useful Canadian participation in regard to the operational meteorological satellite programme, known as Project Nimbus, developed actively. It became apparent that advantages could accrue if a ground station could be located in north-eastern Canada. Indeed, this might not only reduce the total of ground stations required to two, but also provide for better coverage from the Nimbus satellites. Informal indications were that the

United States would welcome an offer of Canadian participation on some sort of joint basis in this connection.

The Department of Transport has now received authority to enter into arrangements with the appropriate U.S. agencies, based generally on the idea of Canada sharing in the cost of construction and operation of a ground station in Canada for this programme. The detailed arrangements, when worked out, would be confirmed by exchange of notes either directly between the entities concerned or through diplomatic channels, whichever might be appropriate.

As a next step, we now propose to make a direct approach to the U.S. Weather Bureau and to NASA, outlining our readiness to enter into discussions. For this purpose we would propose to have the Director of the Meteorological Branch send a letter to the U.S. Weather Bureau along the lines of the attached,† with a copy being provided by our Telecommunications Branch to Mr. Frutkin of NASA. We felt that you might wish to inform the Canadian Embassy in Washington of the foregoing situation so that they would be aware of what is proposed. We understand equally that the U.S. Weather Bureau and/or NASA have kept State Department informed in regard to the possible Canadian role and of our intent to approach the working agencies in this connection.

Because of the urgency of the situation, it is planned to have the letter to the U.S. Weather Bureau go forward on February 12th. If the Canadian Embassy has any comment that it wishes to offer in this connection, it would be appreciated if this could be received before that date. There is considerable urgency in regard to the development of the programme.

Yours sincerely,

J.R. BALDWIN

303.

DEA/12798-C-2-40

*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-972

Ottawa, May 2, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Sharpe-Reynolds Telecon of May 1.

PROJECT NIMBUS

We have been informed by the Deputy Minister of Transport that while the discussions which took place in Washington on March 7-8, and in Montreal on March 20, were most satisfactory in the scientific cooperation and operating phases, NASA representatives did not feel disposed to agree to Canadian participation in engineering and equipment production to the degree that we had hoped would be commensurate with our proposed financial contribution. It will be remembered that participation in a real and important way as a method of entry into this new field by Canada was one of the prime considerations in deciding upon the desirability of financial contribution of some magnitude (up to \$4 million capital and up to \$800,000 per annum operating expenses. Approximately half the cost of the Canadian station.) It is Department of Transport's understanding that a station in Eastern Canada would greatly enhance the results of the whole U.S. Nimbus Project.

2. It may be that the NASA representatives, while expressing the technical viewpoint of a project team, may not be aware of the general political and economic considerations of

mobilization of Western resources, and that an approach to the State Department might assist in bringing these considerations to the fore. It is proposed that this might be done by having Mr. C.M. Brant, Deputy Director, Air Services, visit Washington as soon as this can be arranged. It is proposed that he might accompany one of your officers to the State Department where this question could be discussed and where an aide mémoire or a memorandum based on the following draft could be left:

“Representatives of Canada and the United States have met and have reached a very satisfactory agreement on the scientific cooperation and operational phases and the provision of personnel for operation of a ground read-out station for Project Nimbus in Canada. Difficulty has been encountered in selecting mutually acceptable areas for Canadian participation in the engineering and development of some important part of the station in Canada which would enhance Canada’s knowledge and experience. It was with this kind of participation in mind that Canada proposed to participate in capital expenditures.

It is unfortunate that this attempt to cooperate has occurred at such a late stage of the Nimbus Project, at a time when quite understandably NASA is already well launched on the engineering and design of other portions of the whole Nimbus Project. However, it was for this reason that the proposal for Canadian participation was limited both in area and magnitude so that Canada’s ability to meet both performance and timing requirements would be beyond any reasonable doubt. The Canadian participation as proposed by NASA falls considerably short of Canada’s legitimate national objectives insofar as engineering and production is concerned.

Canada, as a relatively small country and in common with many other medium-sized nations, cannot, at least within the immediate foreseeable future, expect to originate its own space programs. The practical difficulties of international cooperation have to date precluded the effective participation of all but the largest countries in such programs, in spite of the oft expressed objective of accomplishing this kind of cooperation. This situation might well result in a large percentage of the western world’s potential being left undeveloped.

Although there is no doubt concerning the value of the scientific and research phases of a station being established in Canada or of the understanding in these phases reached by our respective delegations, it is the Canadian view that effective cooperation only arises when both parties are contributing in all phases, including the engineering and the development and production of equipment.

Careful examination has been given to the various packages of engineering and production into which the read-out station can be resolved in relation to the timetable as well as the ability of Canadian industry. It is the Canadian view that the data acquisition sub-system, less the antennae, is a package which could be engineered, produced and installed by Canadian resources without any appreciable effect upon the timetable. The value of this package is approximately \$3 million of which \$2,300,000 would be Canadian content. If the USA position could be adjusted to permit this work to be done in Canada, in addition to that portion already agreed in the discussions, discounting for the moment the uncertainty concerning the radome which is not considered as meeting Canada’s desire to participate in the engineering, an equitable balance would have been reached.

At the same time Canada would be prepared to consider other suggestions which the USA might be able to put forward, aimed at effective cooperation in the development, engineering and production areas, either on this or other related programs. It is obvious that any such alternative task would have to be carefully selected if it were to provide adequate scope for encouraging the development of Canadian engineering and production potentialities.

The acceleration of any agreement which would forward the Nimbus program while at the same time providing a basis for continuing cooperation in the space field, would be appreciated by Canada. It is the Canadian view that a solution in keeping with Canada’s

objectives as stated above is both desirable and possible and that early action is in our mutual interests. Canada would welcome informal discussion with USA officials which might serve to clarify any points outstanding and to lead to an early agreement which would be to the mutual benefit of the two countries.”

3. We will appreciate learning as soon as possible whether such a meeting could be set up for Friday or early next week. Timing of the Nimbus Project makes it imperative that the meeting take place as soon as possible.

[N.A.] ROBERTSON

304.

DEA/12798-C-2-40

*Aide-mémoire du département d'État des États-Unis*  
*Aide-Mémoire by Department of State of United States*

CONFIDENTIAL

Washington, June 4, 1962

The Department of State refers (1) to the technical discussions which were held in Washington and Montreal in early 1962 between representatives of the Canadian Ministry of Transport, the Canadian Defence Production Board, the US National Aeronautics and Space Administration (NASA), and the US Weather Bureau regarding the joint establishment in Canada of a project NIMBUS command and data acquisition station as an essential element of the NIMBUS operational meteorological satellite system, and (2) to the recent conversations on this same matter which were held at the Department of State on May 4 and May 23, 1962 with representatives of the Canadian Embassy and the Canadian Ministry of Transport.

The Department notes that the earlier discussions had resulted in agreement among the technical representatives regarding the scientific and operational aspects of the proposal, but that, subsequent to those discussions, Canadian authorities had concluded that the specific proposals for Canadian participation in the construction of the station did not satisfy the requirement for mobilization of Canadian industrial resources which they had since indicated to be the basis for their offer to allocate up to \$4 million for construction of the station and up to \$800,000 annually for operating expenses. Canadian representatives stated in their proposal to the Department of State on May 4, 1962 that Canada be assigned the task of developing and constructing the data acquisition subsystem at the station, and requested that NASA be urged to reconsider the earlier proposals so as to permit Canadian participation in this specific task or, as a complete alternative, in some other project which would meet fully Canadian development and engineering objectives.

As stated during the conversation on May 23, 1962, this proposal has been given very careful consideration and with the understanding that the Canadian offer to make a capital investment in the construction of the station was made on the assumption that Canadian participation in the engineering and development phase of the project would be of the sort envisaged in this proposal. The US agencies have concluded that it is not practicable, in connection with the currently planned NIMBUS station in Canada, to proceed on the basis of this proposal.

After careful examination, NASA has concluded that initiation by Canadian firms at this time of both the development and engineering of a major subsystem for the proposed station would entail a delay of at least one year in achieving operational status. This estimate is based upon NASA's extensive experience in the establishment of elaborate data acquisition facilities.

If, as an alternative, NASA were to undertake the assembly of drawings and specifications from US contractors to whom responsibility for the development of major equipments for this and related projects has already been given, in order that a Canadian firm could undertake the

fabrication of similar equipments for the Canadian station, it is estimated that there would be a delay of at least six months which might well run into a delay of a full year because of the short work season. In any event, such an alternative arrangement would not afford the engineering and development experience which Canada desires.

In these circumstances the Department and the interested agencies recognize the justification for Canadian capital expenditures will not have been met. Accordingly, the US agencies are prepared to assume full responsibility for all capital expenditures in the establishment of the proposed station and will undertake the maximum procurement of services and components in Canada consistent with technical and schedule requirements. They continue to hope for full participation by Canadian personnel in the operation of the facility. Canadian sharing in the operating costs to the extent which Canada regards as appropriate and feasible would be welcome, but would not be essential.

In addition, NASA has indicated its readiness to examine other future programs with a view to identifying projects in which it might be possible to arrange participation by Canadian industry in development and engineering tasks of the sort desired by Canada in connection with project NIMBUS. NASA is prepared to explore such possibilities mutually with Canadian representatives.

In view of the fact that delay in initiating site development will require that an additional winter season be passed, losing a full year in the operating schedules of the station, and in view of the expressed desire of the UNGA that the operational utility of meteorological satellites be exploited without delay, the US now asks permission to proceed forthwith at its own expense with construction of a NIMBUS station in Canada. In the event of Canadian approval in principle, the US would earnestly hope that the interested agencies could be authorized to proceed with initiation of site development and construction now pending completion of a formal agreement.

It is envisaged, of course, that terms for the construction and operation of the station would be formally expressed in an exchange of notes between the two governments, as supplemented by implementing arrangements between the appropriate agencies.<sup>87</sup>

305.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], June 28, 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 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 Minister of National Health and Welfare (Mr. Monteith),

<sup>87</sup> Note marginale :/Marginal note:

Left with USSEA by Willis Armstrong [Auteur inconnu/Author unknown]



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 Northern Affairs and National Resources (Mr. Dinsdale).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Mr. Labarge).

CANADIAN PARTICIPATION IN PROJECT NIMBUS

11. *The Secretary of State for External Affairs* referred to a paper prepared by his department and the department of Transport concerning Canadian participation in a project called "Nimbus." The United States had plans to launch artificial satellites designated "Nimbus" for the continuous observation of world-wide meteorological conditions. To realize the full potential of the system, one or two ground stations would be required in Canada. The U.S. had therefore sought Canadian participation in the project. The U.S. would assume full responsibility for capital expenditures and undertake maximum procurement of services and components in Canada consistent with technical and schedule requirements. They also hoped Canadian personnel would participate in the operation of the station, and would leave it to Canada to decide whether it wished to share in the costs of operation.

An explanatory memorandum had been circulated (Joint memorandum, Secretary of State for External Affairs and the Minister of Transport, June 8 – Cab. Doc. 196-62.†)

12. *During the discussion* the following points were raised,

(a) Some questioned whether it was a good principle to have Americans building and operating an American Nimbus satellite station on Canadian soil. Others said that in the present instance the Americans had offered to operate the station along with Canadians and that, in any case, the station would be subject to control by the Department of Transport.

(b) Some said that the U.S. authorities would not allow Canadian participation or contracts, on the grounds that Canadians were not sufficiently competent for this kind of work. This kind of criticism often seemed to justify their establishing units in Canada for any kind of scientific research. It would be preferable to allow U.S. civilian rather than defence projects, but, in either case, Canada seemed to get only fringe benefits and to lose some of its sovereignty. If the reason for accepting the stations in Canada was for purposes of training Canadians, perhaps an exchange of personnel would be more suitable. Canadians could then be trained in the more advanced research centres in the U.S.

(c) Others said that there was a severe shortage of suitably trained Canadians for such work as this. It would be better to train them here. The only alternative seemed to be to accept the American offer or do nothing. The cost of such research was prohibitive for Canada. It would be a good bargain. Canada had already made a start in space research, with some manufacturing being done in Canada.

13. *The Cabinet* agreed that the United States Government be informed of Canada's willingness to conclude a formal agreement with the United States for the location, construction, equipping and operation of a read-out station for use in the artificial satellite project known as Nimbus, in accordance with the provisions recommended in the joint memorandum of the Secretary of State for External Affairs and the Minister of Transport of June 8th (Cab. Doc. 196-62).<sup>88</sup>

...

6<sup>e</sup> PARTIE/PART 6  
LE BARRAGE GUT  
GUT DAM

306.

DEA/11597-40

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

TELEGRAM X-53

Ottawa, April 19, 1962

CONFIDENTIAL. PRIORITY.

GUT DAM CLAIMS

At the request of the Minister, the Interdepartmental Group on Gut Dam Claims met recently to study developments in this matter since its memorandum of August 2 last to the Cabinet Committee on these claims. In its memorandum, the group recommended as a majority view that Canada had a commitment to provide a forum in which these claims could be heard and disposed of on a substantive basis and that, therefore, negotiations should be resumed with the USA for the purpose of establishing, by international agreement, an international tribunal to hear and dispose of the claims. However, the Minister decided not to submit this memorandum to his colleagues of the Cabinet Committee on Gut Dam Claims, although he did not object to it being circulated to departments of government concerned.

2. Since then the USA Embassy has on a number of occasions made inquiries concerning the status of this matter, the latest by Mr. Merchant in the course of a call on the Minister on April 3. The Minister, in reply, stated that the matter was still being examined interdepartmentally. At its meeting the Interdepartmental Group considered these various inquiries from the USA Embassy and examined also the possible implications of Bill S.2978<sup>89</sup> introduced by Senator Keating, representative of New York on March 13 and which has since been referred to the committee on the judiciary. You may recall that the intent of this bill is to authorize the Foreign Claims Settlement Commission of the US to investigate the Gut Dam claims and to submit a detailed report on each of them to the President for such action as he may deem

<sup>88</sup> L'entente s'est conclue par un échange de notes, le 28 décembre 1962. Voir *Recueil des Traités du Canada*, 1962, n° 21.

The agreement was concluded by an exchange of notes on December 28, 1962. See *Canada Treaty Series*, 1962, No. 21.

<sup>89</sup> Voir/See *Congressional Record*, Vol. 108 (1962), pp. 3547-3548.

appropriate. We understand that a bill along similar lines might be introduced in the House of representatives by Congressman Ostertag, also a Republican of the State of New York.

3. The Interdepartmental Group agreed that this development should be brought to the attention of the Cabinet Committee for the following reasons: (1) It might arouse anti-Canadian sentiment in Congress with damaging results for Canada since, if information available here is correct, the Foreign Claims Settlement Commission is generally concerned with claims of United States citizens and corporations resulting from arbitrary decisions of foreign governments. (2) A determination of the amount of the claims by the Foreign Claims Settlement Commission is likely to bind the Administration, thus leaving no freedom of manoeuvre to the State Department in their dealings with us. (3) The United States claimants would be in a position to put their own interpretation of the facts before the Commission without the Canadian Government being able to question that interpretation. However the view was also put forward at the meeting that a reference of these claims to the Foreign Claims Settlement Commission could possibly be to our advantage in that it would provide a forum in the United States where their validity could be assessed without any intervention or commitment on our part. It was readily recognized at the same time that any advantage so gained might prove detrimental in the possible event that the Commission made a decision which would be unfavourable to Canadian interests.

4. So that the recommendations of the Interdepartmental Group to the Cabinet Committee on Gut Dam Claims might be as authoritative as possible, it was agreed that we would submit to you for an assessment the following questions:

(a) Is the discussion of this bill in the U.S. Congress liable to trigger any serious anti-Canadian bias which might impair relations between Canada and the U.S.A.?

(b) If so can the effect be assessed and in that event what would be the nature of the injury that Canada might suffer?

(c) What is the likelihood of Bill S.2978 (or any other similar bill that may have been introduced since in the House of Representatives) being passed by Congress at its present session and becoming law?

(d) On the basis of its past record, composition and rules of procedure, is the Foreign Claims Settlement Commission an impartial quasi-judicial body from which we could expect a serious and objective examination of the Gut Dam claims?

5. The importance of this last question is paramount. Although we would not be bound by the Commission's recommendations, the State Department would probably not be in a position to negotiate on any other terms than those set by the Commission in its report to the President. If the Commission has very strict standards, chances are that our contention (which apparently is shared by the U.S.A. Corps of Engineers) that these claims are frivolous would be confirmed by an independent United States agency without any intervention on our part. On the other hand, if the Commission cannot be relied upon to bring forward equitable findings, some means would need to be found to protect Canadian interests in this matter.

6. We realize that it might be difficult to provide a definite reply to these questions. However, your considered assessment would be of great help to us in formulating recommendations to the Minister and to the Cabinet Committee on Gut Dam Claims.

307.

DEA/11597-40

*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 8, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel X-53 Apr. 19.

## GUT DAM CLAIMS

Thank you for providing background information to the questions raised in your reference telegram on which you requested our assessment. We have given this matter a good deal of thought and have discussed the general question informally with USA officials in an attempt to provide you with helpful comments. We will be forwarding a fuller report later this week together with some material we have collected on the Foreign Claims Settlement Commission, but in the meantime, the following summary may be of some assistance.

2. It is the general view of officials here that Senator Keating's bill (of which an identical companion bill has been introduced in the House by Congressman Ostertag) is a serious submission which if pressed would undoubtedly pass through Congress. The main uncertainty as to its passage is with regard to the pressure of business since private bills of this kind are normally passed in the dying days of the Congressional Session. Senator Keating is an influential and respected member of Congress and, although a Republican, is on close terms with the President. In any event, the bill is essentially non-controversial and should not repeat not give rise to any opposition in Congress.

3. At the same time, the Administration we understand has so far seen no repeat no grounds for opposing the bill and although the Bureau of the Budget has the final say in these matters, the Department of State and the Department of Justice have not repeat not opposed its passage.

4. Discussion of the bill either in Committee or in Congress would not repeat not in itself, we think, give rise to acrimonious debate since there would likely be little or no repeat no opposition to it, but congressmen in an election year might be expected to use the opportunity of a debate to further their campaigns in areas bordering the Great Lakes, particularly in the upper New York State. It is difficult to indicate the effect that any such discussion might have on Canada-USA relations but we would expect that some members of Congress would go a good deal further in their remarks than did Senator Keating in the short speech he made upon introducing the bill.

5. So far as the nature of the injury that Canada might suffer from any serious anti-Canadian bias in the course of congressional discussion, we would expect the main burden of congressional criticism would be directed towards the time that had elapsed since these questions were first raised with Canadian Government. Some of this criticism would also undoubtedly be directed toward the Department of State. At the same time we cannot repeat not rule out the possibility that with mid-term elections in prospect rather more might be made of "frustrations" of the damaged parties and the inability to reach a settlement with Canada. On the whole, however, we do not repeat not think that the effect on Canada-USA relations would be either serious or lasting. Although a congressional debate would raise this issue in a national forum, we doubt that it would create much interest outside [New York] State.

6. From all that we have been able to learn, it would seem that the Foreign Claims Settlement Commission enjoys a high reputation as an impartial quasi-judicial body. Certainly the present

Chairman of the Commission is held in very high regard as a lawyer with national and international reputation and a considerable background in the field of international claims settlement. In the past, the Commission had apparently been used as a means of political patronage but the general consensus of opinion is that the present commissioners are qualified for their tasks.

7. We were able to sound out Spangler, Assistant Legal Adviser for International Claims, State Department, on this point and it was his judgement that it could be expected that the Commissioner would make a serious and objective examination of the Gut Dam claims.

8. Spangler, who has been concerned with the Gut Dam claims question for some years, gave it as his view that the Commission would adopt very strict standards although he intimated that they might be expected on the whole to err, if at all, on the generous side. At least in part they would be influenced by the length of time that had passed since the damages were sustained and the not repeat not inconsiderable expense that the parties had incurred over the years. He agreed that State Department's area of manoeuvrability would to some extent be circumscribed by the Commission's recommendations to the President.

9. It was Spangler's personal view, which he implied was widely held in the Administration, that it might, in the circumstances, be to Canada's advantage to seek means to reach a settlement of this question before the Commission became involved. He is recommending that the bill be amended so as to make it possible for the Commission to suspend its studies should agreement be reached between the two governments on a negotiated settlement. Spangler emphasized to us the seriousness with which the State Department viewed this question and intimated that perhaps this had not repeat not been sufficiently stressed in the past.

308.

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. 414-62

Ottawa, December 5, 1962

CONFIDENTIAL

REPORT OF CABINET COMMITTEE ON GUT DAM CLAIMS

On March 29, 1960, the Cabinet directed that efforts be made to persuade the United States Government to drop its espousal of claims against Canada by certain U.S. residents arising from property damage on the south shore of Lake Ontario in 1951 and 1952. The owners had claimed that their properties had been damaged because of high water levels, which they attributed to the construction by the Canadian Government at the beginning of the century of a small navigation improvement known as the Gut Dam in the international section of the river. The claimants took their dispute before courts in the United States where Canada pleaded sovereign immunity, and the actions were rejected on procedural grounds. Since 1952 intergovernmental negotiations have been in progress. The claims originally exceeded \$50 million, but the U.S. indicated informally in 1959 that the claimants would compromise for \$875,000.

Officials have not been able to persuade the U.S. authorities to drop their espousal of the claims, and indeed the U.S. is pressing for an early settlement or for the establishment of an international Gut Dam tribunal to deal with the claims on their merits. The U.S. Government has made it clear that it is not asserting a view that Canada is under an obligation to pay the

claims; it does assert, however, on the basis of the U.S.-Canadian agreement pursuant to which Gut Dam was constructed in 1903-4, that Canada is under an obligation, failing a settlement, to provide a suitable forum in which the claims can be disposed of on their merits.

Meanwhile this summer an Act of Congress was passed authorizing the U.S. Foreign Claims Settlement Commission to examine the claims and report on each of them to the President. The U.S. State Department has stated to the Canadian Embassy that it would be to Canada's advantage to settle the problem before the Commission goes far with its work. The U.S. statute provides for suspension of the Commission's studies if agreement should be reached between the two governments on a settlement.

The Cabinet Committee has reviewed the report of officials on this subject, and is submitting the alternatives to the Cabinet without recommendation. The choice appears to lie between the following courses:

*A. Settlement on a Lump Sum Basis.* This would be a speedy solution, and would cost little, but it would virtually admit liability without proof of damage, and it would constitute a very dangerous precedent for future claims of this nature. In stating that a dangerous precedent would be created, regard is being had in particular to the fact that the levels of boundary waters are progressively being made subject more and more to the influence of artificial operations, thereby providing a much broader basis for making claims for alleged damages.

*B. Denial of Liability and Refusal of a Special Forum.* This alternative allows for consideration of the claims in the Canadian courts in the usual way. It guarantees that Canadian law would apply to any such proceedings both from a procedural and a substantive standpoint, in place of whatever alternative basis of law might be adopted were the claims to be heard and disposed of by an international tribunal. Moreover, the Minister of Justice has expressed the view that on the basis of Canadian law, Canada is under no liability in respect to these claims.

On the other hand, the adoption of this alternative would involve declining to take any step to meet the request of the United States Government. If these claims were to be considered in the Canadian courts in the usual way, it appears more than probable that they would be barred on procedural grounds without the claimants having the opportunity to obtain a hearing on their merits even according to Canadian law.

It is very difficult to assess what effect the adoption of this alternative would have on United States-Canadian relations generally. It cannot be assumed that the United States administration would be prepared simply to accept such a decision without doing something about it, having in mind in particular pressure that is likely to be brought to bear through Congressional channels. Also, the President would be faced with the problem of how to implement any recommendation from the Foreign Claims Settlement Commission which might at least in part support the Gut Dam claimants' position. Furthermore, Canada would be embarrassed were it required to have to respond to any recommendation adverse to Canadian interests transmitted through the President of the United States.

Moreover, a decision of this kind could be interpreted as a flat refusal to arbitrate in any manner whatsoever a question which is in danger of being characterized as a dispute between the governments of the two nations. This in turn would certainly tend to reflect adversely the image that Canada has been at pains to create in its international relations that it stands for the settlement of all disputes through arbitration machinery appropriate for the occasion. Attention is particularly drawn in this connection to the recent Cabinet decision calling for Canada to file

a new declaration with the Secretary General binding Canada to accept the compulsory jurisdiction of the International Court of Justice without reservations.<sup>90</sup>

It should be further noted that the adoption of this alternative is inconsistent with the previous position taken by the Government of Canada. In 1952 and 1953 the Government of Canada announced that it stood ready to compensate United States citizens for any damage directly attributable to the Gut Dam and that it was prepared to co-operate in the adjudication of these claims by an international tribunal.<sup>91</sup>

*C. Agreement to Creation of an International Gut Dam Tribunal.* The tribunal would have jurisdiction to hear and deal with all aspects of the claims on their merits including making an assessment as to the amount of damages payable, if any, in each case. This course would immediately relieve the pressure from the U.S., and would lead to suspension of the examination of the claims by the Foreign Claims Settlement Commission. It would demonstrate Canada's willingness to settle international claims through arbitration machinery. On the other hand, it would involve surrender of part of Canada's very strong procedural and substantive defences. In addition to granting a tribunal, it could be regarded as granting a cause of action where none exists under Canadian law.

*D. Establish an International Tribunal Limited to Determining Purely Questions of Law.* Such a tribunal would not be concerned with determining the causes nor the quantum of the damages, but only with the question whether the international agreements and other relevant documents place any unconditional obligation upon Canada to pay damages for the operation of Gut Dam. This course would go at least part way to satisfy the U.S. request.

*E. Reference of the Questions of Law to the Supreme Court of Canada* to determine whether the documents, when interpreted under the laws of Canada, impose an obligation upon Canada to pay damages for the operation of Gut Dam. This course might show Canada's desire to respond to the U.S. request. On the other hand, it would not avert the serious dilemma that could arise if the Foreign Claims Settlement Commission should render an opinion that would be inconsistent with the judgment of the Supreme Court.

One position repeatedly advanced during the discussions in the Cabinet Committee was that the Government of Canada should not respond favourably to the United States Government's representations in regard to the Gut Dam claims unless a failure to do so would work to the detriment of maintaining good Canada-United States relations.

H.C. GREEN  
Chairman, Cabinet Committee on  
Gut Dam Claims

<sup>90</sup> Voir conclusions du Cabinet, le 29 novembre 1962./See Cabinet Conclusions, November 29, 1962.

<sup>91</sup> Voir volume 18, chapitre VII, 3<sup>e</sup> partie et volume 19, chapitre VIII, 7<sup>e</sup> partie (a).  
See Volume 18, Chapter VII, Part 3 and Volume 19, Chapter VIII, Part 7(a).

309.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], February 14, 1963

*Present*

The Secretary of State for External Affairs (Mr. Green), in the Chair  
 The Minister of Justice (Mr. Fleming),  
 The Minister of National Defence (Mr. Churchill),  
 The Minister of Finance (Mr. Nowlan),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister of Trade and Commerce (Senator McCutcheon),  
 The Minister of Veterans Affairs (Mr. Lambert).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

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## GUT DAM CLAIMS; REPORT OF CABINET COMMITTEE

7. *The Minister of Justice* said that Canada had constructed the Gut Dam on the St. Lawrence River at the beginning of this century. It had been alleged by property owners on the south shore of Lake Ontario that this dam was the cause of high water levels which had caused damage to their property. They had tried unsuccessfully to sue the Canadian government in the U.S. courts. They had also brought strong pressures to bear on the State Department in Washington with a view to having their claims settled.

Inter-governmental negotiations had been in progress since 1952. The claims had originally exceeded \$50 million but the State Department indicated informally in 1959 that they might be settled for about \$875,000.

In 1962 an Act of Congress was passed authorizing the U.S. Foreign Claims Settlement Commission to examine the claims and report on each of them to the President. The State Department had indicated that it would be to Canada's advantage to arrange a settlement before the Commission proceeded very far with examination of these claims. The Chairman of the Canadian Section of the International Joint Commission also took the view that the claims could be settled quickly.

The Minister went on to say if the Canadian government were to admit responsibility for damage caused by these water levels, other claims would undoubtedly be lodged against the government. The view of the Department of Justice was that the claims are not justified. The dam was constructed under an agreement between the two governments. Provision was made for compensation to property owners on a particular island. One claim was made and this was duly settled. In the view of the Department of Justice, that was the end of the matter.



The Cabinet Committee had met from time to time to consider ways of removing this troublesome feature in the relations between Canada and the United States. The Committee had submitted the following alternatives but without making a recommendation,

- A. Settlement on a lump sum basis.
- B. Denial of liability and refusal of a special forum.
- C. Agreement to creation of an international Gut Dam Tribunal.
- D. Establish an international tribunal limited to determining purely questions of law.
- E. Reference of the questions of law to the Supreme Court of Canada.

An explanatory memorandum had been circulated (Memorandum, Chairman, Cabinet Committee on Gut Dam Claims, Dec. 5, 1962 – Cab. Doc. 414-62).

8. *Mr. Fleming* said there was no reason why this government should give up a clear immunity which it now enjoys with respect to these claims.

9. *During the discussion* some said that since there was no court to which the claimants might appeal, a good compromise settlement could be provided by alternative C, an agreement to create an international Gut Dam tribunal. Others said this would be cumbersome technically and would create widespread and possibly undesirable publicity. Moreover, if the claims were admitted, other claims would shortly arise around the Great Lakes system. The western end of Lake Ontario, it was said, was sinking and the consequences of this might cause property damage.

10. *The Cabinet* agreed that no action be taken for the time being on the report of the Cabinet Committee on Gut Dam Claims.

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#### 7<sup>e</sup> PARTIE/PART 7

### DÉTOURNEMENT DE CHICAGO CHICAGO DIVERSION

310.

CEW/Vol. 3176

*Note du conseiller de l'ambassade aux États-Unis*

*Memorandum by Counsellor, Embassy in United States*

CONFIDENTIAL

[Ottawa], February 19, 1963

#### MICHIGAN DIVERSIONS

Peter Pfund called me this morning to confirm the points on which we would like information or views in connection with this question. He said that the United States Solicitor General would be opening his case before the Special Master on March 18, 1963. As to United States views on various questions we had raised informally with the State Department about Canadian tactics (on the basis of External telegram X-7 of January 18†) I confirmed that

(a) We would like to know as much as possible about the position the United States intended to take before the Special Master, and that we hoped the United States would be able to endorse our position as much as possible and avoid any major conflict with our views.

(b) Since the Canadian Parliament would not be in session prior to March 18, it would be unnecessary to assess the Special Master's or the Supreme Court's possible reaction to a statement in the House of Commons.

(c) We would, however, wish to know about the possibility and desirability of a Canadian intervention *amicus curiae* before the Special Master or the Supreme Court.

2. Pfund said that State Department officials would be consulting with the Solicitor General's office on February 21. He hoped to be able to phone us immediately afterwards to suggest a time for consultations between State Department officials and representatives of this Embassy. He hoped this would be on February 25 or 26. I agreed to try to reserve time on both afternoons for this purpose.

3. In the course of subsequent discussion Pfund outlined preliminary State Department thinking as follows:

(a) The general United States objective would probably be to avoid a decision by the Special Master that would involve a determination of international legal issues arising out of treaties and agreements relating to boundary waters. Speaking frankly he said that, as we knew, the United States and Canadian interpretations of the legal effect of these agreements differed. He thought the Solicitor General would hope to skirt this question entirely.

(b) The United States Solicitor General's presentation would, therefore, probably be simply to place before the Special Master this Embassy's Note of November 2, 1961, together with the State Department's letter of transmission to the Special Master and copies of the international treaties and agreements cited in the Canadian Note. The basis for having these documents received in evidence (they had already been passed to the Special Master, but were, as he put it, "in limbo") would be to draw attention to the importance of "maintenance of friendly relations with Canada."

(c) The Solicitor General would probably, however, take any necessary action to head off an assumption by the Special Master that the United States Government was putting in issue the legal implications of the treaties and agreements referred to.

(d) It was not yet clear to Pfund, however, what the Solicitor General might do to prevent any such assumption. The Solicitor General could simply introduce the evidentiary material, refer to the maintenance of friendly relations with Canada and then let the documents speak for themselves. Alternatively the Solicitor General could state positively that he did not intend the Special Master to take into account the international legal implications of the treaties and agreements.

(e) There was also the question of how to deal with the intention of the Attorneys-General of Minnesota, Wisconsin, Michigan and Ohio to submit voluminous material concerning the international interests involved in the diversions. Pfund thought that the first effort of the Administration would be to try to persuade these representatives not to submit the material in question. If these efforts were unsuccessful then it might become necessary for the Solicitor General to argue that the material proposed for inclusion was irrelevant to a determination of the issues before the Special Master, except insofar as they represented evidence related to the maintenance of friendly relations with Canada.

(f) It was also possible that, anticipating the submission by the four attorneys-general, the Solicitor General might find it necessary at the time of making his own submission to argue against the relevance of his own evidentiary material or analogous material except to the question of maintenance of friendly relations with Canada.

(g) In general, therefore, Pfund thought that there was a chance that the Special Master would determine the issues involved on the basis of a general theory of "equitable apportionment" among the United States riparian states and that this would effectively protect Canadian interests. He could not at the present stage give even an educated guess as to how great this prospect was. However, he thought it was in the common interest of our two governments to see whether the Special Master took his decision on this basis or on this basis plus consideration of maintenance of friendly relations with Canada; and to avoid disclosing our

different positions in regard to the international legal questions posed by the various relevant treaties.

4. I asked Pfund whether the Special Master would be bound under his terms of reference to take judicial notice of the existence of these treaties and to take them into account in determining the outcome of the issues before him. Pfund was inclined to think that the Special Master could take judicial notice of the treaties. However, it was unclear whether he would be fully obliged to apply them as regards their legal effect (as opposed to their effect as evidence relating to maintenance of friendly relations with Canada), unless either the United States or the Canadian Government requested him to do so. It was also unclear whether any of the states could insist on his examining the legal implications of the treaties. There were some authorities that could be cited against the existence of any right in the parties (other than governments) to assert the legal effect of the treaties. He referred me in particular to *Shiriot v. Florida* 313 US69 (1941) in which the state of Florida successfully challenged appellant's argument that Florida regulations prohibiting sponge fishing could not be applied outside the territorial waters of the state of Florida because these were coincident with United States territorial waters and extraterritorial effect could not be given to these regulations. The Supreme Court apparently held that such an assertion would not lie in the mouth of private individuals but only third parties, being governments whose interest might be adversely affected if such regulations were applied against them or their nationals.

5. I also asked Pfund to explore whether the Canadian Government could be assured of an opportunity to intervene *amicus* before the Supreme Court in the event that the Special Master's report were not satisfactory from the point of view of protecting Canadian interests. In other words, if we adopted the same attitude as the United States Government and decided to await the outcome of the Special Master's findings before getting into the international legal implications of the various treaties, would we thereby be estopped from a later intervention *amicus*? Pfund said that at the moment his understanding was that the Canadian Government could intervene at either or both stages, but he hoped to obtain further enlightenment during the talks with the Solicitor General on February 21.

E. R[ETTIE]

CHAPITRE IV/CHAPTER IV  
COMMONWEALTH

PREMIÈRE PARTIE/PART I

RÉUNION DES PREMIERS MINISTRES DU COMMONWEALTH,  
LONDRES, 10 AU 19 SEPTEMBRE 1962  
MEETING OF COMMONWEALTH PRIME MINISTERS,  
LONDON, SEPTEMBER 10-19, 1962

311.

DEA/50085-K-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 PM-10

Ottawa, February 20, 1962

CONFIDENTIAL. OPIMMEDIATE.

MEETING OF COMMONWEALTH PRIME MINISTERS

The Prime Minister would be grateful if you would convey the following message to Prime Minister Macmillan. Text Begins.

At the conclusion of the talks we had in Ottawa earlier this year with the Lord Privy Seal,<sup>1</sup> it was agreed that when the discussions with the EEC regarding Britain's application for membership had advanced further it might be desirable to examine what additional arrangements for consultation with Commonwealth countries would be necessary. It seems to me that the time may have come to give these arrangements further thought.

Canadian representatives in London and Brussels have been in close touch with those responsible for the British side in the negotiations with the EEC. We have cooperated with your delegation in Brussels by providing complete information on all aspects of Canadian trade interests relevant to your negotiations. We value these exchanges. However, the implications for the Commonwealth of Britain's membership in the EEC are so great that it is my view that a meeting of Commonwealth Prime Ministers should be held before a final decision is reached. I was pleased to note the indication you gave on February 6 in the British House of Commons that you would welcome a conference if Commonwealth countries thought it desirable. We have also had indications from a number of Commonwealth countries that such a proposal would be well received and I hope it will commend itself to you.

I look forward very much to reviewing these matters with you at the end of April.

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<sup>1</sup> Voir/See document 333.

312.

J.G.D./MG01/XII/D/37.3

*Le haut-commissaire suppléant du Royaume-Uni  
au premier ministre*

*Deputy High Commissioner of United Kingdom  
to Prime Minister*

SECRET

[London], March 30, 1962

Dear Mr. Prime Minister,

In the absence of the High Commissioner who is away from Ottawa for the weekend, I enclose a message from Mr. Macmillan to you about a Commonwealth Prime Ministers' Conference.

Yours sincerely,

R.W.D. FOWLER

PIÈCE JOINTE/ENCLOSURE

*Le premier ministre du Royaume-Uni  
pour le premier ministre*

*Prime Minister of United Kingdom  
to Prime Minister*

SECRET

[London], March 30, 1962

My colleagues and I have been giving a good deal of thought in the light of what is happening in the Brussels negotiations to the question when it will be most useful and convenient to arrange for collective consultation with the Commonwealth by means of a meeting of Prime Ministers on the major issues involved. I would like to take this opportunity of letting you know how we see the position.

2. My first thought was to suggest such a meeting some time during the next two or three months. But after reviewing the position I have come to the conclusion that if, as I understand it, the purpose of our meeting is to consider together the pattern which is emerging from the negotiations, a meeting at a somewhat later date would be more useful. Those negotiations have hitherto been largely confined to what may be called the essential ground work. They will now enter a new stage in that in the months immediately ahead, both sides will get to grips with the discussion of the main issues which are at the core of the negotiations – the nature and extent of the special arrangements which we must seek in respect of Commonwealth trade and on behalf of certain United Kingdom interests (mainly agriculture). Our expectation is that it will not be before the end of July or middle of August that we shall be able to see clearly the general nature of the arrangements which we should be able to secure and thus be in a position to make a broad judgment on whether or not an acceptable agreement is in sight.

3. If the momentum of the negotiations is not to be lost we should, I think, aim to hold our Commonwealth meeting as soon as practicable thereafter. Accordingly I would suggest that we might plan for a week's meeting in London beginning on say the 10th September. Although the formal business of the meeting would be mainly concerned with the subject of our relations with the EEC, Commonwealth Prime Ministers would no doubt wish to take this opportunity to discuss together the world situation.

4. No doubt on this occasion my colleagues might like to bring with them their Finance or Trade Ministers. In that case it might be convenient to regard the meeting as replacing the

meeting of Commonwealth Finance Ministers which normally takes place at that time of the year.

5. It would be very helpful to us if you could let me know whether you agree that a Prime Ministers' meeting for this purpose is desirable and if so whether you could manage the date I have suggested. I realise how difficult it is to arrive at a date which is convenient for us all, but I would hope that given the great significance of the matters which we shall have to discuss and the importance of getting the right timing in relation to the Brussels negotiations, a meeting in early September will prove possible.

6. I shall probably be announcing in Parliament next week that I am proposing to other Commonwealth Prime Ministers that a meeting should be convened for this purpose later in the year.

7. We are very grateful to Commonwealth Governments for all the help which they have given us in the consultations which have taken place during the period since the Brussels negotiations began (and indeed before they began). It will of course be our purpose to continue those consultations as fully as possible during the months of intensified negotiations which lie ahead. It may well be that we ought to think of new ways in which to improve our methods of consultation during this period. My colleagues and I would welcome any suggestions which Commonwealth Governments may care to put forward to this end. For instance, it might well be desirable to arrange for more frequent bilateral discussions at the Ministerial level by means of *ad hoc* visits either of Commonwealth Ministers to London (Mr. McEwen's present visit is a most helpful case in point) or of a United Kingdom Minister to Commonwealth countries (like the Lord Privy Seal's recent visit to Ottawa). The point which I wish to emphasise is that we here will be very willing to do whatever we can to improvise during this 'intermediate' phase whatever revised arrangements may be thought desirable to facilitate the fullest possible consultation with Commonwealth Governments without sacrificing the important time element in the Brussels negotiations.

313.

DEA/12304-B-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 175

Accra, May 2, 1962

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 165 Apr 27.†

GHANA AND COMMONWEALTH

In anticipation of Commonwealth Prime Ministers' meeting President Nkrumah now seems to be thinking seriously about whether Ghana should stay in Commonwealth. His thinking is undoubtedly based on the supposition that Britain has definitely decided to join EEC. There is very real possibility that he will make such a British decision the occasion for Ghana to leave Commonwealth. As matters stand now it is virtually certain that he will consider unacceptable each and any arrangement for Commonwealth countries negotiated by Britain with EEC. I have recently witnessed the vigorous and outright rejection of British High Commissioner's latest brief for the Common Market by Dei Anang, the President's closest adviser on international affairs. Conceivably Ghana might threaten to leave Commonwealth as a bluff to stir up pro-Commonwealth and anti-European sentiment in Britain and thus force the British

Government to stay out of EEC. But this is probably too subtle a manoeuvre for Ghana. I am afraid that Dr. Nkrumah has made up his mind that the Common Market is a neo-imperialist conspiracy and that Britain's application to join is in a class with what he thinks of as British policy in Katanga, Rhodesia and Angola.

2. I do not repeat not want to be alarmist but the consequences of Ghana's departure from Commonwealth could be disastrous. Ghana might well be followed out by Tanganyika, in which case Kenya probably would not repeat not join at all. Nigeria and even Sierra Leone would come under serious domestic pressure to follow suit. The loss of its African members would be a grievous blow to the continued existence of Commonwealth and to its utility.

3. You know that President Nkrumah's attitude toward Commonwealth has always been ambivalent. I am convinced that now is the time to try to influence his thinking and that Mr. Diefenbaker is perhaps the only person at this time to whom he will listen on this subject. I urge that you give careful thought to recommending that Prime Minister write to Dr. Nkrumah about the future of Commonwealth, to begin with seeking his views. In response to these our own case could be put. In my Letter 195 April 18<sup>†</sup> I pointed out the essential weakness of the anglocentric concept of Commonwealth now that Britain is turning toward Europe. If we want the Commonwealth to survive in a multiracial form it is, I think, up to Canada to bring it home at least to Ghana that there is more to Commonwealth than simply British connection. We must also remind President Nkrumah that his African associations need not repeat not conflict with Commonwealth membership. This needs saying because I think he is being told, particularly by his Arab friends, that they do. Nor should we neglect the positive aspect that Commonwealth membership is a means by which access can be had to the thinking of leaders on every continent.

4. I realize that because of the election Prime Minister will be much preoccupied. I hope he would agree, however, that the importance of the issue justifies special consideration.

[BRUCE] WILLIAMS

314.

DEA/12304-B-40

*Note du chef de la Direction du Commonwealth  
pour le sous-secrétaire d'État aux Affaires extérieures*  
*Memorandum from Head, Commonwealth Division,  
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], May 11, 1962

GHANA AND COMMONWEALTH: DRAFT LETTER,  
PRIME MINISTER TO PRESIDENT

In Accra telegrams 175 and 176<sup>†</sup> of May 2, Bruce Williams discussed President Nkrumah's uncertainties about Ghana's remaining in the Commonwealth, particularly in the light of the possibility of Britain's entry into the E.E.C. He suggested that a message from our Prime Minister to President Nkrumah might have a salutary effect at this time.

2. The Prime Minister was apparently interested enough in Mr. Williams' suggestions to indicate that he would wish to write to Dr. Nkrumah but in more general terms than Accra indicated.

3. I attach a draft letter<sup>†</sup> for your consideration. It is the product of consultation with Basil Robinson, Economic Division and African and Middle Eastern Division.

4. In an earlier draft we had suggested attaching the text of the Prime Minister's address to the Royal Commonwealth Society in Toronto<sup>2</sup> to the letter. On second thought, however, it might be more attractive to have the High Commissioner hand this text over. It would also give him an excuse to see Dr. Nkrumah personally.

5. Some thought was given to sending this message by telegram for delivery by Mr. Williams. On balance, however, it would seem more personal and relaxed to have a signed letter go forward by bag. We would let Accra know by telegram that it was coming.

6. Mr. Robinson hopes we might be able to process this draft today for presentation to the Prime Minister tomorrow.

L.A.D. STEPHENS

315.

DEA/12304-40

*Le premier ministre  
au président du Ghana*

*Prime Minister  
to President of Ghana*

CONFIDENTIAL

Ottawa, May 14, 1962

My dear Mr. President,

Now that a date has been set for the next meeting of Heads of Commonwealth Governments, I have been giving thought, as I am sure you have, to the course the discussions will follow and the range of topics which we might profitably consider. While there are many important international matters which it would be valuable to talk over, I believe that undoubtedly the subject of greatest importance and concern at this meeting will be the possibility of Britain's entry into the European Economic Community and its implications for the Commonwealth. In the light of this problem I have been devoting a good deal of thought to the future of the Commonwealth and have been thinking of how it may develop, what character it should take on as its membership grows and how we may be able to direct and strengthen it so that it will continue and increase its power for good in the world. In this connection, I am asking the High Commissioner to provide you with a copy of notes for an address I gave recently which sets out some of my ideas on the significance of the Commonwealth and the lines along which it might develop.

I know that you must have been giving serious thought to these problems. At the moment the picture is not too clear. However, as negotiations in Brussels progress and as arrangements for the Commonwealth meeting become firmer, I see merit in our exchanging views. It would be of particular interest to me to learn of any ideas you have for the Commonwealth's future.

I am much looking forward to seeing you again in September and resuming personal discussions with you.

Yours sincerely,

JOHN G. DIEFENBAKER

<sup>2</sup> Voir John G. Diefenbaker, « Discours sur ce que représente le Commonwealth, » <http://www.collectionscanada.gc.ca/premiersministres/h4-4016-f.html>.  
See John G. Diefenbaker, "Address on What the Commonwealth Represents," <http://www.collectionscanada.gc.ca/primeministers/h4-4016-e.html>.



316.

DEA/50085-K-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 2408

London, July 4, 1962

CONFIDENTIAL

Reference: Our Tel 2048 Jun 6.†

Repeat for Information: Prime Minister's Office (Mr. Robinson) from Ottawa.

## COMMONWEALTH PRIME MINISTERS' MEETING

Prime Minister Macmillan's Private Secretary for Overseas Affairs, de Zulueta, in recent luncheon conversation speculated regarding handling of Common Market problem at Commonwealth Prime Ministers' meeting. To begin with, he said that there was a possibility that negotiations with the Six would not repeat not have reached a stage that would enable British Government to present Commonwealth Prime Ministers with outline of terms of a possible agreement with Six. He did not repeat not suggest what Prime Ministers might discuss in these circumstances.

2. Continuing, he said that it was also possible that British Government would have concluded that it would not repeat not be possible to reach an agreement with Six that it could recommend to its Commonwealth partners: in other words, the deal would be off. In these circumstances the conference might discuss "Where do we go from here?"

3. De Zulueta then said that the possibility that would be most likely, in his view, was that the outline of a possible agreement with Six would be presented. In this case he thought it unrealistic to expect that Prime Ministers of other Commonwealth countries would be able to express positive approval. The best that Britain might hope for was more or less grudging consent to Britain's entry into agreement with Six. He then went on to say that Commonwealth Prime Ministers might in some way indicate that Britain's entry into EEC would be tolerable if proposed terms could be improved in certain respects. British Government might then go back to Six, say that in light of Commonwealth reactions they would have great difficulty in persuading Parliament to accept the terms tentatively agreed upon, and ask that they be improved. The advantages of such a development would be that Commonwealth countries would not repeat not be presented with a *fait accompli*; the greatest possible pressure would be exerted on the Six for better terms; and better terms might very well be obtained.

4. In the course of conversation, de Zulueta said that he thought British Government would have to make plain to Commonwealth partners that it was seeking their views on a proposed line of action but that in the end British Government would have to take its final decision in light of comments of Commonwealth Prime Ministers: the Commonwealth countries would not repeat not be able to veto action by British Government.

5. De Zulueta echoed Garner's suggestion that it might be found [desirable] for the conference to break up into committees for detailed discussions on such problems as temperate foodstuffs, tropical products, etc. (see paragraph 4 of reference telegram). One objection to such a procedure was that the conference would in effect break up into racial blocs.

6. Anticipating that the forthcoming conference would be a very difficult one, de Zulueta agreed that there was some possibility that some Commonwealth countries particularly African ones might withdraw from Commonwealth; Ghana might, for instance, start an unravelling

process. This prospect did not repeat not seem to perturb him in the least: in fact, he said that it might not repeat not be a bad idea if some of the new members were to withdraw.

7. The opinions expressed by de Zulueta were presumably personal. We think it significant, however, that a man in his position should express them.

317.

J.G.D./VI/812.3 (1962 Conf.)

*Le président du Ghana  
au premier ministre*

*President of Ghana  
to Prime Minister*

Accra, July, 1962

My dear Prime Minister,

I am writing to acknowledge receipt of your letter of the 14th May, 1962, regarding the next meeting of Commonwealth Prime Ministers. I also thank you for the copy of the notes on your address which sets out some of your own ideas on the significance of the Commonwealth and the lines along which it might develop in future.

I need not bother you much, at this stage, with my own ideas on the Commonwealth which, as you know, are almost identical with yours. For this reason, I have found your address not only interesting, but also illuminating. I am happy that you share the same fears about the future role of the Commonwealth as I do, and with this as a basis, I am sure we can find a common solution when we meet next.

I have for some time now been thinking of the repercussions on the Commonwealth of Britain participating in the European Economic Community, the inter-racial question in the Rhodesias, Kenya and Tanganyika and the advisability of a Commonwealth stand on the major issue of disarmament.

These are the main points which have engaged my attention recently, and I hope to be able to send you some notes on my ideas regarding them in the near future, when I also hope to touch on the other aspects you referred to in your address.

Yours sincerely,

KWAME NKRUMAH

318.

DEA/50085-K-40

*Note du secrétaire du Cabinet  
pour le premier ministre*

*Memorandum from Secretary to Cabinet  
to Prime Minister*

CONFIDENTIAL

[Ottawa], July 26, 1962

COMMONWEALTH PRIME MINISTERS' CONFERENCE;  
PROCEDURAL QUESTIONS

As a result of a number of telegrams that we have received in recent weeks from London, it now appears that it is desirable to formulate at least preliminary views on several points relating to the agenda and procedure of the meeting.

In regard to agenda, the United Kingdom are assuming that Prime Ministers will wish to discuss mainly the proposed terms of Britain's entering the EEC and the problems it raises, but also international affairs in general and the entrance of Uganda to the Commonwealth.

The entrance of Uganda should not occasion much discussion and seems to present no problem in finding room on the agenda. The discussion of international affairs in the growing group could take any amount of time that Prime Ministers wish to devote to it and I would think it desirable to postpone it until after the United Kingdom – EEC matter has been pretty largely disposed of. This would mean commencing with this latter item and then going on to Uganda, say, and then the international situation. I would suggest we tell Mr. Drew that this would be your preference.

In regard to programme, the British are suggesting that the first week be primarily devoted to the Common Market problem, opening with a discussion, with the Prime Ministers only at the table, of the political implications and following with discussions of economic implications, first in general sessions and then possibly in groups dealing with particular subjects, such as the temperate agricultural products, low cost manufactures, possible association of African territories, etc.

I would suggest that we might reasonably agree to this general arrangement. There will be problems arising out of division into groups but I do not see that we should have particular objections to them. Moreover, it seems to me tactically desirable that we should be as agreeable as possible on these procedural matters and save our comments for the matters of substance.

The United Kingdom have also suggested that the Secretary of State, as he now is, for Commonwealth Relations and Colonies might have colonial representatives present to speak if called upon in the discussion of the economic implications. It seems to me it would be better that this would be limited to the group or committee meetings rather than the plenary sessions. I think this is primarily desirable because of the possible effect on the Asiatic and African members who are jealous of their independence. Sandys should be able to speak to the problems relating to the colonies from the vantage point of his rather ambiguous position now.

Sir Norman Brook has suggested it might be desirable not to have a communiqué. I think he has this in mind not only because of the substantial division of opinion and the danger of having to record a lot of dissenting opinions, but also with the increasing number of Prime Ministers it will get progressively more difficult to reach agreement on anything worth saying in the communiqué.

I think it would be undesirable to make such a serious break with tradition as to have no communiqué at this conference and this might be twisted in Parliament here and in other circles to suggest that there was so much disagreement that no communiqué was possible.<sup>3</sup> On the other hand, there is something in Brook's view. I would therefore suggest that it be decided and announced at the beginning that the communiqué will be short and factual without containing expression of views on the matters of substance to be discussed and that this is being done to save time for the substantive discussions and to avoid the expenditure of time and effort on the part of Prime Ministers that would be necessary to reach agreed phraseology on matters that inevitably involve considerable divergence of view at this time. I think this would create a situation that makes it more difficult to attack and easier to defend.<sup>4</sup>

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<sup>3</sup> Note marginale :/Marginal note:  
Prime Minister agrees. R.B. B[ryce]

<sup>4</sup> Note marginale :/Marginal note:  
P.M. not sure. Don't bind ourselves. [R.B. Bryce]

In general, of course, there is some suggestion that the conference may have to be postponed because the British will not have concluded their negotiations with the Europeans nor carried them far enough to be able to outline all the matters of importance to Commonwealth countries. While we will know more about this in another two or three days following the present Ministerial meetings, I would suggest as a preliminary view that it is better not to postpone the conference but to go ahead and have the talks at this time despite the lack of some important details. Indeed, we might capitalize on this situation to put forward the view which has been outlined in a paper from External Affairs† that these negotiations over the terms of entry should be combined now with trade negotiations in which the United States, EEC, Commonwealth members of GATT and others would be involved, taking advantage of the new U.S. trade legislation and endeavouring to solve by multilateral negotiation some of the problems that are inevitable if and when the United Kingdom enters the Common Market.

R.B. B[RYCE]

319.

DEA/50085-K-40

*Extrait d'une lettre du haut-commissaire en Inde  
au sous-secrétaire d'État aux Affaires extérieures*  
*Extract of Letter from High Commissioner in India  
to Under-Secretary of State for External Affairs*

LETTER NO. 503

New Delhi, August 6, 1962

CONFIDENTIAL

COMMONWEALTH PRIME MINISTERS' CONFERENCE –  
INDIA'S PRESENT INTERNATIONAL POSTURE

When the Commonwealth Prime Ministers assemble in London in September, I understand that discussions will not be confined to the Common Market and that, in any event, there will be opportunities for informal exchanges of views on various international questions. As a result of [the] firm Canadian position on South African membership and the good will which the Indian Prime Minister feels towards Mr. Diefenbaker and Canada generally, our Prime Minister may find himself in a special position vis-à-vis Mr. Nehru during the London talks. Unfortunately, developments since the Prime Ministers last met have served not only to foster disillusionment in some Western quarters regarding Indian good faith and impartiality, but also to enhance Indian suspicions of Western motives. The meeting may provide an opportunity to mend some fences, particularly between the United Kingdom and India, and also to re-establish, at least in the Commonwealth context, some of the mutual trust which I am afraid has been lost in the interval. It seems pertinent, therefore, to attempt to place in perspective those events of the past eighteen months which appear to have put India on the defensive in the conduct of her foreign affairs and to have brought into question her policy of nonalignment.

2. The last Conference of Commonwealth Prime Ministers was able to reach general agreement on such subjects as disarmament, nuclear tests, U.N. action in the Congo, and the need for a solution in Laos. Of these subjects only the Laos problem has been brought to some sort of satisfactory solution and the part played by the British co-chairman has been recognized in India. On the other hand, events in the Congo, for example, have during the past year tended to sour Indo-British relations. The Indians, who feel with justification that they are making a major contribution to the carrying out of the U.N. mandate in the Congo, are not convinced that the British Government is equally firm in its resolve to bring about a reunification of the country. British financial interest in Katanga, the controversy about bombs for the Indian

Canberras, and Southern Rhodesian support for Tshombe, are only some of the factors which have prompted Indian suspicions.

3. From the Western point of view India failed to react appropriately on two major international issues last summer. The first occasion was the East German problem and the construction of the Berlin wall. Although Mr. Nehru showed an understanding and sympathy for the human problems created by the wall, his stand on the question of German reunification and self-determination for the German people continued to be equivocal, to the detriment of India's relations with West Germany. The Indian Government has continued, however, to avoid any action with regard to East Germany which might upset its diplomatic relations with the Federal Republic and, although the West Germans are frustrated by Indian failure to recognize self-determination as a valid concept outside colonial areas, they appreciate Indian correctness in dealing with the two Germans. Soon after the construction of the Berlin wall, the Soviet Union administered a further shock to Western governments and public opinion by the breaking of the nuclear test ban. Once again, the Indian Government failed to make as clear cut a denunciation of the Soviet action as the West would have liked. Mr. Nehru was, of course, restricted to some extent in his freedom of action at that particular time by the fact that right after Belgrade he was to make an official visit to the Soviet Union. His qualified expressions of regret over Soviet action, which were perhaps as much as he could produce in the circumstances if he wished his Russian visit to be at all productive, were not satisfying, however, to a Western public genuinely upset by the violation of the test ban and accustomed to Mr. Nehru taking a firm stand on this issue. In subsequent U.N. discussion it was fortunate for Indo-Canadian relations that Canada was able to support the Indian initiative for an immediate cessation of all nuclear testing.

4. At the Belgrade Conference India played an important moderating role and was largely responsible, with the help of certain other delegations, for preventing the Conference from degenerating into a violent attack on the old colonial powers and thus further souring already bitter international feeling.<sup>5</sup> One of the complementary results of the Indian attitude at Belgrade was, however, the creation of a suspicion in a number of Afro-Asian countries that India was not as dedicated an anti-colonial power as she should be if she hoped to maintain her position of leadership in that group. There were many other domestic and international factors which contributed to the Indian decision to occupy Goa, but the effect of Afro-Asian opinion and the strength of anti-colonial feeling prevailing at Belgrade should not be discounted.

5. The explosion of Indian nationalism and sudden impatience which Goa represented had a most detrimental effect on India's relations with the West. The West may perhaps be excused for not realizing the importance of Goa to India because India had not mounted any notable political and diplomatic campaign which would suggest that her patience with Portugal was reaching an end. Nor did it seem in keeping with the course of Indian policy that resort to military measures would be made in the absence of serious provocation. Indian leaders not only failed to create a favourable international climate by appearing to exhaust peaceful means before they began the movement of troops but also they did not foresee that that failure would involve intense emotional reaction to their military measures on the part of Western governments, press and public.

6. The injection of the Kashmir issue into international debate could not have been timed more inappropriately from the point of view of Indo-Western relations already exacerbated by the Goa incident. Pakistan had, of course, indicated its intention of reactivating the Kashmir question before India's seizure of Goa, but clearly regarded that seizure as an asset to its cause.

<sup>5</sup> Voir/ See Robert B. Rakove, *Kennedy, Johnson, and the Nonaligned World* (New York: Cambridge University Press, 2013), pp. 69-82.

Although the Indian Government was certainly well aware that neither the British nor the Americans had been enthusiastic about a Kashmir debate either before or after the Goa incident, this sort of private knowledge is difficult to communicate to a general public already emotionally worked up about Indo-Pakistani relations and ready to impute the worst motives to the leading Western powers. The course of the last Security Council discussions on this subject and the wide newspaper coverage of the manoeuvres which preceded the tabling of the Irish resolution provided excellent public evidence (which sensitive Indian opinion is often deliberately seeking) that the U.S.A. was determined to back the position of its military ally, Pakistan, regardless of the cost in terms of Indo-U.S.A. friendship. The only winner in the Kashmir fracas was the Soviet Union which had already taken a few laurels as a result of its stand on Goa.

7. Without embarking upon a discussion whether SEATO or CENTO have been instrumental in frustrating Soviet designs in South Asia, it seems safe to say that the inevitable and surely foreseeable result of U.S. policy towards Pakistan has been Indian determination to keep abreast of Pakistan in modern armaments. This determination has culminated, at a most unfortunate time, in Indian interest in the supply of MiG aircraft by the Soviet Union. The leak regarding Indian intentions occurred when the U.S. Aid Bill was making its shaky way through a Congress upset by Goa and Mr. Krishna Menon. It is unlikely that the Indians anticipated publicity at that moment for enquiries which apparently were only then in a preliminary stage and one should not dismiss the suspicion that some of Mr. Menon's enemies may have been responsible for the leak, knowing full well the effect it would have abroad. Regardless of what one may think of the advisability, in terms of India's independence and political future, of a decision to buy and subsequently manufacture Soviet MiG aircraft, it is necessary not to lose sight of the fact that India's actions in this matter have been affected primarily by U.S. policy in Pakistan, by Western and particularly British apparent indifference to public political pressures on the Indian Government to match Pakistan, and by the increasingly serious foreign exchange problems which this country is facing. More recently there has been the additional factor of the unambiguously critical situation on the China border which has made apparent the desirability of developing warmer relations with the Soviet Union.

8. In the foregoing paragraphs, we have been discussing the events of the past year which have most closely affected India's relations with the West. It is not only in this field that India has been having its difficulties. In her relations with her immediate neighbours, India has also been plagued with problems and there is little to show in the way of progress in this balance sheet either. Chinese pressure on India's northern borders has continued unabated and, with the expiration of the Sino-Indian Treaty of Friendship in June of this year, the last traces of the Panch Sheel relationship<sup>6</sup> between India and China disappeared. Until a month ago most of the Sino-Indian exchanges continued to be verbal and written rather than physical, but the most recent incidents in Ladakh indicate a potentially explosive situation.<sup>7</sup> There is no sign that the Chinese intend to slacken their pressure on India and the constant Indian worry regarding Chinese intentions already shows signs of affecting Indian foreign policy decisions on matters other than MiGs of interest to the Soviet Union.

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<sup>6</sup> Voir « Accord (avec échange de notes) concernant les échanges commerciaux et les relations entre la région chinoise du Tibet et l'Inde, le 29 avril 1954 ». Nations unies, *Recueil des Traités*, vol. 299, n° 4307. See "Agreement (With Exchange of Notes) on Trade and Intercourse Between Tibet Region of China and India, April 29, 1954," United Nations, *Treaty Series*, Vol. 288, No. 4307.

<sup>7</sup> Voir/See document 382.

13. Thus, although India received a record number of heads of state over the past eighteen months and sent a record number of ministers and diplomatic representatives to the four corners of the world, the present overall picture of Indian foreign relations is not a happy one, either from the Indian or the Western point of view. In the context of East-West relations, India is encountering increasing difficulty in appearing to pursue a non-aligned foreign policy. Perhaps this is mainly the result of the fact that such a policy, if it is to be active rather than passive, must by each move produce negative reactions from one side or the other. Unlike the situation in countries which are firmly bound to one bloc or the other or are of minor importance in international terms, India starts out with two strikes against her. It is the dawning and rather bitter realization of this fact which accounts in large part for Indian reaction to criticism abroad – a reaction which is sometimes pained but often (and this has been increasingly evident in recent months) defiant. I have no doubt that Prime Minister Nehru has every intention of continuing the policy of nonalignment upon which rests his whole concept of India's world position and that his interpretation of what may be considered deviations from this policy would not be the same interpretation which might be made in Western capitals. It is worth noting as a factor in Indian psychology that it is a long time since India has been publicly attacked for pro-Western attitudes by the Soviet Union or European satellites (although China and North Viet Nam have been vigorous) and that this provides a contrast with Western reactions to apparently pro-Soviet moves.

14. India's quarrel with China has made it essential for India to placate the Soviet Union, and thus to take steps which seem to veer away from nonalignment. In a somewhat similar fashion, India's desire to play a leading role in the Afro-Asian bloc – not least in order to consolidate her position before China has the means to play a fuller role in the destinies of this group – has forced India into taking a more rabid anti-colonial line than previously. The Indians are, of course, basically anti-colonial but in the past they have taken a moderate approach to the question of time-tables for independence and the need for adequate preparations and safeguards. It now appears, however, that they have decided that they must adopt a stronger line, and, after the liberation of Goa, India's attitudes on African colonial questions in the United Nations have hardened. It is on the question of Southern Rhodesia, for example, that Canadian and Indian views seem most likely to diverge at the XVII Session of the General Assembly.

15. A further difficulty which seems to plague the Indian Government in the conduct of its foreign affairs is its apparent inability to develop and carry to fruition long term foreign policy objectives in various fields. There seems to be a gap between the rhetorical enunciation of principles such as non-alignment or the Panch Sheel and the approach to individual decisions, which has yet to be filled by coherent broad policies. Indeed the tendency to take pragmatic decisions on the basis of existing circumstances often seems to interfere with the development of a consistent policy or even to be considered as an effective substitute for such a policy. India's relations with her immediate neighbours provide excellent examples of how the pendulum swings back and forth without any evidence of a clear goal or a planned attempt either to inspire confidence or to maintain fundamentally good relations. In a broader field India's attitude towards South-East Asian problems is another example of apparently inconsistent and essentially expedient decisions which do not reveal any basic pattern governing Indian interests apart from a desire somehow to maintain the uneasy status quo and resist the spread of Chinese influence. The Indian decision to push ahead with the subversion question in the Vietnam Commission<sup>8</sup> was an acknowledgement (delivered tardily and somewhat grudgingly) of the facts of the situation. Their decision was, for them, a big step

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<sup>8</sup> Voir/See documents 563, 564.

forward and in Canadian-Indian terms was a milestone in the history of cooperation in the Indo-China Commissions. On the other hand, the subsequent Indian dismay at the adverse reaction from the Communist Bloc countries to the Commission's Special Report would indicate that India is still reluctant to take any radical decision to play a more active role in the counteracting of Chinese influence or expansion in South-East Asia.

16. It is this seemingly unplanned nature of Indian foreign policy which I think provides evidence for presuming that the current swing in favour of the Soviet Union is the result not of any deliberate Indian intention to forsake its Western connections, but rather of circumstances which have both forced India into seeking Soviet assistance and moral support and provided the Russians with convenient opportunities to play the role of the disinterested helper. Some of the circumstances are ones over which Western countries have little or no control, i.e. Sino-Indian border problems, and others are undoubtedly the fault of the Indians themselves in that they have been too engrossed with their own internal problems and perhaps too confident (where their own interests are involved) that "might is right" to take adequate steps to establish good relations with their immediate neighbours. However, both the U.S. and the U.K. in recent months have made it easy for India to turn towards the Soviet Union.

17. One other factor which must be mentioned in connection with the trends in Indian foreign policy in recent months is the question of Prime Minister Nehru's health and whether he is, as a result of his recent illness, losing his grip on the conduct of Indian affairs. A suspicion has been growing in the minds of various observers that Mr. Nehru's strength and influence is in fact declining and that as this decline takes place, Mr. Krishna Menon is having his way more and more in foreign policy matters. Frankly, I believe that it is too early to tell whether such a situation exists although there is some evidence that the Prime Minister has been less decisive in recent months. It is certainly true that Menon had his way in the handling of the Kashmir debate after the Prime Minister was taken ill, that his views have probably had a strong influence on the attitude of the Indian Delegation to the disarmament talks in Geneva, and that, as Defence Minister, he has been intimately connected with promoting the MiG deal.<sup>9</sup> Menon is one of the stronger and more decisive members of the Cabinet, and the fact that he has, in contrast to his Cabinet colleagues, consistently taken an interest in foreign affairs, would naturally place him in a position of authority and influence if the Prime Minister were not in control of the situation himself. I believe, however, that it would be misleading to suppose that there is any basic difference of view between Mr. Nehru and Mr. Menon or that Mr. Nehru's frequent defences of Mr. Menon are not sincere and genuine. Perhaps the main point to be borne in mind about Mr. Menon is that, although he is still looked upon with suspicion in many Indian circles both in and out of the Congress Party, he has been able to develop, particularly in the last year, an image of himself in the Indian public mind as being associated with Indian national causes. Goa and Kashmir are two of the more prominent examples. More recently, the Indian right to buy military aircraft from whatever source was upheld by all Indian political parties and the press. These three are all subjects on which there has been widespread criticism of the Indian attitude in Western circles. Thus it would seem that Western reactions sometimes help Mr. Menon's cause. It seems to me that one of the main ingredients in an improvement of Indo-Western relations would be a willingness on the part of the Western countries to accept the Indians for what they are, i.e. a developing country whose national interests come first, rather than for what the Gandhian heritage would have them be, i.e. a nation which is capable of submerging its national interests in order to play a special role in international affairs.

<sup>9</sup> Voir/See Ian C.C. Graham, "The Indo-Soviet MiG Deal and Its International Repercussions," *Asian Survey*, Vol. 4, No. 5 (May, 1964), pp. 823-832.



18. The situation on the eve of the Commonwealth Prime Ministers' Conference may be summed up as follows:

- (1) Indo-British relations have been strained by events in the Congo, the MiG controversy, the Indian attitude on colonial questions at the United Nations, the Common Market negotiations, problems of aid and the passing of the Commonwealth immigration bill;
- (2) India's conduct of her foreign relations has been the subject of much criticism in the West the net result of which has been to put India on the defensive and to engender almost an aggressive attitude in reply to Western criticism;
- (3) These factors are aggravated by:
  - (a) India's nervousness regarding Chinese intentions and her consequent desire to keep the Soviet Union, if not on her side of the fence, at least astride it;
  - (b) India's financial difficulties and her concern about aid in the short term and trade in the long term;
  - (c) The basic instability in foreign policy which is threatened if Mr. Nehru is in fact losing his grip and a struggle for power is starting.

Canadian-Indian relations have suffered no serious reverses in the period since the last Commonwealth Prime Ministers' Conference. They may be affected negatively by:

- (a) Different points of view caused by different primary product problems arising out of Britain's entry into the Common Market although there is common interest in manufactured goods;
- (b) Canada's present inability to do much to assist in solving India's financial difficulties;
- (c) The differing Canadian approach to the problem of how to achieve a satisfactory solution in the Central African Federation.

On the credit side of Canadian-Indian relations are the following:

- (a) We have not been publicly associated with the Kashmir controversy, nor have the motives behind our aid been questioned, nor did the Indians impute to us the motives which they believed were behind the American reaction to Goa;
- (b) Canadian-Indian cooperation in Indo-China continues and provides a solid basis for further close relations now that our differences on Laos have disappeared;
- (c) Canadian and Indian policies towards U.N. action in the Congo may differ in emphasis and method but are fundamentally the same;
- (d) Canadian and Indian views are close to each other on the subject of nuclear testing;
- (e) There is still a reserve of good will for Canada in India and a strong and pleasant recollection of Canada's role on the question of South Africa. Only a few weeks ago Foreign Secretary Desai told me that Mr. Nehru can, in present circumstances, talk more frankly and easily to Mr. Diefenbaker on India's difficulties in particular and world problems in general than he can with Mr. Macmillan or any other Commonwealth Prime Minister.

A.G. CAMPBELL

320.

DEA/50085-K-40

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

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

TELEGRAM 2862

London, August 8, 1962

CONFIDENTIAL. PRIORITY.

Repeat for Information: T&C Ottawa, Washington, Brussels, Geneva, OECD Paris, Paris, Bonn, Hague, Rome, T&C London (Priority), Finance, Agriculture, PCO, Bank of Commerce Ottawa (Priority) from Ottawa.

By Bag: Vienna, Oslo, Stockholm, Copenhagen, Berne, Lisbon, Canberra, Wellington from London.

COMMONWEALTH PRIME MINISTERS' CONFERENCE SEPTEMBER –  
VARIOUS POSSIBILITIES

Now that first phase of Britain's negotiations with six members of EEC on possible terms of British entry into European Community has ended, certain matters relating to Commonwealth Prime Ministers' Conference are becoming clearer than they were. First point is that British Government has no repeat no thought of proposing a postponement of the conference: this was made perfectly clear by Heath, speaking with Prime Minister's authority, at briefing of Commonwealth representatives yesterday. Second point is that, judging from Heath's attitude yesterday and other indications, it is most unlikely that British Government will decide either before or during the conference that negotiations with Six cannot repeat not be brought to a conclusion that British Government would regard as acceptable. It appears that British Government's intentions are as follows:

(a) To present to Commonwealth Prime Ministers the results to date of its negotiations with Six;

(b) To discuss with Commonwealth Prime Ministers the proposal for Britain's participation in European economic and political integration; the terms of Britain's entry into EEC that have been agreed tentatively with Six; and points on which there is as yet no repeat no tentative agreement;

(c) After Prime Ministers' Conference to engage in further negotiations with Six and further consultations with Commonwealth and EFTA countries (in answer to a question Heath said yesterday that it would be for Prime Ministers themselves to decide whether another Commonwealth Prime Ministers' Conference should be held); and

(d) Eventually to decide whether or not repeat not to recommend to British Parliament that Britain enter EEC. (British Government's decision will doubtless be based on its assessment of what Parliament and British people can be persuaded to accept. British Government will certainly take into account views that may be expressed by governments of other Commonwealth countries, but it does not repeat not recognize that they have a right to veto its action.)

2. At Commonwealth Prime Ministers' Conference, British Government may well attempt to turn to its own advantage incomplete nature of provisional terms that have been worked out with Six. By presenting Prime Ministers with an incomplete picture, British Government may hope to inhibit their adopting extreme negative positions. When it resumes negotiations with Six after Prime Ministers' Conference it may hope to use such objections as Commonwealth Prime Ministers might have expressed to exert pressure on the Six for better terms. In this

connection it is worth pointing out that Heath emphasized yesterday that agreements reached with Six are all provisional agreements. From this it may be inferred that various elements on provisional agreements might be re-opened by either side. Heath implied that if Commonwealth Prime Ministers should urge British Government to seek better terms in any particular case, British Government would be prepared to express its judgment as to whether the matter was negotiable or not repeat not. Heath made it clear that British Government would seek the advice of Commonwealth Prime Ministers on particular issues that have not repeat not yet been tentatively resolved in negotiations with Six. Taking aluminium as an example, he said that British Government would like to know whether we would prefer an arrangement that would give us free entry into British market with no repeat no change in CET, or a lower tariff applicable to whole Community including Britain.

3. It is to be expected that British Prime Minister will place before his colleagues:

- (a) Economic arguments of a general character in favour of Britain's entering EEC;
- (b) Economic arguments of a particular character addressed to individual Prime Ministers (e.g. that in any case Britain would not repeat not be able to tolerate indefinitely free entry of Canadian manufactured goods); and
- (c) Arguments in support of Britain's participation in European political integration. We are working on a paper setting forth some of political arguments that British Prime Minister is likely to use.

4. Possibility that British Prime Minister may ask for alternative proposals re Commonwealth trade if reactions of Commonwealth Prime Ministers to British proposals are negative should not repeat not be excluded.

321.

DEA/50085-K-40

*Le premier ministre du Royaume-Uni  
pour le premier ministre*

*Prime Minister of United Kingdom  
to Prime Minister*

CONFIDENTIAL

[London], August 13, 1962

You will have received from your High Commissioner in London as well as from your representatives in Brussels full and detailed accounts of the Brussels negotiations as they have proceeded day by day. Now that we are within a very few weeks of the opening of the Prime Ministers' Meeting, I feel I should write to you about the general position that has been reached.

2. When we were trying to find the best date for the Prime Ministers to meet, I was conscious of two factors which we had to bear in mind. First it was not going to be easy to find a date suited to the different political commitments of no less than 16 Prime Ministers. I am deeply grateful to you and our other colleagues for falling in with the date which seemed to be generally convenient. The second difficulty was to foresee six months ago the date by which the negotiations would have reached the point at which this Commonwealth Meeting would be most fruitful. In the event I think that things have worked out reasonably well. I have always wanted to avoid a situation in which we might have appeared to be presenting some cut and dried scheme. On the other hand I have always felt that the Meeting would be of little value if the proposition were so little defined that there was nothing that anybody could really get hold of. I am glad to think that as things have turned out we have steered successfully between Scylla and Charybdis.

3. We have not yet been able in the Brussels negotiations to bring matters to a provisional conclusion on every one of the issues which would have to be settled before we could make our final decision about joining the European Economic Community. But we have been able to reach provisional conclusions on most of the important sectors which are of concern to other Commonwealth Governments and we have had useful preliminary discussions on most of the remaining topics. We shall thus be able to put before you and the other Commonwealth Prime Ministers at our meeting in September a reasonably comprehensive outline of the terms on which we might be able to join the Community, if we decided to do so. I am having a paper prepared containing this outline and it will be sent to you at the earliest practicable moment. It will consist in the main of the conclusions reached on the various sectors of the negotiations and much of it will already be familiar to you as a result of the close contacts we have maintained with your representatives both in London and in Brussels.

4. The general position is as follows. We shall have in front of us proposals covering the treatment of manufactures from the developed Commonwealth countries and the broad principles to be applied in the field of temperate agricultural products, although the detailed treatment of most individual commodities still remains to be discussed. With the exception of processed agricultural products and certain important industrial materials this covers most of the matters of concern to Canada, Australia and New Zealand.

5. We shall also have in front of us proposals on the treatment of the trade of India, Pakistan and Ceylon (with the exception of certain items).

6. In addition we shall have available for consideration a statement regarding the association with the Community under Part IV of the Treaty of those independent Commonwealth countries in Africa and the Caribbean who desire it as well as of the great majority of those territories who are still British Dependencies.

7. Since there are still some important gaps in the picture as regards the Commonwealth and also as regards some questions of domestic interest to the United Kingdom, particularly agriculture, we should not in any case be able to reach our final decision about joining the Community without further negotiation with the Six after the Commonwealth Meeting in September.

8. We have arranged with the Six that the negotiations will be resumed by the Deputies in the second half of September and at Ministerial level at the beginning of October.

9. As Mr. Heath has explained in the House of Commons, all the proposals which we shall be considering at the September meeting are provisional at this stage. But it is only realistic to recognise that when the negotiations are resumed our room for manoeuvre will be limited. The Six will not be prepared to make radical changes in the existing proposals and we must not expect them to be more forthcoming on the matters that remain to be discussed with them than on those already negotiated.

10. On temperate foodstuffs a very large amount of work was done at Brussels and a considerable measure of common ground was established. As the discussions proceeded a new approach to this problem emerged. This, though different from that on which our original proposals were based, is a wider concept and one which opens up a prospect of fruitful international developments.

11. The first important point to note is the emphasis on the price policy to be pursued in the Common Market countries. In the last resort it is really this that will determine the prospects for the future. It is clearly in the long term interest of us all that the Community should be outward-looking and not pursue inward-looking and self-sufficient policies. On this issue I feel that we have made real progress.

12. The other promising feature is the concept of World Agreements. This is, as I know well, something for which you and your colleagues have worked for many years and something which is very much in line with your own philosophies.

13. We also made some progress as you will see with the arrangements for the transitional period.

14. It would I think be useful if our officials could have discussions with yours on all these points before the meeting opens; and I hope that this can be arranged.

15. As the talks in Brussels were just coming to an end, the Six, as you know, volunteered that they recognised that New Zealand had a special problem (because of its unique degree of dependence on the sale of foodstuffs to Britain) and stated their readiness to look for a solution to it. We do not know what they have in mind. We shall be considering what might be done on this basis.

16. I understand that you expect to get here a few days before the meeting begins. This will give us an opportunity to exchange ideas informally with each other.

322.

J.G.D./XIV/E/126

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

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

[Ottawa], August 31, 1962

I intended to see you this morning but work piled up on me and I did not get in to the office.

There are a couple of matters that should be dealt with at once. I think there should be Cabinet both today and on Monday as well as the Committee Meeting on the Common Market. By the time I return on Tuesday I must have a full summary of all the different phases of the subjects on the Common Market and the Commonwealth so that you and I will be in a position to present Canada's views with the highest degree of certainty while at the same time assuring that taking a strong stand on the preservation of Commonwealth trade and the Commonwealth itself, Canada in no way will be taking the part of the "dog in the manger."

Mr. Bryce and the other officials should be preparing my speech now and have a draft ready.

There should be consideration given to what questions will be asked at the airport at the Press Conference in London, and a general idea of the answers that should be given.

I cannot emphasize strongly enough the importance of the Committee making a final determination of the matters that are still in doubt and of the need of the officials having things ready for me by Tuesday morning.

J.G. D[IEFENBAKER]

323.

PCO

*Conclusions du Cabinet*  
*Cabinet Conclusions*

SECRET

[Ottawa], August 31, 1962

*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 Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Mr. Watters).

CANADA'S ATTITUDE TO BRITISH ENTRY INTO THE EUROPEAN  
 ECONOMIC COMMUNITY; VIEWS OF MINISTERS  
 (Previous reference August 30†)

1. *Mr. Green, as Acting Prime Minister*, recalled that the Prime Minister wanted a summary of the views of each Minister as to the attitude Canada should take at the forthcoming meeting of Commonwealth Prime Ministers with respect to Britain's possible entry in the European Economic Community.

2. *Mr. Hees* said that Canada must continue to bring to the attention of Britain, as had been done over the past year and a half, the importance of present trading arrangements with Britain and how seriously their loss would affect Canadian industry and agriculture. It should be made clear to Britain that it was their decision alone whether they go into the Common Market. But Canada felt that they would want to know how their entry would affect Canadian trading arrangements. He felt that Mr. Macmillan would say that Britain has taken into account Canada's views as expressed in Ottawa and Accra and had done its best for Canada. The Prime Minister should urge that they continue to do so when negotiations begin again. It should be emphasized that Canada was not opposing British entry into the Common Market but only underlining the effects it would have on Canadian trade, and expecting that the U.K. would live up to its promise to safeguard vital interests in the British market.

He felt that it was not easy to take a position on the political aspects. Canada was pulled both ways. If Britain becomes a leader in Europe she would cease to be a leader in the Commonwealth, with a consequent weakening of the Commonwealth, but on the other hand it was important for Britain to establish a strong position in the European Community. Therefore one could not be too definite on that aspect.

In reply to a question, he said that, of Canada's total export trade only 17 per cent was with the United Kingdom but over 50 per cent with the United States. In reply to another question

he said that his department had taken no final position on the future of Canada's wheat sales if Britain entered the Common Market because the terms they had set out so far were so vague. There had been talk of world commodity agreements but this was not enough.

3. *Mr. Hamilton* said that a good deal was known now of the variable levy system that would apply to Canadian wheat exported to the Common Market. He felt that Canada should try to demonstrate to the Common Market countries the quality of bread that can be produced from Canadian flour.

4. *Mr. Churchill* felt the matter of Canada's trade with the United Kingdom should be kept in perspective. Only 17 per cent of Canada's total exports were to the United Kingdom and, if Britain entered the Common Market, 7 per cent of it would be unaffected so that what Canada was concerned about was only 10 per cent of its export trade. Canada was not in such a difficult position as New Zealand, for example. It must be remembered that what Canada said in the United Kingdom about the effects on Canadian trade will come back to Canada. This should be consistent with what Canada said over the past three years. He agreed with the views stated by Mr. Hees, but that the importance to Canada of a market for wheat might be emphasized.

On the political side there was little that could be said that Britain did not know. They were aware of the effect that political union would have on their sovereignty, independence, and on the administration of justice, for example. It did not seem that Dr. Adenauer or General de Gaulle wanted Britain to join a political union now and it did not appear that political integration was moving ahead very rapidly. The Prime Minister had said that in his talks with Mr. Macmillan, the latter had said he could see the end of the Commonwealth in any case whether or not Britain joined the Common Market. Mr. Churchill said that it was vital to the party that there be no implications in the Prime Minister's speech that Canada was preventing Britain from making her own decision.

5. *In a general discussion* on the future of the Commonwealth some said that the Commonwealth would be watered down in any case by the many new countries which were coming in. While some of the African members, like Nigeria, felt strongly about the Commonwealth, others were members of it only for the economic gain they could expect.

6. *Mr. Harkness* felt it was important not to give the impression that Canada was trying to block British entry to the Common Market but the adverse economic effects on Canada should be stated and a strong effort made to secure entry to the market of a selected number of commodities such as wheat which were of vital importance to Canada. Canada should get, as far as possible, entry for these commodities, not quotas. Canada should also use the present provisions of GATT to protect its trade interests in the U.K. and Europe.

The British were politically realistic with regard to the Commonwealth. They know that the new African and Asian members of the Commonwealth were only in it for the military and economic assistance they were receiving. It was only a matter of time until they went their own way. Some of them had a strong hatred for their ex-colonial masters. Canada should not worry too much about the political effects of the breakup of the Commonwealth.

He suggested that the Prime Minister might mention other factors which would bind the Commonwealth together other than trade. For example, cultural and educational exchanges, and the exchange of judges, might be suggested.

7. *Mrs. Fairclough* thought Mr. Harkness had covered most of what she had to say, but she had been surprised to hear the Prime Minister say that it was clear from his mail that most Canadians opposed the U.K. entry to the Common Market. This was not the case in her own town yet it would undoubtedly be affected by Britain's decision.

She too was a realist and looking ahead could see the breakup of the Commonwealth, but that did not mean that Canada should keep quiet now about the effect of entry on its trade. She

felt the Prime Minister should be on the side of the angels and make an initial statement concerning ways and means of making the Commonwealth ties stronger, and expressing regret or sorrow as to the possible damage to Commonwealth relations of British entry into the Common Market. If the Canadian people were showing signs of being opposed to Britain's entry into the Common Market, it was probably because they were realizing that the U.S. might be pushing the U.K. into it.

8. *Mr. Harkness* warned that Canada should avoid stirring up any anti-Americanism by emphasizing that the U.S. has been putting pressure on the U.K.

9. A *short general discussion* took place on what Canada's position would be if the Commonwealth broke up. Some said it depended on when the breakup took place. Others said there would be no breakup as such but merely change – evolution and perhaps expansion. Some of the Asian and African countries might leave but the basic older members of the Commonwealth would remain and the new West Indian Island members as well.

10. *Mr. Hamilton* said the first thing to be done by all Ministers was to give credit publicly to the part the U.K. delegates had played in negotiation on Canada's behalf and say that Canada was backing them to the limit.

11. *Mr. Hees* said that this would imply that Canada had agreed with what had been done. The pressure on the U.K. negotiators must not be relinquished.

12. *Mr. Hamilton* said Canada should say the British should “keep on fighting.” He went on to say that “reasonable access” was not good enough for wheat or soybeans. It must be made clear to the Canadian agricultural producers what the effects of the adverse tariffs would be if Britain joined the Common Market. They were not aware of the realities of the situation.

13. *Mr. Hees* said that a statement covering the amount of our trade at risk had been issued a year ago and a revised statement would be issued shortly.

14. *Mr. Hamilton* said that the government must think of alternative courses and let the country know that consideration is being given to such things as:

- (a) a multilateral trade approach;
- (b) world commodity agreements;
- (c) a vigorous sales campaign; and,
- (d) alternative markets outside the Common Market area.

He concluded by saying that the Prime Minister should mention various proposals for the strengthening of the Commonwealth, for example, the establishment of a bank of trained technicians for use throughout the Commonwealth, and refer to other intangible benefits already mentioned. Canada should shoot down the idea of an Atlantic free trade area, of a U.S.-Canada free trade area or of a Commonwealth free trade area. These were academic ideas but quite impractical.

15. *Mr. O'Hurley* agreed with what had been said by Mr. Hees. It should be made perfectly clear, however, that Canada was not blocking the U.K. entry to the Common Market.

16. *Mr. Sévigny* said that there should be no reference to the fact that the Commonwealth might be dissolving. Canada should not exhibit opposition to U.K. entry to the Common Market but it should be made clear that Canada wished to protect its trading position. He also said that Canada should insist on negotiating directly with the Common Market countries, and that if this was not done the New Democratic Party or the Social Credit Party would say that this government did not wish to expand Canada's trade, while they, on the other hand, were advocating wider trading arrangements.

17. *Mr. Hees* said that the Common Market countries would be happy to trade with Canada but Canada could sell to them only agricultural products and prime raw materials, whereas



they would flood Canada with manufactured goods and Canada's manufacturing industry would be ruined. Canada should avoid making any statement to the effect of wishing to trade on that basis.

18. *Mr. Dinsdale* said that what would be required was a statesmanlike pronouncement from the Prime Minister which would indicate that he was aware of the underlying problems of the world brought about by the rise of the Soviet Union, the NATO alliance and the changing role of the Commonwealth. The bulk of Canadians were strongly in favour of the maintenance of Commonwealth ties. There should be no mention of dissolution of the Commonwealth but of its evolution. If the Commonwealth went there was not much hope of maintaining a balance between East and West.

Mr. Pearson's suggestion of an Atlantic trading area<sup>10</sup> was academic.

There should be no hard bargaining based on the realization of what Britain in the Common Market would mean to Canadian trade. He agreed with Mr. Hamilton's suggestions for alternative trade efforts.

19. *Mr. Dinsdale* was impressed by the letter written by Clarence Streit<sup>11</sup> which had suggested that, if Britain went into the Common Market and became a strong force in the heart of Europe, this would slow down the development of an Atlantic Union. However, other Ministers felt that Mr. Streit was wrong.

20. *Mr. H.J. Flemming* said he had little to add to what had already been said but he wondered whether Mr. Macmillan might ask at the Conference for advice from the other Prime Ministers and what reply the Prime Minister might give. He was prepared to leave this to Mr. Green and the Prime Minister. His own advice would be to leave things as they were.

21. *Mr. Halpenny* said it was unfortunate that the Prime Minister had to go to the Conference. He did not think the Conference could serve any useful purpose. Canada should repeat what was said in substance at Accra both on the political and economic side, but say it softly and hope for a better press.

22. *Senator McCutcheon* said Mr. Diefenbaker had some responsibility for calling the Conference; he would be speaking immediately after Prime Minister Macmillan. Regard must be had to this. The Prime Minister should take a positive approach to the Commonwealth. The Conference itself would illustrate one of the important purposes of the Commonwealth – mutual discussion. The Commonwealth was an association of independent members and the Prime Ministers were there not to advise Mr. Macmillan what he should do but to outline what the effect of Britain's entry would be on the members of the Commonwealth. He might then mention the possible adverse effects of U.K. entry but should "take the Englishman at his word," and note that Mr. Macmillan had said that the U.K. would not go into the Common Market without protecting the essential interests of the Commonwealth.

<sup>10</sup> Voir/ See Bruce Macdonald, "Pearson Backs Plan for Free Trade Area," *Globe and Mail*, February 14, 1961, p. 3 et/and "Free Trade Area Shaping into Issue for Liberals, PCs," *Globe and Mail*, April 18, 1961, p. 18.

<sup>11</sup> Pour consulter des copies de cette lettre en deux parties de Streit au premier ministre travailliste britannique George Brown, voir J.G.D./MG01/XII/B/45. Pour un exemple publié du point de vue exprimé par Streit, voir Clarence K. Streit, "Prudent Limits to an American Commitment on European Political Union," *Annals of the American Academy of Political and Social Science* 342 (July 1962), pp. 111-122. For copies of this two-part letter from Streit to British Labour MP George Brown, see J.G.D./MG01/XII/B/45. For a published example of Streit's viewpoint, see Clarence K. Streit, "Prudent Limits to an American Commitment on European Political Union," *Annals of the American Academy of Political and Social Science* 342 (July 1962), pp. 111-122.

It was necessary to take an optimistic view of the Commonwealth. Its character would change. There would be less trade and more economic aid along Colombo Plan lines. The Prime Minister might well at that point stress the leavening effect on the European political community if the U.K. became a member. He endorsed the position taken by Mr. Wilgress in the report of the Canadian Trade Committee entitled "The Impact of European Integration on Canada."<sup>12</sup>

23. *Mr. Martineau* said the Prime Minister should make clear the government was not against Britain but only against an economic move being considered by Britain. If Canada opposed Britain's entry into the Common Market it would be identifying itself with a growing section of U.K. public opinion; but Britain must make this choice herself. Canada should make clear where its advantages and disadvantages lay if Britain entered the European community, particularly the loss of preferential tariffs.

There were alternative opportunities in Canadian relations with Commonwealth countries. He referred to a booklet by Mr. Peter Walker, M.P., in which alternative arrangements for trade and other developments within the Commonwealth were mentioned, – including market research, commodity by commodity; commodity price stabilization agreements; a Commonwealth infant industries board; the disposal of surpluses; research into energy and fuel resources, etc.

24. *Mr. Bell* said that on the economic side Canada should state its case, emphasizing that the U.K. alone must make its decision; there should be no "ganging up" on Britain but pressure should be maintained leading to the safeguarding of Canadian interests. There should be a realization that if the U.K. does go into the Common Market Canada would not be without remedies. Alternatives had already been mentioned.

On the political side, he did not believe that the Commonwealth was on the point of dissolution or breaking up. The Prime Minister should endeavour, through television or some other medium in the U.K., to make ringing declaration of the value of the Commonwealth apart from trade, saying it does not depend on pounds, shillings and pence. There were other more significant aspects. There would be changes in the Commonwealth but it would survive. It was essential to Canada in maintaining her position with respect to the U.S.

25. *At this point* there was a general agreement by several Ministers that a substantial part of the speech should be an inspiring declaration about the value of the intangible aspects of the Commonwealth.

26. *The Cabinet* took note of the various comments made on the attitude Canada should take at the meeting of Commonwealth Prime Ministers on Britain's possible entry in the European Economic Community.

R.B. BRYCE

324.

PCO

*Conclusions du Cabinet*

*Cabinet Conclusions*

SECRET

[Ottawa], September 21, 1962

*Present*

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

<sup>12</sup> Voir/ See L.D. Wilgress, *The Impact of European Integration on Canada* (Montréal: Canadian Trade Committee, 1962).

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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 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 and Minister of National Revenue (Mr. Flemming),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

#### COMMONWEALTH PRIME MINISTERS' CONFERENCE

1. *The Prime Minister* said that the Commonwealth Prime Ministers' Conference had been most interesting from several points of view. If he had been isolated, as reported, it had not been complete isolation, since fourteen other Prime Ministers had been with him all along. There had been complete unanimity with regard to the final communiqué,<sup>13</sup> important parts of which had been advocated by Canada. The British did not want another meeting. All during the Conference the British press had been fighting their next election in anticipation of the Common Market issue. The situation had called for considerable restraint on the part of the visitors. The chances of the Macmillan government winning on the Common Market issue were slim. Mr. Macmillan, however, was looking a thousand years ahead and considered membership in the European Economic Community as the first vital step in this forthcoming period in British history. It might take thirty years for Britain to become strong again, and joining the European community was the way to do it. Britain had changed her mind and decided to go into the EEC after having originally opposed the idea of a federation which would be controlled by Europeans.

The Australian Prime Minister had raised the point that under the EEC there would be created a European bureaucracy which would control tremendous sums of money resulting from the levies on agricultural products.

In the light of what had happened during the Conference, it had been a mistake to adhere to the agreement made by the Conference not to comment on statements made by others. Mr.

<sup>13</sup> Le Premier ministre Diefenbaker annonce la position du Canada au sujet de la conférence dans un discours du 17 Septembre 1962. Voir « Réunion de 1962 des premiers ministres du Commonwealth, » *Affaires Extérieures*, vol. 14, n° 10 (octobre 1962), pp. 278 à 286. Cet article contient le texte intégral du communiqué qui a été publié après la conférence.

Prime Minister Diefenbaker announced the Canadian position on the conference in a speech on September 17, 1962. See "Commonwealth Prime Ministers' Meeting 1962," *External Affairs*, Vol. 14, No. 10 (October 1962), pp. 274-281. This article contains the full text of the communiqué issued following the conference.

Sandys had broken confidence in this regard and had misled the public.<sup>14</sup> There had, in fact, been no bitterness or heated statements in the Conference. In this regard, it had been better than the three previous ones. The British government, however, had been in the midst of a political battle at home and had taken advantage of the Conference to colour the situation. Should the British government ever get their proposal to join the Rome Treaty through Parliament, Britain would never be able to repudiate the Treaty. Once entered into, it became irrevocable.

The Canadian attitude was based on the resolution in the British House of August 3rd, 1961, which provided for consultation with the Commonwealth countries. The British appeared, however, to want no more consultation. Mr. Macmillan was determined to enter the European Common Market. Mr. Menzies, who seemed at first to be weakening in his stand, made the finest speech of all. He pointed to the political aspect as the most serious, and envisaged the possibility of Britain ultimately becoming subservient to the other European countries. There was considerable evidence in correspondence and in verbal comments from the man in the street that many hoped Canada might be able to stop the British government. The communiqué issued at the conclusion of the Conference had summarized all the main discussions. Reference in the communiqué to the Canadian proposal for a World Trade Conference as one alternative to the Common Market had been resisted. Mr. Heath had finally agreed to a compromise reference to a steady world-wide expansion of trade. There had been tacit approval of the proposal and it might well come to the surface again in eight or nine months from now.

In his speech to the Conference, he had reviewed the chronology of events, beginning with Britain's refusal to join in the Rome Treaty in 1955, followed by her efforts to create a European Free Trade Area in 1957, and finally Britain's application in 1961. The Canadian government had not taken a position as to whether Britain should or should not enter the Common Market. It had been invited to give its assessment, and had done so, indicating clearly Canada's interests and Canada's own appraisal of the terms so far negotiated by Britain. It had also indicated that "substantial further improvement would be needed in the terms of entry in the light of the undertakings that have been given regarding the safeguarding of Commonwealth interests." In the field of agriculture, much improvement was needed. The same was true of the provisional terms for manufactured products. Hope had been expressed that the views of the Commonwealth countries would assist Britain in obtaining alleviation of some of the terms already formulated. Reference had been made to Canada having sent experts to Brussels to be of assistance to Britain and the willingness to continue this form of consultation. There had been apparent unanimity with Canada's opinion that something had to be done to improve the terms for the Commonwealth countries. Every stand taken by Canada had been accepted by the others, including the British. In the communiqué, all Prime Ministers had noted that the Brussels negotiations were incomplete and that a final judgement could not be made until all the terms had been settled. It had been assumed that there would be further meetings of all Commonwealth Prime Ministers or smaller meetings would be held before Britain made her final decision.

<sup>14</sup> Certains journaux britanniques ont parlé en termes peu flatteurs du rôle du Canada à la conférence. Voir Val Sears, "U.K. Press Hits Dief Hard: 'Muddled on Euromart,'" *Toronto Daily Star*, September 17, 1962, p. 3; Robert Duffy, "Official Hand Is Detected in Attacks," *Globe and Mail*, September 17, 1962, pp. 1-2. Canada's role at the conference had been cast in an unflattering light by certain British newspapers. See Val Sears, "U.K. Press Hits Dief Hard: 'Muddled on Euromart,'" *Toronto Daily Star*, September 17, 1962, p. 3; Robert Duffy, "Official Hand Is Detected in Attacks," *Globe and Mail*, September 17, 1962, pp. 1-2.

2. *The Prime Minister* said he didn't think there was much chance of Britain making the grade; de Gaulle would not permit it. The latter had told Adenauer he didn't want Britain around Europe.

3. *The Secretary of State for External Affairs* gave his impressions of the Conference. He had been surprised to hear the British Prime Minister stress the political objectives rather than the economic aims. Mr. Macmillan seemed to have a fixation on his role as a disciple for the building of a united Europe. Today's papers reported Mr. Macmillan as describing the European Common Market as a customs union like England, Scotland and Wales. The African countries believed that, if they became associates in the EEC, they would in effect be economic colonies of Europe. They were very determined that this should not happen. Nigeria and Tanganyika were solid on this point. India and Pakistan felt that they had been brushed off. They were worried about their need for industrialization and for markets in Europe for their manufactured goods. The big gulf had been in attitudes, with Canada, New Zealand and Australia being concerned with the Commonwealth, and the U.K. being European-minded. It had not been easy to assess British public opinion. Many business people in the U.K. felt that from the economic standpoint the Commonwealth did not mean much to them.

The discussions in the Committee, which had examined the status of negotiations on temperate country produce and processed foodstuffs, showed that Australia and New Zealand were most interested in world commodity agreements. Concern was shown by them over the proposed price system for agricultural products under which levies on imports would be put into a fund to compensate the European producer. Mr. Menzies had previously spoken of the dangers of an inter-community bureaucracy having control of such vast sums. He re-emphasized this more than once. The British believed that there should be remunerative prices to producers under world commodity agreements. Mr. Sandys, who had been chairman of the Committee, had pushed hard to have the Commonwealth countries produce papers. New Zealand put one forward, but Canada had not had time to think one through in time for such early presentation. They were accused by the chairman of holding back and he wanted his accusation recorded. Canada was strongly backed by New Zealand and Australia in its defence. It was following this meeting that Mr. Sandys had breached the agreement that no country would comment publicly on statements of other countries. In talking to the press, he publicly accused Canada of intransigence. In the final meeting of the Committee, conciliatory speeches were made. Mr. Heath had been particularly pleasant. There had, however, been no agreement on the papers presented. Mr. Menzies and others had indicated that they were not satisfied with the safeguards. The British blamed Canada for this dissatisfaction. The fact remained that Canada's agricultural position would be bad. There would not be much protection for temperate foodstuffs. The Prime Minister of New Zealand had said that British entry into the Common Market meant economic disaster for his country. Mr. Menzies had been equally tough, but the press had tagged all the resistance on Canada.

4. *During the discussion* the following points were raised:

(a) The final communiqué had been intended to be a general statement but finally each country had to have its say. The British had been ruthless in getting into the Press what they wanted to appear.

(b) Some said that it was important that Ministers get the report of the Conference and fight for the stand that Canada had taken. Others felt that a special effort would be required to offset the reports carried by the British Press.

(c) Some said that Canada and the other Commonwealth countries were entitled to further consultations before the British finally decided. The idea of a World Trade Conference should not be allowed to be ridiculed. It might have great hope. There had been spontaneous support for it from Pakistan, India, Tanganyika and others. The proposal had been a constructive one.

5. *The Cabinet* noted

(a) the oral reports of the Prime Minister and the Secretary of State for External Affairs on the recently concluded Commonwealth Prime Ministers' Conference in London; and

(b) that the members of Cabinet should all be prepared to defend the stand taken by Canada during the Conference.

R.B. BRYCE

325.

DEA/50085-K-40

*Extrait d'un télégramme du ministre du Commerce  
à l'ambassadeur en Belgique*

*Extract of Telegram from Minister of Trade and Commerce  
to Ambassador in Belgium*

TELEGRAM TC-4113

Ottawa, September 27, 1962

SECRET. OPIMMEDIATE.

COMMONWEALTH PRIME MINISTERS' MEETING: COMMODITY DISCUSSION

Only draft minutes of London meeting are available. Since Committee of Deputies will be meeting again this week, we thought you should have for background information a record of commodity discussion at Prime Ministers' Conference. You will appreciate sensitive nature of this information which is not for distribution nor attribution.

2. Text of Prime Minister's statement on commodity aspects of British-EEC negotiations was along the following lines:

Turning to economic effects, Mr. Diefenbaker said that it seemed to be the opinion of the British Government that the day of preferences was practically over. To Canada preferential trading arrangements had been of tremendous historical importance and he recalled that they developed long before the Ottawa Conference of 1932. In early colonial times Canada had flourished under the preferences granted by England before the repeal of the Corn Laws. He recalled that in 1957 the present Canadian government advocated an expansion of Commonwealth trade and the highly successful conference at Montreal<sup>15</sup> had taken place as a result. The essence of that conference had been an expanding Commonwealth in an expanding world economy.

Inter-Commonwealth trade was in fact expanding. In 1932 United Kingdom exports to Canada amounted to \$80 million. In 1961 they were \$618 million. In 1946 total United Kingdom exports to the Commonwealth were £385 million. In 1961 they were £1,476 million. In the same year total United Kingdom exports to the Common Market countries amounted to only £666 million, less than half the exports to the Commonwealth.

Mr. Diefenbaker recalled the attitude of the Montreal Conference towards the EEC and the negotiations for a European Free Trade Area. He referred to Mr. Thorneycroft's 1957 statement to the Prime Ministers' Conference concerning the preservation in full of Commonwealth interests in the export of foodstuffs to the United Kingdom.<sup>16</sup>

<sup>15</sup> Voir/See "Report of the Commonwealth Trade and Economic Conference held in Montreal, 15-26 September 1958," in Nicholas Mansergh, ed., *Documents and Speeches on Commonwealth Affairs, 1952-1962* (London: Oxford University Press, 1963), pp. 537-553.

<sup>16</sup> Voir/See Volume 24, document 338.

Again, on 25th July, 1960, Mr. Maudling had said in the House of Commons that Britain's entry into the Community would involve putting Commonwealth preference on its head and the giving of preference to Europe and that the Commonwealth countries could rely on the undertaking which Britain had given to safeguard their trading position. Mr. Maudling had pointed out that under the Rome Treaty the Commission would undertake commercial negotiations. The British Government could no longer sign a treaty with Australia or Canada. This would be a formidable step in its political as well as commercial consequences. Here again, he would like United Kingdom Ministers to explain what had changed in their thinking since these remarks were made.

Canada was an important supplier to the British market. Nearly 40 per cent of her overseas exports and 17 per cent of total exports came to Britain and the trade was of enormous value to both sides. Every region of Canada was involved in this trade. Nearly one third of it was in agricultural products; exports of raw materials were very important; manufacturing industries were also important and preferences had played a large part in the development of this trade.

Mr. Diefenbaker said that there were many gaps to be filled in the explanation of the negotiations so far in Brussels. He must express both disappointment and concern: disappointment that the Six had not shown sufficient understanding of Commonwealth trade needs, and concern at the serious damage that seemed likely to be done to Commonwealth trade in both the short and long term. He wished to bring out the facts and not to take an alarmist view, but only a few of the exports of Canada would be unaffected in one degree or another. Could one be confident that it would be possible to maintain traditional sales of Canadian wheat under the levy system? Could Canada continue to share adequately in the growing demand for aluminum if a high tariff were imposed? What about wood manufactures exported to Britain in the face of a preference for European competition? Would sales of canned salmon be maintained when the prices were forced up by the tariff? There were also many other commodities which would be faced with loss of free entry and preference and a substantial tariff and preference in favour of EEC suppliers.

The arrangements at present reached in Brussels, for Canadian manufactured goods, involved no more than a delay in the imposition of the Common External Tariff. The review provisions appeared to give no reliable assurance and the reference to future multilateral tariff negotiations was not encouraging. He felt that firmer assurances should be considered. He would like to ask whether some basic Canadian industrial manufactures could not be considered in the context of the nil duty proposals; also whether the imposition of the Common External Tariff could be delayed – or imposed at only a token rate – until after the major tariff negotiations which might take place in 1964. He also asked whether tariff quotas could be considered in cases of hardship.

Not even provisional agreement had been reached on certain industrial raw materials of great importance to Canada's trade and the same was true of processed agricultural products. He strongly urged that the Six be persuaded of the reasonableness of Britain's objectives in these important and sensitive areas.

He was very conscious of the difficulties over temperate foodstuffs but he would be less than frank if he did not say that the arrangements outlined did not provide any real degree of assurance that Canadian trade would continue at satisfactory levels. There was much that was ambiguous and obscure. Would it be possible to negotiate arrangements for Britain to take unilateral remedial action if sales fell below a certain level, at least until experience showed this to be unnecessary or satisfactory longer term arrangements had been made? As regards international commodity arrangements, Canada had taken a leading part in successive wheat agreements. The role of commodity arrangements had been emphasized at the Montreal Conference. As regards the discussion of long term agreements in Brussels he asked for much

more precise formulations with respect to the objectives of such arrangements, as regards price and production policies and concerning economic patterns of production and trade. Experience showed however that such arrangements were not easy to make and not always effective.

He believed that further negotiations and improvements were necessary in Brussels before it could be said that there would not be unacceptable damage to Commonwealth trade inconsistent with the assurances given and which would be inconsistent with the resolution of the United Kingdom Parliament itself on 3rd August, 1961. He was deeply appreciative of British Ministers' assurances that they intended to continue to press for further consideration. Canada believed that more could be gained when the results of this Conference were known and the USA Trade Expansion Act had been passed.

...

326.

DEA/50085-K-40

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

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

LETTER NO. K-1086

Ottawa, October 3, 1962

SECRET

COMMONWEALTH PRIME MINISTERS' MEETING – INTERNATIONAL AFFAIRS

At the 19th meeting of the Conference of Commonwealth Prime Ministers on September 17 there was a general discussion of international developments. There follows an extract from the minutes of this meeting reporting on the Minister's statement on that occasion. The Minister has made a few minor revisions of the reported statement which are included in the version set out below:

"Mr. Green said that although the question of Cuba greatly concerned Canada he thought that it could safely be left to the U.S.A. Canada had not been able to agree to American requests to impose a total trade embargo but had imposed complete restrictions on strategic goods and their transit and on any transshipment of goods from the U.S.A. through Canada. Cubans had for a time increased their direct purchases of non-strategic goods and Canada had been subject to considerable criticism in American papers. However, he had been able to confirm that this criticism was not shared by U.S.A. Administration who were, perhaps, more concerned that some strategic goods were apparently being carried to Cuba in British ships. Purchases by Cuba had now fallen back to the old levels.

2. The last Prime Ministers' Meeting had agreed unanimously on a statement on disarmament and he had been aware that there was perhaps a little dissatisfaction at the results that had followed from this. Nevertheless, he was convinced that the resolution had been of great help in the U.N. and had played its part in persuading the U.S.A. and the U.S.S.R. to resume negotiations. He thought that in the meetings of the Eighteen-Power Disarmament Committee the eight unaligned countries had acted in a very statesmanlike way and that they had made a valuable contribution without which the disarmament negotiations would have broken down. The fact that the Americans and the Russians were acting as co-chairman of the Disarmament Sub-Committee was important and might lead to diminution of the intense distrust of each other's moves which was at the heart of the problem.

3. Mr. Green said that the survival of mankind depended on finding a solution to this great problem and he thought that their present meeting should agree to adopt a further unanimous



resolution bringing the previous one up to date and amending it to meet the situation existing today. Such a resolution would be given extra weight by the presence of the new independent members of the Commonwealth.

4. Canada was one of the only three Western countries on the Congo Committee. She did not believe in a resort to force but considered that sanctions should be used if necessary and did not think that such action would necessarily lead to fighting.

5. Canada was also a member of the International Control Commissions in Laos and Vietnam and shared the anxiety expressed by other members about the possibility that financial difficulty might lead to their work being cut down.

6. Turning to the U.N., Mr. Green suggested that the meetings of the Commonwealth representatives there were too perfunctory and that it might help if Britain were to consider rotating the chairmanship in order to give other members a greater sense of responsibility for the meetings' success. Britain had been confronted by a difficult situation in the discussion of colonialism at the present and previous sessions of the U.N. and he sometimes thought that Canada had not come to her aid as vigorously as she might. Possibly Britain's concern about the value of the U.N. arose from the unfair attacks to which she had been subjected over colonialism. Britain had led the world in preparing her colonies for independence, and had displayed statesmanship of the highest order. It would greatly help if other members of the Commonwealth refrained from lending any support to unfair attacks upon her in this context. He hoped that if the Commonwealth were solidly behind Britain, she would be able to take a firmer line in support of the U.N., for if it did not enjoy the backing of the Great Nations it would founder."

L.A.D. STEPHENS  
for Under-Secretary of State  
for External Affairs

327.

DEA/12447-40

*Note du Bureau du Conseil privé*  
*Memorandum by Privy Council Office*

CONFIDENTIAL

Ottawa, October 9, 1962

CABINET COMMITTEE ON THE COMMONWEALTH AND THE EEC

The document attached was prepared by officials of the Departments of External Affairs, Finance, and Trade and Commerce who attended the London Conference.

D.B. DEWAR

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Rapport de la réunion des premiers ministres du Commonwealth*  
*Report on Meeting of Commonwealth Prime Ministers*

CONFIDENTIAL

[Ottawa], October 4, 1962

CABINET COMMITTEE ON BRITISH-EEC NEGOTIATIONS

1. In discussing the trade implications of British entry Commonwealth representatives expressed the view that present arrangements were by and large inadequate and that the British

should endeavour to secure better terms in the Brussels negotiations. (These re-opened on September 26 and will meet at the Ministerial level on October 8.)

2. In addition to the references made by the Prime Minister in his opening and closing statements to the Conference, Canadian views on specific trade aspects were given in the Committee on Temperate Foodstuffs and are fully recorded in the Minutes which are summarized in the attachment to this report.

3. The document on which the Committee based its discussion was the memorandum entitled "British negotiations with the European Economic Community," which was submitted to the Conference by the British Government.

4. In general, the Canadian position was as follows:

(a) Canada, together with Australia and New Zealand, pressed the British to seek more favourable and more precise arrangements for settlement on temperate foodstuffs. The British attitude was that it would be difficult, if not impossible, to obtain significant additional concessions. Canada's position varied from that of Australia and New Zealand in that the latter attached great importance to a declaration by Britain of their intentions with respect to the policy they would follow inside the Community if and when long-term commodity agreements were negotiated. While Canada was prepared to study long-term agreements for agricultural and other products we said that this meeting was not in a position to reach final agreement on principles for world-wide commodity agreements. Moreover, the considerations on which Canada laid importance with respect to a settlement on temperate foodstuffs were broader than those covered by the proposed international agreements. Finally, there should be provision for remedial action if Canadian trade suffered. Generally, we said that the references in the Brussels paper to access fell short of Britain's original position in the negotiations and the wording throughout the paper was too vague to be meaningful. We suggested that the British should return to Brussels and seek better terms.

(b) We urged the British to maintain their request to the Six for zero tariffs; we also urged that the British add to this zero tariff list a number of other materials and manufactured goods which had the nature of basic materials. As regards fully manufactured goods, we also said that the reviews of the development of trade between the enlarged Community and Canada should be tightened up to provide for remedial measures in event of the deterioration of Canadian trade due to the application of the Common External Tariff. Duty free tariff quotas should be considered for especially sensitive products.

(c) We urged the British to maintain their present request for zero tariffs on a number of processed agricultural products and asked them to add additional products to this list. If duty quotas were to prove the only solution, we stressed the importance of providing for growth.

(d) If delayed application of the Common External Tariff should be the solution for certain processed agricultural products, industrial raw materials or manufactured goods, we asked that free entry (or only a token tariff) should be maintained until after the results of the "Kennedy round" were known. The British were attracted by this suggestion and undertook to follow it up.

5. The African countries, with the exception of Rhodesia, rejected the possibility that they might become "associated" with the Common Market on terms comparable to those which the EEC is negotiating with its own Overseas Territories. One or two of the smaller African nations may wish to reconsider their position at a later stage. This surprised and disappointed the British because they felt they had secured a major concession from the Six.

6. India, Pakistan and Ceylon expressed the hope that the comprehensive trade agreements which they would conclude with the enlarged EEC would be undertaken immediately and on more favourable terms than those now envisaged in the Brussels negotiations. They asked that

pending the negotiation of these agreements, application of the Common Tariff to their exports should be deferred.

7. The British response generally was that they were prepared to seek better terms where provisional agreements or understandings had not yet been reached with the Six. There was little indication that they would be prepared to re-open other areas (although certain minor improvements might be obtained), partially because they felt they might not be able to maintain as satisfactory arrangements with the Six and partially because they did not wish to complicate the negotiations or detract from their momentum.

8. Apart from the references in the Prime Minister's first speech to an alternative programme, there was no detailed discussion of alternatives. However, in his second intervention the Prime Minister put forward a suggestion for a broad trade conference of like-minded trading countries. The text of a possible alternative programme as drafted in London has been made available to members of the Committee.

9. Reports from London since the end of the Conference confirm that Britain has returned to the negotiations with a view to closing them as soon as possible. They would appear to have no intention of presenting the Six with any kind of consolidated Commonwealth bill. By and large they are looking to the Six to improve the total package in terms of Commonwealth reception by agreeing to more generous solutions in sectors still to be negotiated, plus some minor adjustments in sectors already settled.

10. Finally, as noted in the communiqué, the Conference agreed that when the negotiations were resumed, British Ministers would take full account of the views, both general and particular, which had been expressed on behalf of other Commonwealth Governments at this Meeting and would continue their efforts to safeguard essential Commonwealth interests. The British Government undertook to continue to arrange for the closest consultation with other Commonwealth Governments during the remainder of their negotiations with the European Economic Community.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Annexe*

*Annex*

CONFIDENTIAL

[Ottawa], October 1, 1962

MEETING OF COMMONWEALTH PRIME MINISTERS LONDON 1962  
SUMMARY OF CANADIAN COMMENTS ON TRADE ASPECTS

The following are the main points made at the Conference by the Prime Minister and the Secretary of State for External Affairs on the trade aspects of Britain's negotiations with the Six.

*British Preferences: Intra-Commonwealth Trade*

1. Preferential trade arrangements have been of very great historical importance for Canada. An expansion of Commonwealth trade was advocated by the Canadian Government and made the main theme of the Montreal Trade Conference of 1958.

Intra-Commonwealth trade is expanding and Britain's exports to the Commonwealth are more than twice her exports to the Common Market. The British Government has in the past fully recognized the severe consequences for the Commonwealth of British membership in the EEC.

### *Canadian Trade with Britain*

2. Canada is an important supplier to the British market. Every region of Canada benefits from this trade – one-third of it consisting of agricultural products, with important exports of raw materials and manufactured products; preferences play a large part in the development of this trade.

3. Negotiations in Brussels are incomplete. They give rise to disappointment and concern at the serious damage that seems likely to be done to Commonwealth trade both in the short and the long run. Further negotiations and improvements will be necessary if the results are to be consistent with the assurances given by the British Government.

### *Manufactured Products*

4. Present arrangements call for no more than a delay in the imposition of the EEC external tariff. Provisions for review contain no reliable assurances and references to future tariff negotiations are not encouraging. Further safeguards should be sought along the following lines:

(a) For some basic industrial manufactures partaking of the nature of raw materials, nil duties should be considered (paperboard and industrial wrapping paper, rubber masterbatch, copper rods, pentaerythritol, vanillin cellulose acetate, acetic anhydride, acetic acid inconel and incolloy tubing, helium). Tariff reductions should be sought for stainless steel, chain saws, refrigeration and central heating equipment, hardwood flooring, and upper leather, including calf leather. Special consideration for tariff quotas should be given to leather slippers, cotton dresses, match splints, shoe last blocks, electric stoves, and hand saws.

(b) The imposition of common external tariff should be delayed, or imposed at only a token rate until after the next round of GATT tariff negotiations (the “Kennedy round” of negotiations).

(c) Provisions for reviews should ensure that in the event of a deterioration of Canadian trade due to the application of the common external tariff, appropriate remedial measures would be taken.

### *Industrial Materials*

5. Britain should press for acceptance of their zero tariff list. Failing agreement, it should seek free entry for the listed items until after the conclusion of the “Kennedy round” of tariff negotiations or a token tariff only.

### *Temperate Foodstuffs*

6. The arrangements outlined for this sector of trade lack precision and do not provide any real degree of assurance that Canadian trade will continue at satisfactory levels.

7. Unilateral remedial action should be open to Britain if Canadian sales fall below a certain level, at least until experience shows them to be unnecessary or satisfactory long-term arrangements are made.

8. With respect to world-wide commodity agreements, it is doubtful that they can be negotiated for many products. Canada would be willing to examine the possibility of world commodity agreements but cannot be committed to the view that they would necessarily provide suitable solutions.

9. The references to price policies and production contained in the Brussels Conference paper should not only relate to the internal policies of the EEC but also to trading with third countries and avoiding the encouragement of un-economic production.

10. With respect to limited agreements between the EEC and those countries prepared to negotiate worldwide agreements, in the event that these worldwide agreements cannot be concluded, the present wording of the Conference paper implies that the EEC views will

predominate in these limited negotiations. The Canadian Government is concerned that the EEC may take positions unacceptable to efficient producers such as Canada and that Commonwealth countries unwilling to accept more limited arrangements would be left out and discriminated against.

*Processed Agricultural Products*

11. Consideration should be given to the possibility of securing free entry for a number of additional processed agricultural products (frozen halibut, other frozen fish, frozen peas, tomato juice, canned apples, apple juice and honey). For items which are particularly dependent on preferences, arrangements should be made either through tariff free quotas, preferential quotas or postponed application of the common tariff. If it becomes necessary to consider a solution calling for delayed application of the common external tariff for processed agricultural products, the common tariff should not be applied before the conclusion of the "Kennedy round" of tariff negotiations or only at a token rate.

328.

J.G.D./XIV/E/167.3

*Le haut-commissaire au Royaume-Uni  
au premier ministre*

*High Commissioner in United Kingdom  
to Prime Minister*

London, October 27, 1962

My dear John [Diefenbaker],

In this letter I shall deal only with the question of the adverse propaganda still being carried on, which I mentioned in our telephone conversation earlier today. There are other subjects I shall deal with on Monday.

Starting with last year's Prime Ministers' Conference in March there was an organized attack on you personally, even before the Conference began, which sought to create, and in fact did create, the impression that your purpose was to drive South Africa out of the Commonwealth. I know that this was fed to the press here on a non-attributable basis from the C.R.O. office. Our own press picked it up. The effect of this was demonstrated by the fact that I was constantly challenged by the most responsible business and professional men. When I told them there was not a word of truth in it and described what had actually taken place, I realized that they found it hard to believe in view of the official tone of the reports by "political correspondents" of some of the most responsible newspapers.

With Macmillan's decision to apply for membership in the Common Market a similar campaign started on a broader front. I am enclosing the addresses of the information agencies in Canada engaged by the British High Commission Office in Ottawa. † I think a vigorous and discreet and for obvious reasons I should add simultaneous enquiry, would indicate that they have been feeding the press in Canada with their interpretation of events.

I need not remind you of what happened here during the Conference in September. But what does concern me is the continued propaganda, in this case mainly with representatives of Canadian newspapers and Canadian business groups which are visiting Britain in increasing numbers.

On Friday I had a reception for a number of Manitoba business men. I was astonished to hear from many of them the reports they had received of the difficulties created by "Diefenbaker's obstruction." In three cases this was attributed directly to Joe Garner. This did not surprise me too much because at a dinner given by Commodore Boulton just before the

departure of the First Sea Lord for Canada I had heard him discussing, with the officer to his right who was several seats away from me, the difficulties created by "Canadian obstruction at the recent Conference." But I do not think he is alone in these activities.

For that reason I do urge you not to act until I have made some discreet enquiries through channels upon which I can rely. In any event I would hope that this whole subject would be examined carefully and that before you write to Macmillan you have someone make a planned and simultaneous enquiry into the activities of the agencies listed in the attached list.

In any event the Cuban situation is so completely occupying the attention of all Western governments that it is probably not a good time to raise this point in any event [sic]. But it should be raised as soon as it seems advisable. However I would hope some information on the activities in Canada might be obtained first and I shall forward further information within the next few days.

All the best

Yours ever,

GEORGE [DREW]

P.S. Perhaps George Johnston might be a very good man to conduct the kind of enquiry I have in mind. I need not say that he is a staunch friend and loyal supporter of yours who has the kind of organization which could do this job. He has also stood firmly behind you in his "Little Review" and has dealt very effectively with some of the misinterpretations of your positions in our own press.<sup>17</sup> G[George Drew]

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<sup>17</sup> Il pourrait s'agir d'une référence à J. George Johnston de la société de relations publiques Johnston, Everson & Charlesworth Limited. Johnston a souvent communiqué de l'information et donné des conseils à Diefenbaker tout au long de son mandat de premier ministre. Voir J.G.D./MG01/VI/391.8 (Johnston). George Drew avait également communiqué avec Johnston dans le passé. Voir G.D., vol. 78 file 725. Il n'a pas été possible de déterminer si Johnston a produit une publication intitulée « Little Review »; cependant, son frère, E.W. Johnston, a publié une petite série de publications sous le nom de *Letter-Review*, dont certains exemplaires se trouvent parmi les documents de Diefenbaker et Donald Fleming. J.G.D./MG01/XIII/182; D.M.F., vol. 9.

This may be a reference to J. George Johnston of Johnston, Everson & Charlesworth Limited, a public-relations firm. Johnston frequently provided Diefenbaker with information and advice throughout his tenure as Prime Minister. See J.G.D./MG01/VI/391.8 (Johnston). George Drew had also communicated with Johnston in the past. See G.D., Vol. 78 file 725. It has not been determined whether Johnston produced anything known as the "Little Review"; however, his brother E.W. Johnston published a small serial known as the *Letter-Review*, some issues of which can be found in the Diefenbaker and Donald Fleming papers. J.G.D./MG01/XIII/182; D.M.F., Vol. 9.

2<sup>e</sup> PARTIE/PART 2DÉVELOPPEMENT FUTUR DU COMMONWEALTH  
FUTURE DEVELOPMENT OF THE COMMONWEALTH

329.

DEA/50386-40

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

LETTER NO. 234

London, February 2, 1962

CONFIDENTIAL

## BRITAIN AND THE COMMONWEALTH

*Introduction*

What may be called the First Commonwealth came to an end shortly after World War II. It comprised countries mainly peopled by Europeans (except South Africa), with political institutions and traditions derived mainly from Britain. The Second Commonwealth, which came into being when India and Pakistan became independent (and India became the first republic within the Commonwealth), is a heterogeneous group of countries, multiracial, with much looser ties than those that bound the members of the First Commonwealth. The thesis of this letter is that the Second Commonwealth is approaching a crisis and that, if it is to survive as a constructive force in the world, it will have to be transformed into a Third Commonwealth with freshly defined purposes and objectives.

2. In recent years Britain's policy of decolonization has been pursued vigorously. Within the last twelve months Cyprus, Sierra Leone and Tanganyika have become independent and have been accepted as members of the Commonwealth. In several of the remaining colonial territories, however, implementation of the policy is running into difficulties. In the Federation of Rhodesia and Nyasaland the problem is to get the European settlers to accept changes quickly enough to satisfy the Africans, and time is running out. In this area the difficulties are intensified by divisions within the ruling political party in Britain regarding the pace of change, and the problem is further bedevilled by the situation in the adjacent Congo and differences between British and Rhodesian authorities relating thereto. The problems in Kenya are much less acute at the moment but are likely to give rise to much difficulty before they are solved. At a time when the West Indies Federation seemed to be approaching independence, the last-minute decision of Jamaica to opt out of the Federation has caused grave disappointment.

3. The policy of de-colonization is dictated by two main considerations, moral and political. For quite a long time it has been generally accepted that Britain has no moral right to keep other peoples in subjection and, conversely, has a duty to lead subject peoples as quickly as possible to the point at which they can determine their own future and govern themselves. The main political consideration is that colonies, with perhaps a few minor exceptions, nowadays are more trouble than they are worth. In any case the pressure for implementation of the policy – from the subject peoples themselves, from the newly independent members of the Commonwealth, and from their friends in the United Nations – is irresistible, and the policy is irreversible. In practice, Britain's desire to fulfil its responsibilities, and to turn over the reins of power to people who have become ready to govern themselves, comes into conflict with the

desire of the colonial peoples for an acceleration of the whole process that may not be in their own best interests but is nevertheless a political fact.

4. Although the policy of de-colonization is almost universally accepted in Britain, albeit for varying reasons and with varying degrees of enthusiasm, the resultant changes in the nature of the Commonwealth are widely misunderstood and give rise to indifference and disenchantment – in effect, to a recrudescence of “little Englandism.” There is nothing new about the indifference. It stems, in the first instance, from the gradual loosening of ties with the “white” members of the Commonwealth as they have become more and more independent since World War I, and by the cutting off of Britain’s responsibilities for the governing of India, Pakistan, Burma and Ceylon after World War II. The relationship between the mother country and the Empire has been transformed into a vague Commonwealth relationship that has itself undergone rapid and subtle changes.

5. Disenchantment is of more recent growth. Basically it arises out of a failure on the part of large numbers of people in Britain to comprehend what the new Commonwealth is all about. Many people in Britain thought of “Commonwealth” as a new word for “Empire” and hoped that the old mother-and-children, hen-and-chickens relationship could be made to persist; but in recent years it has become increasingly clear that this concept is no longer valid.

6. Immediately after World War II Britain, whether she realized it or not, was faced with a choice of policies:

(a) She could strive to consolidate and re-affirm her position as a great power by re-moulding the vast but declining Empire into a meaningful Commonwealth of independent and equal partners, and by enlisting their co-operation in the pursuit of commonly agreed objectives;

(b) She could take the lead in the movement of European reconstruction and integration; or

(c) She could try to do both, that is, combine leadership in Europe with leadership of the Commonwealth.

7. The opportunity to take a lead in Europe was missed, perhaps because Britain did not realize that the opportunity existed, or because she did not believe that European integration was a practical possibility – or perhaps because she had enough problems at home and in India. In any case, motivated by tradition, sentiment and pragmatism rather than by a clear conception of what the end result would or should be, Britain in fact adopted a Commonwealth policy that consisted largely of the negative policy of de-colonization, without at the same time elaborating a positive policy of trying to transform the Commonwealth into a new and constructive force in the world. By the 1950s, Britain was beginning to understand the First Commonwealth of the 1930s, but in the meantime the Second Commonwealth had come into being.

#### *British Conception of the “New” Commonwealth*

8. Since World War II Britain has been unable to move far from the mother-and-children concept of the Commonwealth, with Britain at the centre as its moving spirit and guide. In these last fifteen years Britain’s Commonwealth policy appears to have been pursuing the following main objectives:

(a) to endow dependent territories with the institutions of parliamentary democracy, to lead them to independence, and to incorporate them in an expanding Commonwealth family (under British leadership);

(b) in terms of foreign policy or power politics, to secure through consultation general agreement on basic objectives; and

(c) in economic terms, to ensure her own prosperity through the development and expansion of intra-Commonwealth trade and financial relations and, to this end, to contribute aid to the developing countries of the Commonwealth.



*Failure of Britain's Commonwealth Policy*

9. The pursuit of each of these objectives has met with lesser or greater failure:

(a) A great measure of success has attended British efforts to lead dependent territories to independence and to incorporate them in the Commonwealth, but there have also been some failures: Burma, Sudan, Somalia and the Cameroons decided not to seek Commonwealth membership when they became independent. Those countries that have become members of the Commonwealth since World War II have adopted, or are moving towards, a republican form of government. In doing so they have accepted the Queen as the Head of the Commonwealth and "as such the symbol of their free association"; but the Crown has lost much of its political and emotional significance and the device of Head of the Commonwealth has lost much of its force. Tendencies away from parliamentary democracy are observable in several parts of the Commonwealth, especially in Ghana, Ceylon and Pakistan. The withdrawal of South Africa had a much greater impact in Britain than in other members of the Commonwealth, since it involved the "loss" of substantial numbers of people of British origin (the first of comparable magnitude since the American Revolution), and underlined the failure of the traditional British policy of "fairness" to conquered foes. As the Commonwealth has expanded it has responded less and less to British leadership.

(b) In the field of foreign affairs the failure of Britain's Commonwealth policy was demonstrated dramatically at the time of Suez when Britain found herself isolated from most of her Commonwealth partners. While Britain, as a member of NATO, has taken a stand against the encroachments of the Soviet Union and the advances of communism, the new members of the Commonwealth have adopted a policy of neutrality which, in practice, is often one of respect for Soviet power and of sympathy for the achievements of communism. The new members of the Commonwealth have all refrained from condemning the Soviet Union for its resumption of nuclear tests, and in some cases have gone so far as to lay the blame for it at the door of the United States. Britain has not been able to enlist the support and co-operation of the new members of the Commonwealth for her stand on Germany and Berlin, which she considers to be a matter of major concern: the newly independent African and Asian members of the Commonwealth are clearly not interested in the idea of self-determination for Europeans suffering from Soviet colonialism. While the last conference of Commonwealth Prime Ministers adopted a declaration on disarmament, it remains to be seen whether, in fact, the new members of the Commonwealth will accord effective support to the Western stand on disarmament. Before World War II the principle was established that there would be consultation before a member of the Commonwealth adopted a policy that might adversely affect the interests of another member of the Commonwealth. The new members have shown little inclination to be guided by this principle – and it must be admitted that even Britain herself has disregarded it at times. In the discussion of contentious political and colonial issues, particularly in the UN, the concept and practice of a two-tier Commonwealth has been growing steadily.

(c) From the British point of view developments in the field of Commonwealth trade and economic relations have not been entirely satisfactory. The generally held view in Britain is that the Commonwealth trading system which came into force after the Ottawa Agreements of 1932 was based on the simple and familiar concept of an industrialized Britain supplying manufactured goods to the less-developed Commonwealth countries, which would in return supply the agricultural products and industrial materials required by the British economy. Even now there is little or no true realization in the country at large that in the 1930s Canada and other Commonwealth countries were well on the road to industrialization. Consequently, it came as something of a surprise after World War II to learn that overseas Commonwealth countries had developed their own industrial capacities and were competing effectively with Britain in

their own domestic markets, in the British market, and in some instances in traditional British export markets. It had been easy to see the advantages in a trading system based on the concept of complementary economies in which the partners enjoyed special privileges, mainly duty-free entry and tariff preferences, in each other's markets. It was a good deal less easy, however, to see how the system would benefit Britain when her erstwhile customers and suppliers had also become keen competitors. Nor was it easy for the British public to understand why some Commonwealth countries, anxious to gain access to wider world markets and appearing to grow restive within the confines of the Commonwealth system, should renegotiate their trade agreements with Britain so as to reduce the margins of preference accorded to British goods, or why some should adopt protective measures which seemed to be directed primarily against British exports. It was especially difficult for people to try to understand these developments when Britain herself was going from one economic crisis to another. Commonwealth countries which once might have contributed to the strength of Britain's economy now seemed deliberately to be doing quite the opposite. In Canada's case a good deal of comment has been aimed at the imbalance in Canadian trade with Britain and at the fact that increases in Canadian exports to Britain after the removal of most dollar restrictions were followed not much later by a sharp fall in the sales of British cars in the Canadian market. In many quarters this fall was attributed to action by the Canadian Government. Although Britain's exports to Commonwealth countries are greater than ever before and are increasing, the point that has been driven home to the British public is that they represent a declining percentage of Britain's total exports and of the imports of the Commonwealth countries concerned. From these facts many people in this country conclude that the Commonwealth trading system is now operating not to Britain's benefit but to her distinct disadvantage.

10. The seventeen years since World War II have been marked in Britain by recurring economic crises, by what appears to many people to be a reduction in the relative value to Britain of the Commonwealth trading system, and by growing disillusionment with the Commonwealth as a political system. Disillusionment gathered force at the time of the Suez affair in 1956, increased in the succeeding years, and was brought to a head in 1961 by the loss of South Africa, which, though it was received with relief by large numbers of people in this country, also caused a severe emotional shock to many. Whatever the reaction to it, the withdrawal of South Africa gave the coup de grâce to a myth, widely believed in Britain, that the Commonwealth consisted of "Mother" and a happy family of dutiful children. The recurring economic crises and the rapid changes in the character of the Commonwealth and in British attitudes to it have coincided in time with an increasing attraction towards Europe, which has been reinforced in the last few years by the unforeseen success of the European Economic Community – and disillusionment with the Commonwealth makes Europe relatively more attractive than would otherwise be the case. It is unnecessary here to go into all the arguments for and against Britain's joining the European Economic Community and participating in the political integration of Europe. But this much can be said:

(a) Those who favour Britain's entry into the EEC argue that if Britain does not go into Europe she will suffer an economic decline that will reduce her value, politically and economically, to the Commonwealth; and conversely that by going into Europe she will increase in prosperity, that she and her European partners will create an expanding market for goods from overseas (including goods from the Commonwealth), and that as the European member of the Commonwealth Britain will serve as a bridge between two great communities of the free world.

(b) Those who argue against Britain's going into Europe contend not only that it would be contrary to Britain's own interests but also that the economic interests of the other members of the Commonwealth would be adversely affected, and that participation in the political

integration of Europe would be incompatible with leadership of the Commonwealth: in short, it is said, Britain's entry into Europe would involve a betrayal of the Commonwealth.

11. If Britain joins the EEC there will obviously be serious repercussions, economic and political, for the Commonwealth. If Britain, for the sake of the Commonwealth, decides not to join the EEC there will henceforth be a tendency in Britain to blame the Commonwealth when economic difficulties arise. In either case a severe strain will be placed on the Commonwealth relationship.

#### *Conclusion*

12. In this letter we have drawn attention to the changes that have been taking place in the character of the Commonwealth. It is submitted that these changes have been so rapid and so profound as to give rise to doubts regarding the future of the Commonwealth; that the possibility that Britain will enter the European Economic Community in the near future brings to a head the problem of the survival of the Commonwealth as a constructive force in the world; and that the time has come for a fundamental redefinition of the essential purposes and objectives of the Commonwealth. A heavy responsibility for this process of redefinition rests on the more senior and more mature members of the Commonwealth – in particular, on Canada, Australia, India and Britain.

13. A good deal of thought is being given in certain circles here – and doubtless in Canada and other parts of the Commonwealth as well – to what the purposes and objectives of the Third Commonwealth might be. One of the ideas that is being developed is that of the Commonwealth as a community of free peoples whose members would serve as links through which goodwill and understanding with the other communities of the free world might be promoted. Thus Britain, as the “European member of the Commonwealth,” would serve as a link between the Commonwealth and free Europe; Canada would be a link between the Commonwealth and the United States and, in conjunction with the West Indian members, would be a link between the Commonwealth and Latin America; and so on. Although many people may be disillusioned with the Commonwealth and pessimistic about its future, it should not be forgotten that there still exists a strong sense of community on which to build for the future. The influence of close personal relationships among leaders and moulders of opinion; of practical co-operation in trade, economic development, defence, foreign affairs, education, scientific research and many other fields; of common administrative standards and usages; and of English as a *lingua franca*, should not be forgotten. Once the more important outstanding colonial issues are resolved, probably within the next two or three years, some of the major stresses and strains will be relieved and it may be possible to create new bases for the Commonwealth association. Meanwhile, much hard thinking is required.

BENJAMIN ROGERS

330.

DEA/50386-40

*Le haut-commissaire au Royaume-Uni  
au premier ministre*

*High Commissioner in United Kingdom  
to Prime Minister*

PERSONAL AND CONFIDENTIAL.

London, March 28, 1962

My dear John [Diefenbaker],

I am sure you are aware that over a number of years serious consideration has been given to the recurring attempts by the Commonwealth Relations Office to establish a relationship between the United Kingdom Government and the representatives of the Commonwealth which can best be described as that of the shepherd and his flock. I find that there was a very extensive exchange of memoranda on this subject during the time the previous Government was in office during the post-war years. There have also been exchanges at the official level since 1957.

This is no mere question of the size of the hat worn by the High Commissioners, or a problem of protocol. It goes to the root of the question first raised by Sir John Macdonald immediately after Confederation. He insisted that in its dealings with the British Government, the Canadian Government should deal directly with the various departments concerned with any particular aspect of Canadian affairs. Many of his typically pungent comments are a matter of record.

Since Lord Home went to the Foreign Office there has been a marked tendency in the wrong direction. I was informed quite frankly by one of the Cabinet Ministers that Sandys had obtained an undertaking from other Ministers that he would receive copies of all communications from the High Commissioners to the various Ministers. This has led on more than one occasion to an attempt to sidetrack direct negotiations. Merely as an example, I recall that Sandys tried to divert our discussions regarding the Law of the Sea to his office, although these discussions had been going on directly with the Minister charged with this responsibility since 1958. When I called on him to explain that this had been the course, and that it was the only suitable course to follow, he disclosed very quickly that his own views were opposite to those of the Minister in charge, Mr. Hare. Had we followed Sandys' suggestion and channelled our representations through his office, his personal opinions would have been a barrier to any effective discussions.

Please do not think that I am seeking to raise an issue between the two Governments on this point. I think there is one way of dealing with this indirectly which would prove very effective, and which at the same time might receive public approval for reasons which would be more apparent than real.

Since the Statute of Westminster clearly established that we are all sovereign states, each equal to the other in the responsibility for our own affairs, and since the United Kingdom Government finds it so desirable to have a Secretary of State for Commonwealth Relations, I do suggest that you give consideration to the appointment of a Secretary of State for Commonwealth Relations for Canada. This need not add another Minister to your Cabinet. I think that no reflection can be inferred from my suggestion that the Secretary of State is not over-burdened with work, and that he might well hold the dual Ministerial responsibility of Secretary of State and Secretary of State for Commonwealth Relations. It might be explained with suitable flourish that we are following the same procedure as in London, and that the Minister will deal with all High Commissioners to the same extent that the Secretary of State

for Commonwealth Relations deals with High Commissioners here. I am not at all sure that you might not receive a great deal of public acclaim because of the natural assumption that this would be an attempt to establish firmer and wider Commonwealth relations. However, my thought simply is that by this device a problem that has been causing a great deal of concern to the Department of External Affairs, ever since the last war, might be dealt with by a procedure to which the United Kingdom Government could not possibly object, and which might effectively assure that we would return to the long-established practice. In other words, what I am really suggesting is that we smother a bad procedure by kindness instead of with a club. I am not in much doubt as to what Amory's reaction would be to any similar procedure in Ottawa. Nevertheless, if the Statute of Westminster means anything, and the long-established practice started by Sir John Macdonald was sound, then there is just as much reason for a Secretary of State for Commonwealth Relations in Ottawa and Canberra as there is in London.

I am prompted to write this letter because I have just received a letter from the Commonwealth Relations Office, signed incidentally by Sandys' secretary, informing me that "it seems to the Commonwealth Secretary, however, that High Commissioners in London might welcome a chance to hear a first-hand account of the conference from the Foreign Secretary." The practice in the past, and the practice which I am sure is correct for practical as well as traditional reasons, is for the Foreign Secretary to call the High Commissioners to his office for a meeting of this kind. This is the first occasion since I have come to London that we have been called together by the Secretary of State for Commonwealth Relations to hear a report from the Foreign Secretary. It clearly indicates a trend which might well be stopped without any controversy by the procedure I have suggested.

The idea may not be worthy of consideration, but I put it before you as a possible way in which an unsatisfactory trend can be stopped, and at the same time some credit gained for establishing the basis for more effective cooperation in dealing with Commonwealth relations in Ottawa.

Yours ever,

GEORGE DREW

331.

DEA/50386-40

*Le haut-commissaire au Ghana  
au sous-secrétaire d'État aux Affaires extérieures  
High Commissioner in Ghana  
to Under-Secretary of State for External Affairs*

LETTER NO. 195

Accra, April 18, 1962

CONFIDENTIAL

Reference: Your letter No. K-73 of March 12.†

#### GHANA AND THE COMMONWEALTH

For most Ghanaians the Commonwealth fundamentally means the British connection in all its ramifications: nostalgia and bitterness, opportunity and frustration, fair play and racialism. When Ghanaians (and I think this includes the President) think of the Commonwealth they think of it in terms of their relations with the United Kingdom almost exclusively, of their relations with Canada and India a little and of their relations with Ceylon or Malaya not at all. As Canada House pointed out, this anglocentrism has, of course, been fostered by the British in

the past and in no way discouraged by them since Ghana's independence. It is, of course, the way in which they themselves see the Commonwealth. This is the weakness of the Commonwealth concept in Ghana, because for historical reasons Ghana is still very much more involved with Britain than with any other country, and British and Ghanaian interests, particularly in areas of special importance to Ghana, often conflict. The Ghanaians are, therefore, preoccupied with what Britain does and frequently find themselves casting about for means of expressing dissatisfaction with what it does, or even of retaliation. Naturally enough it occurs to the Ghanaians from time to time that they can best express their annoyance with the British by ignoring or threatening to leave the Commonwealth. In this they are, of course, like Indians or Ugandans or any other Commonwealth peoples who have no emotional identification with the Commonwealth and who have at one time or another wished to bring pressure to bear on the British. They have been told by the British that the Commonwealth is a good thing and they have seen it used as an instrument of British policy. It is natural enough that they should conclude that it exists to serve British interests and on the occasions when they are thinking of the Commonwealth these are usually opposed to their own.

2. For people who think of the Commonwealth in this way the idea of Britain itself turning away from the Commonwealth, as many people think is happening through British negotiations with the EEC, is a new and disturbing experience. It is naturally difficult to imagine the continued existence of the Commonwealth without Britain and such an idea has by no means taken hold in Ghana. Nevertheless it will be remembered that in his July 4th speech last year<sup>18</sup> President Nkrumah referred in scarcely veiled language to the departure of Britain from the Commonwealth. He did so in a way which suggested that he did not believe that such an event would necessarily mean the end of the Commonwealth. With Britain gone there is no doubt that the Commonwealth would come to mean for Ghana first and foremost its relations with Canada. Even now it is likely that Canada and India would be named after Britain as the only other Commonwealth members known to those Ghanaians who know any Commonwealth members at all. Our relations with Ghana were undoubtedly made easier at the beginning by our common Commonwealth membership. Even now Ghanaians are prone to mention the Commonwealth in any discussion of Ghana-Canada relations, although it is probably true that those relations are now more firmly based on bilateral contacts than they could ever have been in a purely Commonwealth context. It has been suggested to us by Ghanaians that if Britain joins the EEC and, as they automatically assume, thereby forfeits its leadership in the Commonwealth, Canada is the natural heir. Nobody has, of course, thought that particular notion through to the point of suggesting what leadership in the Commonwealth entails or indeed whether it is heritable. It does perhaps indicate, however, that among those Ghanaians who conceive of the Commonwealth as anything more than a euphemism for empire (and these are very few) Canada enjoys a special position. Other Commonwealth members are thought of in quite a different sense. Australia seems to be regarded as an extension of Britain and in any case an imperialist country. New Zealand is not thought of at all. The Asian Commonwealth countries – and this means India above all – are thought of in the non-aligned or Afro-Asian setting which [is] United Nations oriented and to which the Commonwealth is notoriously irrelevant. Nigeria, Sierra Leone and Tanganyika are African countries: they are in a category all their own for Ghana, as neighbours and as potential members of the same political unit. Beside the vision of united Africa the Commonwealth pales in Ghanaian eyes into unreality and insignificance. When it comes to African issues the Commonwealth is always negotiable.

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<sup>18</sup> Voir/ See "Ghana Warning on Sterling Area," *The Times*, July 5, 1961, p. 10.

3. The Ghanaians have never made any pretence that they would not put Africa first, but if they could be persuaded to think consistently of the Commonwealth as essentially the multilateral association which it becomes at Prime Ministers' meetings, and as which it captivates President Nkrumah on those occasions, then we might reasonably expect to see Ghana stay in the Commonwealth until African unity has become a reality. That will be quite a long time. As it is, because Commonwealth means Britain and because Ghana's relations with Britain are going to be uneven at least until the decolonization process is over, it cannot be confidently predicted that Ghana will stay in the Commonwealth for any given length of time. We are inclined to think that a good many responsible Ghanaians would concur in the judgment given us by a senior Foreign Ministry official that Ghana stays in the Commonwealth now only because if it left, the western world would conclude that it had finally taken the longest step toward Communism.

4. Recognizing, then, that Ghanaian membership in the Commonwealth will not, at the longest, outlast the coming of African political union, what kind of Commonwealth would make sense to Ghana in the meantime? The first requirement, that it be one not in practice monopolized by Britain, could be met easily enough: the holding of Prime Ministers' meetings away from London from time to time and on the initiative of members other than Britain if the occasion arose would be acceptable outward signs of the real and inward change which British EEC membership may bring about. The second, that it be one in which Ghana does not feel itself inhibited and constrained, will be harder to meet, because it depends on an evolution of Ghana's own attitudes. At present Ghana feels free and self-confident in African affairs or at the United Nations or in the non-aligned world – there it can often steal the scene by means and for purposes which looked at in the traditional Commonwealth manner are vaguely disreputable. Rightly or wrongly Ghana is not prepared to be reproved. Although President Nkrumah responds wholeheartedly to the circumstances and atmosphere of a Commonwealth Prime Ministers' meeting he will react most strongly on other occasions against the international respectability Commonwealth membership has been thought to impose. The Commonwealth, therefore, will probably have to be more indulgent of its members than of outsiders if it is to contain Ghana. Part of Canada's success with Ghana has been that Canada has remained sympathetic when the rest of the western world has been quick to condemn. Basically what Ghana wants out of the Commonwealth, or rather what President Nkrumah wants, is the satisfaction of periodic acceptance by his colleagues at Prime Ministers' meetings and their personal, individual support and understanding when he feels the need of it the rest of the time. If the Commonwealth is not personal for Ghana it will be nothing. The idea referred to in the last paragraph of Canada House's letter, that Commonwealth members could be thought of as "links" between different parts of the world, looks very unreal from here. If most Commonwealth members, and especially Ghana, were to set up as somehow representative of their neighbours they would be entirely self-appointed. In any case countries are countries and not links, and thinking in metaphors will not help us to establish what we want of the Commonwealth. As far as Ghana is concerned it wants very little; the Commonwealth is one influence among many and far from the strongest. It will not strengthen Ghana's attachment to the Commonwealth to try to treat it as a more ambitious association than it is.

BRUCE WILLIAMS

332.

J.G.D./MG01/XII/D/37.3

*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, April 20, 1962

BRITISH MEMBERSHIP IN COMMON MARKET: POSSIBLE IMPLICATIONS  
FOR FUTURE OF COMMONWEALTH

A decision by Britain to become a member of the European Economic Community would obviously be of profound historic consequence, not only for Britain's national life but also for its relations with the rest of the world. As the leading member and, to some considerable degree, the architect of the Commonwealth, Britain's relations with the countries of the Commonwealth would be affected and the character of the Commonwealth itself might in time be considerably altered. The terms for British entry into the Common Market have not yet been determined and the scope and nature of the political association within the E.E.C. are still to be established. Therefore, any forecast of implications for the Commonwealth must be highly speculative. However, one is led to a conclusion that British membership in the Common Market would result in some attenuation of the sense of cohesion in the Commonwealth and perhaps eventually a sapping of interest in maintaining the institution.

There is considerable evidence that a substantial body of support for the Commonwealth within some countries that have become members since 1945 was based on expectation of practical advantages to be gained from Commonwealth preferential tariffs as well as from aid programmes. Loss of these preferences could quickly lead such groups to question the value to their countries of continued Commonwealth membership. It is not possible to assess, from country to country, the strength of those who value the Commonwealth largely for bread-and-butter reasons as against those who prize the association for traditional, political and philosophical or sentimental reasons but the estrangement of the former group would be important in any review of the merits of Commonwealth membership.

Perhaps a more important cause of the weakening of the Commonwealth could be a slackening of British effort to sustain it. If Britain joins the E.E.C., the main focus of official and popular interest in the United Kingdom will be likely to switch to the continent of Europe. The required readjustment of British habits of living and thinking will be vast and preoccupying. The problems which the British will have to meet and help to solve in the transitional period and afterwards will be profound and will cover a broad range. These tasks and challenges will demand of Britain the greatest efforts of energy, thought and imagination and it is a real question whether Britain will have enough of these qualities left over to fulfil the role it has heretofore played in the Commonwealth. In the creation of the "second Commonwealth" since 1945 the United Kingdom has been indefatigable in devising formulae for Commonwealth association for the former colonies of Africa and Asia and in trying to smooth the relationships between countries of widely different backgrounds and political philosophies. Whether these efforts have produced a satisfactory result may be a matter of opinion but, without them, it seems unlikely that the present multi-racial Commonwealth would exist today. It is a matter for serious conjecture whether the Commonwealth would continue to be an effective force, in the long term, if British activity for its preservation were to slacken substantially. It is by no means clear that any other Commonwealth country is endowed by history and experience or resolve to succeed the United Kingdom in this role.



As a full member of the Common Market, Britain would become involved in political consultations with the continental members. As a newcomer to the E.E.C., faced with a difficult period of adjustment to hard requirements and novel ideas, Britain may well have to adopt views on world affairs from its European allies and these may not prove attractive to some Commonwealth countries. The French Government, for example, is expressly contemptuous of the United Nations and the Germans do not belong to the U.N. Although the U.K. has reservations about the use to which the U.N. General Assembly is put and on the conduct of the Congo operation, any adjustment of attitude towards the U.N. within the E.E.C. would probably be in the direction of reducing British support for the United Nations. Such a development would be unpalatable to African and Asian members of the Commonwealth who relish the opportunities the U.N. seems to offer them for expression and influence. Moreover, suspicion by Afro-Asians of the "colonialist" attitudes of continental Europeans runs high and intimate association with the continent might blur the good reputation of Britain in this respect. Some African leaders, notably Dr. Nkrumah, have argued that the association of French-speaking African countries with the Common Market was a disguised form of European "neo-colonialism" and Britain, never entirely free of suspicion on this score, could suffer from the E.E.C. link in the eye of Commonwealth countries in Africa. However, there is a balancing factor which might have attraction for some Commonwealth countries; this is that there would have to be a reciprocal adjustment of views by European countries towards traditional British attitudes. This adjustment would presumably make the E.E.C. more outward-looking, more internationally conscious and less narrowly continental.

To some extent the disadvantages resulting from British membership in [the] E.E.C. would be offset by the advantage of having one member of the Commonwealth a member of a group which in all probability will have an increasingly important influence in world affairs. Not only could Commonwealth countries gain information of the intentions of the Community but there might be increased opportunity to bring the influence of Commonwealth countries to bear on Europe.

The above line of conjecture may lead to gloomy, if hesitant, conclusions about the long-term future of the Commonwealth as an institution if Britain joins the Common Market. But it does not take account of the fact that the Commonwealth relationship has always been subject to modification and, whether or not Britain becomes closely knitted into Europe, there may be some lessening of the closeness of the Commonwealth association. The prospective admission of a considerable number of new members also seems likely to lessen the intimacy and candour previously a feature of Meetings of Prime Ministers. Bearing in mind the present range of relationships within the Commonwealth, it seems possible that, though U.K. relations with some Commonwealth countries may become less close, and, as a result, the institution of the Commonwealth may suffer and be reduced in value, relations between other members will continue on much the same basis. Canada's relations with Australia, New Zealand and Britain would probably continue to be marked by friendly consultation and co-operation, even if the Commonwealth as an institution suffered impairment. Similarly, our relatively remoter and less intimate relations with, say, India or Ghana might not be markedly different if formal Commonwealth ties were loosened.

In any case the effects on the Commonwealth of British membership in the E.E.C. would probably be gradual and cover a considerable period of time. A major adjustment of this order in the pattern of economic and psychological relations between nations would be a real challenge to the Commonwealth resiliency and power of adaptation.

[GEORGE GLAZEBROOK]  
for Under-Secretary of State  
for External Affairs

3<sup>e</sup> PARTIE/PART 3  
 RELATIONS ÉCONOMIQUES  
 ENTRE LE ROYAUME-UNI ET L'EUROPE  
 ECONOMIC RELATIONS  
 BETWEEN THE UNITED KINGDOM AND EUROPE

333.

DEA/12447-40

*Le haut-commissaire du Royaume-Uni  
 au ministre des Finances*

*High Commissioner of United Kingdom  
 to Minister of Finance*

CONFIDENTIAL

Ottawa, January 8, 1962

Dear Donald [Fleming],

I need not tell you how pleasant I found the talks last week or how much we appreciated the warm and understanding approach of you and your colleagues. During the course of these talks, the Lord Privy Seal discussed arrangements for consultation between our two Governments on the day-to-day questions that will arise during the negotiations in Brussels with the European Economic Community. The tempo of these negotiations is likely to increase from now on, and with it the need for a speedy exchange of views between Britain and other Commonwealth countries on a wide range of topics. I thought it might be useful, therefore, if I summarised the main points which Edward Heath made about Commonwealth consultation in this context.

He said that he thought the arrangements so far employed for keeping Commonwealth Governments informed of the progress of negotiations in Brussels and for seeking their views on matters affecting their interests have on the whole worked fairly satisfactorily. But as the negotiations proceeded Britain would be more and more in the position of discussing with the Community specific solutions to problems involving major Commonwealth interests and we should often have to make up our minds at short notice how to handle the matters coming up at individual meetings and what proposals to put forward. The British Delegation would keep Commonwealth representatives in Brussels informed of each day's proceedings in the negotiations. They would also in their discussions with Commonwealth representatives give the best assessment they could of the proceedings of future meetings, although in the nature of things the Delegation would often be unable to determine their line of action until just before the meeting begins. In particular the Delegation would do their best to give the Commonwealth representatives concerned advance information about proposals that Britain would be putting to the Community which affected the interests of their countries. It would of course be most helpful if Commonwealth countries' representatives for their part were able to give advice on the ways in which their countries' interests might be affected.

The British Delegation would naturally do their best to ensure that each Commonwealth Government concerned had sufficient time to comment on important matters where it felt that the Delegation did not sufficiently know their views from previous consultations or where the British proposals were such that it would be desirable for interested Commonwealth Governments to have an opportunity for further comment. Edward Heath added that he hoped

that Commonwealth Governments would be able to help our Delegation by doing their utmost to give speedy replies.

He went on to say that at the actual meetings with the Community new proposals or possible compromises might often emerge on which the Delegation would have to give at least a preliminary view. But he emphasised that while in the course of the discussions with the Community we might have to seize opportunities as they arose to advance the negotiations and narrow the differences between us and them by reaching tentative understandings on particular problems, such understandings could only be provisional until the final phase of the negotiations and subject to review in the light of conclusions reached on other matters.

May I add that we were very glad indeed to learn that, for your part, you and your Ministerial colleagues were able during the course of the discussions just concluded to agree with the Lord Privy Seal's approach to this important question of Commonwealth consultation and in particular that you propose to arrange senior representation to keep in day-to-day touch with our Delegation at Brussels for this purpose.

Yours sincerely,

AMORY

334.

DEA/12447-40

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

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

LETTER NO. 354

London, February 27, 1962

SECRET

Reference: Our Telegram 668 of Feb. 26, 1962.†

REPORT OF MEETING OF HIGH COMMISSIONERS ON  
MONDAY, FEBRUARY 26, 1962, AT 10 A.M.

The High Commissioners met the Rt. Hon. Edward Heath this morning to receive a report of the discussions in Brussels last week. While the report followed very closely in detail the information given to Commonwealth Ambassadors in Brussels on February 23rd, I am giving a fairly complete report as Heath's statement today varied to some extent in emphasis if not in content.

2. Heath said that the purpose of having general discussions at this time was so that they would not get down to formal Ministerial negotiations until there had been a thorough examination of the points raised and some agreement in regard to the procedure to be followed by the deputies and their officials.

3. Having regard to the fact that we merely get information after the event, I thought there was some interest attached to his statement that one of the great difficulties is that the Six have their own meetings and have reached an agreed position before they hear what the British have to say. This, he said, undoubtedly created difficulties and resulted in discussions of a general nature going on for three to three and a half hours. As he put it: "They are shy about disclosing their intentions."

4. Heath said that in addition to the general discussion on agriculture there were three particular points raised:

(a) The Aide Mémoire prepared by the Australian Government requesting direct participation in the negotiations;

(b) Britain's announced decision to apply for membership in the European Coal and Steel Community and Euratom;

(c) The position of the EFTA Governments in the negotiations.

5. Heath explained that on Friday morning last he had raised the point about Commonwealth trade and its importance in reaching an ultimate decision. He said that in his own introductory remarks he had explained why they wanted a general discussion in which each of the Six would express their own views. He pointed out that in Paris the British had agreed that there should be a common agricultural policy. He explained that one of the difficulties in proceeding further with some of the discussion in detail is that a committee has been set up to translate the financial agreements, and their work will not be completed before the middle of March. In fact, he said, it is doubtful if it would be completed then. He did say that they had also agreed that there should be common prices for agricultural products.

6. He said they accepted the proposition that as much as possible of the structure for dealing with agricultural products as the Six wanted should be kept. He reminded them, however, that this would be affected by four particular considerations:

(i) With this larger economic community supply and demand in some cases would be completely changed; e.g. pigmeat and eggs in the case of Britain and Denmark;

(ii) The need to deal with the interests of the whole community in dealing with agricultural production;

(iii) The necessity for permitting the United Kingdom agricultural system to be harmonized smoothly and swiftly with the EEC requirements;

(iv) An annual review of the over-all situation and appropriate long-term assurances based on these reviews.

7. He had suggested that a practical way of dealing with these questions would be to accept the following principles:

(i) Before making decisions they should agree what changes will be necessary when the Community is enlarged;

(ii) The method of change-over should be as simple and straightforward as possible.

8. He said that the points which should be referred to the deputies were:

(a) The United Kingdom position and the need for adapting decisions to their requirements;

(b) The question of financial contributions to the budget required in this case for the equalization of agricultural prices;

(c) The Commonwealth should be given an opportunity for outlets comparable with those they now enjoy.

9. These considerations would be related to four governing conditions:

(i) An adequate transitional period;

(ii) At the end of the transitional period a review to see what changes should be made;

(iii) Long-term arrangements;

(iv) British agriculture should be assured protection in regard to particular products and the method of trading should be fair and equitable. With particular reference to British agriculture there should be (a) an adequate transitional period, (b) an annual review, and (c)

a long-term assurance to British farmers. He said that these three points were then more extensively explained by the Minister of Agriculture.

10. Heath said that in view of the fact that a number of the problems they must face are not peculiar to Europe, particularly that of surpluses, people are arguing that there should be world-wide arrangements. This, he said, would be very desirable but is going to be very difficult to achieve, and that it is therefore essential that "we consider practical measures and not merely pleasant ideas." Couve de Murville replied that what the Community must assure is:

- (1) Free movement of commodities within the Community;
- (2) Protection from imports;
- (3) Agricultural levies and payments should be handled as a Community responsibility.

11. He thought that the agricultural problems of the Commonwealth should be studied product by product and the Committee of Deputies should have full information about those products requiring consideration.

12. Couve de Murville said that there should be a transitional period for the Commonwealth and then worldwide arrangements. Heath said that he talked rather vaguely about this.

13. Of United Kingdom agriculture, he said that they could not see any reason why the United Kingdom should have a longer transitional period than other members of the Community. It would raise problems if one member had different arrangements.

14. He also said that it would be necessary to have precise terms for the annual review.

15. Heath told us that in reply he had said that so far as the principles were concerned, there were no great difficulties. However, so far as a transitional period was concerned, there were strong arguments in support of the British claim for a longer period. British farmers were in a better position than the other members of the Community. As he put it: "Were we to tell all our farmers that their position was going to be weakened?" He also told them that the Commonwealth would want to have some more specific statement than a vague assurance of worldwide agreements following a transitional period.

16. Couve de Murville replied that he had not been visualizing any position after a transitional period, other than world-wide solutions.

17. The Minister of Agriculture, Mr. Soames, then dealt with some specific points and explained that if Denmark came in, some of the particular problems to be raised would result from the fact, for instance, that they are the largest producers of pigmeat, while the United Kingdom is the largest consumer. This is the type of situation which would require a particular, and not a general, solution.

18. Dr. Metholt then said that he did not think British horticulture required a longer transitional period, but that it should be reorganized.

19. Couve de Murville then said that "since you can't move commodity prices more than 2½% a year, this might raise problems for us in the way of subsidies."

20. Heath told them that there are five main subjects to consider in connection with agriculture:

- (1) General application to agriculture of problems raised by United Kingdom application to join the Community;
- (2) General assurance to be given to agriculture, including annual review;
- (3) Transitional period for United Kingdom agriculture. Heath did say that there are some products which do not require a longer transitional period;
- (4) The Commonwealth situation. This covers the general arrangements required for the whole Commonwealth;

(5) Financial arrangements for the Community. Heath said that those had not yet been received.

21. Heath told the meeting that it would not be possible to deal with Commonwealth problems until they got down to specific commodities. He did say, however, in reference to Couve de Murville's second intervention, that it was not sufficient to speak of a transitional period and then merely talk in general terms of world arrangements. He said that it was essential for the Commonwealth to know where it stood.

22. He said that was the conclusion of their general discussion on agriculture. He said there had then been a restricted session and he asked that we emphasize to our Governments that this was in fact restricted. (I think most of this has already been discussed in the press with reasonable accuracy.)

23. In referring to the Australian request, he said that this was a practical matter and not one of general application. He pointed out to them that there was a wealth of experience and knowledge that would be useful to the Ministers.

24. He reported that the majority of the Ministers saw considerable difficulty in this suggestion because it would mean that other members of the Commonwealth would also wish to be represented on a similar basis, and this would greatly increase the number of negotiating parties. It was then suggested that other nations as well might wish to take part in these discussions in the same way. Couve de Murville said that he thought it was best to refer this subject to the Deputies for consideration. The Deputies were then instructed to consider the Australian proposal not unsympathetically but with full regard to the practical problems raised.

25. Heath then said that as he had already stated in Paris that it was the British intention to make an application to join the Coal and Steel Community, they thought it best to proceed with their application now in view of the time it would take to have this dealt with. He also informed the Ministers that it was their intention to proceed with an application for membership in Euratom.

26. (As these were previously tied to the idea of membership in the Common Market, it does seem that in some measure the United Kingdom is burning its bridges by this movement.)

27. He also referred very briefly and in a most casual manner to the fact that they had raised the question of the EFTA countries. He informed us that Couve de Murville replied that they had not yet had time to consider the EFTA position. That concluded the restricted meeting.

28. We were then given a transcript of the opening statements by Heath and Soames. I am attaching them to this letter.

29. There were then some questions. Sir Eric Harrison said that as the timetable now presented itself, there apparently would not be the customary break for the summer. Heath indicated this to be so, and he said it would be difficult to say how far the Deputies will advance in their discussions and when they would be able to deal with particular commodities. He left me with the impression that he was in no doubt that these discussions would be going on for some considerable time. He did follow his earlier comment by saying "the arguments are now going to be very fierce and tough."

30. He then went on to say that perhaps five out of the six members of the Community are coming to the conclusion that "we will have to negotiate." He said he thought it was better that this suggestion should come from inside the Six than from the United Kingdom because he believes that if it comes from them the United Kingdom bargaining position will be better.

31. Macdonald of New Zealand then asked what long-term assurances he had in mind when he spoke of the protection of their own farmers. Heath said that as far as British farmers are concerned, they have assurances to the end of the present Parliament. He said that the farmers might be satisfied to rely on the present arrangements, but that from the long-term point of

view the Community will insist that if something applies to British farmers, it must apply to the farmers of the Community as well.

32. He said that the situation in the United Kingdom and France is very different. He said that 4% of the United Kingdom population are farmers, while a much larger proportion in France are engaged in agriculture.

33. In answer to a question by Harrison he said that working parties to deal with each particular problem would probably be recommended.

34. Macdonald then asked how the levies would be handled. Heath explained that the levies would be paid into a Community Budget and handled as a Community responsibility.

35. Heath then went on to say that the demand for these levies in respect of agricultural imports would fall mainly on the British government. However, he did say that "*whatever is fair for the Community is fair for us.*"

36. He pointed out that the Community themselves have fixed seven and a half years for a transitional period for the attainment of a common agricultural policy. That would in practice give members eight years for the internal rearrangement of agricultural production.

37. Heath went on to say that there are some interesting effects of a common agricultural policy not previously realized. The French, for instance, will have to disorganize some of their local organizations. Italy will have to change their horticulture policy.

38. When asked how the Commonwealth is going to change over during the transitional period and afterwards, he said that this has not yet been discussed.

39. Reference was made to the deadlock in the cereal conference at Geneva, and Heath was asked whether this had any effect on the discussions. He replied that one point did emerge in private conversation outside of the general meetings at Brussels. He said that it is recognized that there is a general fear that the Community is seeking to establish long-term arrangements which could be greatly affected by world arrangements and by a world-wide surplus of particular commodities.

GEORGE DREW

335.

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 847

London, March 9, 1962

SECRET. CANADIAN EYES ONLY. EMERGENCY.

Reference: Your Tel E-553 Mar 7† and my Tel 825 Mar 9.†

Repeat for Information: Brussels (OpImmediate).

The papers referred to in Sandys' message were delivered by hand at Canada House at 5.55 pm today, Friday. I need not repeat on the fact that they ask for Canadian comments to be delivered to them on so important a subject in so short a time. Texts of Sandys' letter and of accompanying papers follows:

2. Text of Sandys' letter is: "In my message of March 7 to Mr. Green, I said that we hoped to have ready by the end of this week some of the drafts of our papers containing broad proposals

for safeguarding Commonwealth agriculture interests during the transitional period, as well as those of our own farmers.

Copies are attached of the papers concerned; you will see that they cover cereals, liquid milk and butter, pigmeat, horticulture, eggs and egg products, and poultry meat.

Since our delegate may find it necessary to put these papers to representatives of the Six in the middle of next week, we should be grateful to have the comments of your Government not repeat not later than Tuesday, March 13.

I am writing similarly to Harrison (Australia) and Macdonald (New Zealand)."

3. Text of accompanying papers follows.

*UK's Observations on Cereals*

1. The Community's objective is a liberally managed market, i.e. the maximum freedom of trade consistent with the maintenance of stable internal prices around reasonable target price levels. We are in full sympathy with this objective. Moreover we can go along with a system of target and intervention price for cereals with a variable levy on imports.

2. But we attach the utmost importance to the Community's view that a viable system will only be achieved if three conditions are satisfied, namely,

(i) the internal prices established, notably for wheat, must not repeat not be such as to over-stimulate production and give rise to surpluses;

(ii) the target prices for the different cereals, and so indirectly for cereal products, must be based on the relative commercial value of each, otherwise the production and usage of the different grains will be uneconomically distorted;

(iii) the necessary changes in price levels and marketing arrangements must be introduced gradually and operated with the maximum flexibility. An annual turnover of over 80 million tons of grain in the enlarged Community cannot repeat not be tightly regulated without strangling trade.

The third condition is of even greater importance to us than it is to the Six because of the more radical price and organisational changes which the Community's plan would involve for us.

3. The transitional period must be such as to permit a gradual phasing out of deficiency payments and phasing in of levy arrangements. We must be able to continue guaranteed prices to producers throughout the transitional period, so as to supplement as necessary our growers' returns from the market in the period when our market price level is stepping up by stages to that of the Community. This also applies for those growers of barley and oats who do not repeat not at present sell their grain and receive deficiency payments on an acreage basis.

4. The arrangements for cereals must ensure for Commonwealth countries the opportunity of outlets comparable to those they now enjoy. Details of these outlets are shown in the appendix. Commonwealth countries must continue to have the opportunity of selling traditional quantities to UK or Community, on conditions (as regards the levy system) which would assure comparably competitive conditions of access for such quantities. We accept that the means of giving effect to the principle of comparable outlets, as regards both quantity and price, must be consistent with the levy system. There are various possibilities such as assured right of access for traditional quantities, levy-preference quotas, long-term contracts, etc. We need further info about the levy system and its operation in order that we may determine with you which of these devices or combination of these devices, would be most appropriate, or indeed practicable, for the different cases.

5. The major problem is that of wheat. The trade in Canadian wheat is very large and is essential to Canada, and to the production of British type of bread, since hard wheat of Canadian type and quality is not repeat not grown in Europe. For hard wheat (*blé de qualité*)



we would wish to assure to Canada access to UK or Community market on fair competitive conditions, including levy arrangements which do not repeat not discriminate against hard wheat, to the extent necessary to provide her with outlets comparable to those she now enjoys.

6. For soft wheat the main Commonwealth concern is our trade with Australia. The intra-Community preference and the other arrangements in the transitional period should not repeat not be operated in such a way as to prejudice Australia's opportunity to sell traditional quantities on fair competitive terms, as outlined in paragraph 4. Since the Common Market state there would be no intra-Community preference both Australian and Community wheat would sell at the internal price. But even here, if a surplus of soft wheat arose in the Community, Australia might not repeat not be able to compete on fair terms if the Community price fell to the intervention level for a lengthy period, since the levy on Australian wheat would still be calculated on the relationship of the threshold price to the target price. This is a matter which we shall need to consider further.

7. Similar arrangements will be needed to safeguard Australians' and Canadians' interest in barley, oats, and cereal products. Whilst the problem is not repeat not so large as for wheat, there is the added complication that Commonwealth trade in these items enjoys a preference. It will be necessary to take account of this in considering how the principle of comparable outlets can best be applied.

8. For maize, the only Commonwealth interest substantial in quantity is in the supply of white maize from Rhodesia. We would hope this would be covered by some form of association between Rhodesia and the Community; failing this, by arrangements on the lines of whatever is agreed for barley. By far the biggest supplier of maize to Britain, as to the Community, is USA: this is referred to below.

9. There are a number of points on the operation of the levy system which are of importance under 2(iii) above and which we would wish to discuss at technical level. These relate mainly to the mechanism of the levies, the scale of seasonal prices, the arrangements for forward imports contracting and the techniques of support buying. Here again, we need further clarification of the operation of the levy system.

10. The foregoing sets out what seem *prima facie* to be the major problems that arise for UK on the Community's decisions. We believe, however, that a régime based on these decisions can be established and maintained in effective operation and that, consistently with it, solutions can be found to our problems.

11. There will be problems in respect of cereals supplies from third countries other than Commonwealth. In the longer term, we would hope to find an answer to these problems in a multilateral solution which did not repeat not impose an unacceptable burden on the balance of with [sic] as such after the immediate problems of countries with special and existing relationships have been dealt with.

## APPENDIX

### *Existing Access Enjoyed by Commonwealth Countries in UK Markets*

1. The undertaking and obligations referred to in paragraph 4 are as follows:

- (i) No repeat no restriction on quantities of cereals that Commonwealth countries may send to UK;
- (ii) Not repeat not to increase tariffs on Canadian goods where the full rate of tariff is bound to any country in GATT;
- (iii) To give all Canadian goods treatment not repeat not less favourable than that given to any other country for similar goods;

(iv) To admit to UK free of tariff all Australian goods which were duty free in February 1957 (all agriculture and food items were duty free on that date);

(v) Not repeat not to reduce the following Commonwealth margins of preference insofar as they apply to Australia:

Barley	-	10 percent ad valorem
Oats	-	3s.od. per cwt
Millet and sorghums	-	10 percent ad valorem
Wheat flour	-	10 percent ad valorem

### Tariffs

2. The tariff position is as follows:

	COMMONWEALTH SUPPLIES	THIRD COUNTRIES
Wheat	Duty free	Duty free (bound to USA)
Flour	Duty free (bound to Cda)	10 percent ad valorem
Barley	Duty free	10 percent ad valorem (bound to USA and Chile)
Oats	Duty free	Specific duty of 3/- per cwt
Yellow maize	Duty free	Duty free (bound to USA)
Flat white maize	Duty free	10 percent ad valorem
Sorghums	Duty free	10 percent ad valorem (bound to USA)
Most miscellaneous cereal feeding stuffs	Duty free	10 percent ad valorem

### Commonwealth Trade in Cereals

3. The main features of Commonwealth trade with UK in cereals are:

(a) *Wheat*. Canada and Australia are the largest suppliers of wheat to UK market accounting for over two-thirds of total UK imports. In 1960 Canada supplied about 2½ million metric tons, about half our total imports – nearly all of it hard spring wheat which is essential to provide the type of flour and bread acceptable to UK consumers. Australia supplies good quality soft wheat and Anglo-Australian trade agreement contemplates purchases by UK of about 756,000 metric tons per annum for Australia. Commonwealth exports of flour to the UK which is a traditional trade, are included in the above figures.

(b) *Barley and Oats*. Until recently Canada was by far largest supplier of barley to UK – over a million metric tons in 1958/9 but falling to just over 300,000 tons in 1960/61. Australia is also an important supplier though quantities fluctuate. Imports of oats from Commonwealth countries are relatively small.

(c) *Maize and Sorghums*. Imports of yellow maize from Commonwealth are small, the main supplies being from Canada, Kenya and Tanganyika. UK imports of flat white maize from Rhodesia/Nyasaland are relatively small in volume but important to the economies of these countries. Australia exports significant quantities of sorghums to UK but USA is overwhelmingly the most important supplier for both maize and sorghums.

...

6. Although the interest of the Commonwealth in the trade in eggs and egg products is not repeat not very large, it is significant to Australia and New Zealand also has an interest. This interest could be maintained by preserving their free entry into UK market; but in default of this, there are other possibilities, such as a quota free of levy.

...

#### *Commonwealth Interests*

7. *Commonwealth has an Interest in Carcase Pigmeat.* Canada was a major supplier, although she has not repeat not sent pigmeat to UK market for some years. New Zealand sends about 1500 tons of frozen pork annually and UK New Zealand trade agreement provides for entry without restriction of quantity up to 1967 as well as duty free entry. Kenya sends about 1000 tons of bacon annually.

8. New Zealand should therefore be given duty and levy free entry into UK without limitation of quantity until 1967. For the remainder of the transitional period New Zealand should be granted duty and levy free entry into UK, and in the Common Market period into the Community, for an agreed quantity of pigmeat, in [group corrupt] to satisfy the requirements of comparable outlets.

9. In addition UK imports about 6,000 tons of pigmeat offals a year, almost all of it, from Canada, Irish Republic and New Zealand, entering duty free. In order to provide comparable outlets, it will be necessary to make some similar arrangements for these Commonwealth supplies in both the transitional and single market stages.

...

8. *Comparable Outlets for Commonwealth.* The economy of New Zealand depends to a significant extent upon its butter exports to UK; such exports are also important for Australia and Kenya. The increase in world butter production in recent years – often encouraged by large government subsidies and not repeat not fully matched by increased consumption – has already made it necessary for UK to take steps to restrict imports, as explained above. We envisage that during the transitional period (as noted above) we may need to continue to allocate shares in UK market for butter, having regard to trade in a recent representative period. Any such quotas would be drawn up without discrimination against Commonwealth. Imports from Commonwealth would continue to be admitted free of duty, up to the amount of the quota, while the present duty on imports from member countries of the Community would be gradually eliminated.

9. In the Common Market stage, it is envisaged that there would be a common price for butter (or possibly a range of prices for different grades) throughout the enlarged Community. Steps would still be necessary in order to ensure for Commonwealth suppliers an adequate share of British market. Imports from non-EEC non-Commonwealth suppliers would of course have to surmount the levy as well as being subject to quota restrictions.

...

#### *Commonwealth Interests*

6. Commonwealth interest in temperate fruits and vegetables is largely (though not repeat not exclusively) limited to apples and pears from Canada, Australia and New Zealand. They lend themselves to different treatment because, while Canada is in Northern hemisphere, Australia and New Zealand are in Southern and the seasons are different. We propose the establishment of duty free entry for imports of apples and pears from Australia and New Zealand and the exemption from the operation of any minimum price scheme of imports of apples up to an agreed level from Canada.

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PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], March 13, 1962

*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 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),  
 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).

...

UNITED KINGDOM PROPOSALS TO E.E.C. ON AGRICULTURE

21. *The Prime Minister* said that, when the United Kingdom had begun its negotiations with the European Economic Community, Prime Minister Macmillan had stated that care would be taken to protect Commonwealth markets, and particularly the agricultural markets. Now the U.K. government had presented to the Canadian government a series of proposals, which it was planning to place before the Six, on transitional arrangements for agriculture. In these, the British had failed in various respects to live up to their undertakings. The proposals were confined almost entirely to a transitional period, and seemed to disregard the importance of protecting interests for the long term.

The U.K. government's request for a definite reply on this day was unreasonable and precipitate. Mr. Sandys' letter and the very substantial enclosed paper had not been delivered to Canada House until about 6 p.m. on Friday, March 9th. They had reached Mr. Green as he was leaving for Geneva for the Foreign Ministers' meeting, and had been delivered to the Prime Minister on his return to Ottawa at noon on Sunday, March 11th. The proposals bore directly and heavily on the interests of Canada, and there was a limit to the rapidity with which the government could reasonably be expected to comment on matters of such importance to the Canadian people.

He proposed to reply therefore, through the Canadian High Commissioner, that the Canadian government would be unable to make a definite reply until next week.

He went on to say that, on various occasions, he had had reason to doubt Mr. Sandys' good faith. He might telephone Prime Minister Macmillan to discuss the current unreasonable request. In any event, the reply of the Canadian government should be addressed to the U.K. Prime Minister and not to Mr. Sandys.

The U.K. government obviously had no intention of calling a meeting of Commonwealth Prime Ministers to discuss the possible effects upon the Commonwealth of the proposed association of the U.K. with the E.E.C. In his earlier statements in the U.K. House of Commons, Prime Minister Macmillan had seemed favourable to such a meeting, but his recent statements had been more indefinite and perhaps evasive. The British people appeared to believe that the Commonwealth would no longer exist by 1975.

The present request of the U.K. government showed that they were merely "pulling us along." They were not consulting, as they had undertaken to do, but were merely informing the Canadian government. Their public attitude to Australia and New Zealand was much the same, but he believed that those two countries were receiving somewhat better protection in the negotiations. He had reason to believe that Prime Minister Menzies had been approached by the U.K. government, and had stated that he would probably face another general election before July of this year and that a conference of Commonwealth Prime Ministers should not be held before that time.

It should be noted that the previous meeting of Prime Ministers had been discussing South Africa exactly a year ago today.

Earlier he had been given to understand that he would be accorded the freedom of the City of London during his next visit to the U.K., but more recently the British had been saying that they would have to bestow this honour on Commonwealth Prime Ministers in the order of their seniority in office. All these developments appeared to be related.

22. *During the brief discussion* some said that the U.K. request was almost outrageous. Their proposals gave Canada little protection, and made no allowance for a normal rate of growth of trade. It was important to insist upon adequate consultation, because the U.K. would be making further proposals from time to time as the negotiations with E.E.C. proceeded. The briefings of Canadian representatives in London and Brussels were useful, but the U.K. government was not justified in regarding these as consultations between the two governments.

23. *The Cabinet* approved the substance of a brief message to the United Kingdom government, stating that the Canadian government would be unable until next week to comment upon proposals which the U.K. government planned to make in Brussels to the European Economic Community concerning the transitional arrangements for agriculture.

...

337.

J.G.D./MG01/XII/D/37.3

*Le haut-commissaire du Royaume-Uni  
au premier ministre*

*High Commissioner of United Kingdom  
to Prime Minister*

SECRET

Ottawa, March 19, 1962

My Dear Prime Minister,

I am writing to you separately today to let you have some information about the British Government's proposals for comparable outlets for Commonwealth temperate foodstuffs. I have also been asked to let you have the draft of a suggested agreement with the Community on industrial products from Canada, Australia and New Zealand.

You will remember that when Duncan Sandys came to Ottawa in July, 1961, he made it clear that much as we should like to do so we did not believe we should be able to retain indefinite unrestricted free entry for imports of industrial goods from Canada, Australia and New Zealand except in the relatively few cases where we could negotiate a reduction in the common tariff to nil.<sup>19</sup> Edward Heath also recognised this in paragraph 39 of his statement in Paris on 10th October, 1961.<sup>20</sup>

Early in the negotiations at Brussels, we pointed out that the value of this trade would be insignificant in relation to the total imports of an enlarged Common Market and we have argued that only negligible harm could be caused to the Community by the continuance of duty free access to the British market. The Six, however, have made clear their view that continuance of duty free access could lead to a gap of unlimited size in the common tariff and would be inconsistent with the principles of the Treaty of Rome. They have also refused to acknowledge that application of the common external tariff would *necessarily* damage this trade.

The subsequent discussions of this subject have related to a detailed analysis of the trade and have not yet reached matters of substantive negotiation. But it has become clear during these discussions that members of the Six, and especially the European Commission, are strongly opposed to the use of duty free quotas for industrial goods which, during our discussions in September, 1961, we had thought might be the best approach to the problem. It is clear that the Six would insist on limiting quotas to items which could be shown to be of great importance to Commonwealth countries and that far from providing for growth they would insist that the rate of duty rose by stages until the common tariff was applied in full and that the duty quotas should cover a declining volume of goods. In particular they would strongly oppose any kind of solution which did not result in application of the common tariff in full to this trade by the end of the transitional period (1st January, 1970).

So far, owing to lack of agreement between themselves, the Six have not put forward any positive proposals, but they have now established a working party to consider the problem and there is a serious danger that unless we put forward proposals of our own their ideas will crystallize on whatever is acceptable to those members least favourably inclined toward us.

<sup>19</sup> Voir/See Volume 28, document 510.

<sup>20</sup> 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 Papers, Cmnd. 1565 (London: Her Majesty's Stationery Office, 1961).

In these circumstances we think it best to put forward proposals for what is referred to as “*décalage*” – that is delay in the stages by which the common tariff is applied to this trade. We believe we should do this in order to forestall much less favourable proposals by the Six and to encourage those members likely to give us support in the Six’s internal discussions of this subject.

Our negotiators will, of course, do their utmost to persuade the Six to accept proposals on the lines of the enclosed draft, but the Six may well not find such proposals acceptable as they stand. In particular they are likely

- (a) to insist that the first step towards the application of the common tariff should be taken when we join the Community and that the second step should be somewhat advanced,
- (b) to refuse any provision for possible special treatment after January 1st, 1970 and therefore to reject the proposed second review and
- (c) to seek to confine these arrangements to a short list of products.

We have no fixed deadline for making proposals on this subject in Brussels, but we believe it would be advantageous to do so soon. Edward Heath’s visit will give us all an opportunity to go through these proposals together and for you to let us have your comments on them.

Yours sincerely,

DEREK AMORY

[PIÈCE JOINTE/ENCLOSURE]

*Projet d’accord*

*Draft Agreement*

SECRET

March 19, 1962

DRAFT OF A SUGGESTED AGREEMENT WITH THE E.E.C.  
ON INDUSTRIAL PRODUCTS FROM CANADA,  
AUSTRALIA AND NEW ZEALAND

We should not take the first step (30%) towards the application of the common tariff to this trade until January 1st, 1965. (This means that industrial goods would continue to be imported free of duty until January 1st, 1965 and would then be charged a rate of duty equal to 30% of the common tariff.)

2. The Six would declare their readiness to participate in GATT tariff negotiations on manufactured goods of interest to Canada, Australia and New Zealand.

3. The enlarged Community would be committed to reviewing the trade during 1966 in consultation with the three Commonwealth countries in the light of the results of any tariff negotiations (qualified majority voting would certainly have to apply during the review).

4. Subject to any derogations agreed by the Community after the review we should take a second step (30%) towards applying the common tariff on January 1st, 1967.

5. The enlarged Community would be committed to a second review of the trade during 1969 again in consultation with the three Commonwealth countries to consider in the light of the circumstances whether special treatment should continue for a limited number of products after January 1st, 1970.

6. Subject to any derogations agreed during the second review we should apply the full common tariff to the whole of the trade on January 1st, 1970.

7. On the foregoing basis we might be able to avoid having to apply a system of origin controls, but we should probably have to agree that such a system should be applied if the Community found that the arrangements in practice resulted in significant deflections of trade.

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J.G.D./MG01/XII/D/37.3

*Le haut-commissaire du Royaume-Uni  
au premier ministre*

*High Commissioner of United Kingdom  
to Prime Minister*

SECRET

Ottawa, March 19, 1962

My Dear Prime Minister,

During our discussion about the Common Market on 15th March I mentioned Edward Heath's statement in Brussels on 22nd February when he had spoken of the need for a general formula within which appropriate arrangements could be made to carry out the principle of comparable outlets for Commonwealth products in the ultimate period when the full Common Market arrangements had come into effect.

2. I have now been asked to let you have the enclosed draft formula on comparable outlets for Commonwealth temperate foodstuffs. Our intention is that this might take the form of a protocol to the Treaty of Rome. The British Government would be glad to have any comments which your Government wish to offer before they put the draft to the European Economic Community.

3. The British Government's idea is to preface it (and any other similar protocols which there may be dealing with other matters) with a general preamble which would include the following point: the parties recognise the importance of the Commonwealth as a force in the world for the promotion of the ideals of freedom and of human rights; they recognise the value as a factor in preserving the cohesion of the Commonwealth, of the great amount of trade carried on between the United Kingdom and the other Commonwealth countries and the special trading position which those countries enjoy in the British market including unrestricted duty free access for the greatest part of their exports; they also recognise the great importance to the economies of many of the Commonwealth countries of the export trade which has been developed in past years on the basis of those trading relationships; they note that the Treaty of Rome recognised the special relationships existing between member states and other countries outside the Community; and they therefore agree that having regard to the provisions made to allow these special relationships to continue the essential interests of Commonwealth countries should be protected.

4. You will notice that paragraph 2 of the draft formula refers to outlets in the enlarged Community. We thus envisage a "Community solution" because we think that this will be more acceptable to the Six than a purely "United Kingdom solution." This paragraph therefore covers present Commonwealth exports to the Six as well as to Britain. The Community may well object to this proposition on the two grounds that it would give the Commonwealth countries concerned a new assurance in the markets of the Six which they do not enjoy at present, and secondly, that it would be equivalent to a new preference in favour of the Commonwealth and therefore contrary to G.A.T.T. Our negotiators propose to put this particular concept forward for tactical reasons, but we have to recognise that it almost certainly represents more than the Six will be prepared to concede. If they do not accept the form of our proposal we hope to place on them the onus of suggesting an alternative.



5. The Six may well take the line that Commonwealth Governments other than Britain could not really expect more than an assurance of the opportunity of outlets comparable to those they had in Britain and the chance (without any specific assurance) of trying to hold or improve their position in the markets of the Six. If they do this we shall have to reconsider our formula and consult further.

6. I am sure we shall have a good opportunity to go into all this with Edward Heath when he is here himself next week.

Yours sincerely,

DEREK AMORY

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note*

*Draft Note*

SECRET

March 19, 1962

DRAFT FORMULA ON COMPARABLE OUTLETS FOR  
COMMONWEALTH TEMPERATE FOODSTUFFS

It will be the policy of member countries of the enlarged Community to work where practicable towards international commodity agreements on the widest possible basis covering trade in temperate foodstuffs. Such agreements, which would have regard to the interests of both consumers and producers, would take time to negotiate. (The intention would be that they should embrace arrangements to safeguard Commonwealth interests made under the remainder of this protocol).

2. One of the objectives of the Community shall be to ensure, through appropriate arrangements, that the common agricultural policy shall be implemented in such a way as not to deprive Commonwealth countries supplying temperate foodstuffs of the opportunity of outlets in the enlarged Community as a whole, comparable with that which they enjoyed in the separate markets of the individual member states of the enlarged Community before the accession of the United Kingdom.

3. In respect of products dealt with in the appendices to this protocol the objective set out in the preceding paragraph will for agreed initial periods be implemented by the arrangements described in these appendices. (Note: Appendices cannot be drafted at this stage.)

4. At a suitable interval before the end of the periods covered by the appendices (and at such intervals thereafter as may be determined), the Community will review the working of the arrangements in the appendices. In the course of this review, the Community will consult the Commonwealth countries concerned. Thereafter the Community will decide in accordance with the terms of Article 114 of the Treaty and not less than twelve months before the expiry of any existing arrangements made under the provisions of this protocol what, if any, modifications are required in the existing arrangements in order to ensure in the circumstances existing at the time the continued implementation of the objective set out in paragraph 1 above.

5. If, before any such review, an International Commodity Agreement has been concluded in respect of a particular product or products then in respect of these products the special arrangements called for by this protocol may where appropriate be subsumed in the new International Agreement.

6. Any arrangements provided for in paragraph 2 shall continue in force until following a review a decision has been taken to amend them.

339.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni  
au premier ministre du Royaume-Uni*  
*High Commissioner in United Kingdom  
to Prime Minister of United Kingdom*

SECRET

London, March 20, 1962

My Dear Prime Minister:

Mr. Diefenbaker has asked me to convey to you the following message:

BEGINS:

There has as yet been time only for a preliminary examination of the important and complex proposals concerning transitional arrangements for agriculture outlined in the enclosure with Mr. Sandys' letter of March 9th. While recognizing your desire to get ahead quickly with negotiations in Brussels, you will appreciate that there is a limit to the rapidity with which we can provide considered comment on matters of such high importance. Although we had been informed of a number of these ideas as among the possibilities being considered, this is the first time that they have been placed before us as an integral set of proposals to be presented to the Six.

So far as products of interest to Canada are concerned, the proposals are not precise enough to permit definitive judgments. We cannot see how the various broad ideas put forward in the paper, designed to provide "outlets comparable to those now enjoyed," could in practice offer any equivalent alternative to the duty free and, in most cases, preferential access Canada now has to the British market. Accordingly, even under the most favourable interpretation and even if all the proposals were acceptable to the Six, important Canadian interests would, in our view, not be safeguarded.

More particularly, my colleagues and I have serious reservations and concerns about whether Canadian agricultural trade can be maintained and developed over a variable levy system. In face of variable levies we do not consider that what is referred to as "assured right of access" would ensure the continuation of such trade, even where the Canadian product has a recognized quality advantage as in the case of wheat.

The significance of preferences to our trade with Britain in many agricultural products does not seem to have been given adequate weight in the preparation of your proposals. These preferences have been important not only in relation to countries now members of EEC, but also in relation to third countries such as the United States and Argentina. Although in the paper it is said that it would be necessary to take account of preferences in considering how the principle of comparable outlets can best be applied, it is not clear how it is proposed to protect Commonwealth interests in this regard.

We are concerned about the fact that your various proposals refer only to "traditional quantities" and do not make allowance for the growth in trade which might, and in many cases would, occur if existing access to the United Kingdom market continued to be available. There is also the question of potential trade in new products and the need to allow for the expansion of Canadian trade which was artificially held down by quantitative restrictions for so many years since the war. The pattern of substantial and continuing mutual expansion of trade in many lines has been very apparent in recent years.

Although mainly concerned with the "transitional period," the March 9th paper touches on certain aspects of arrangements which might be made for the later Common Market stage. In this connection we should like to re-emphasize what was said in Mr. Green's message to Mr.

Sandys, that discussion of arrangements only for a transitional period has little or no meaning as a basis for assuring protection of Commonwealth trade. We should also like to point out that we have been informed that when Mr. Heath used the term "transitional period," in his report of the last meeting in Brussels to the Commonwealth High Commissioners in London, this expression referred only to the length of time that the members of the Common Market, or those seeking to join it, would regard as the minimum period of adjustment within which they could convert their agricultural economies to the closed economy which will be established under the Treaty of Rome. This has a very direct application to British agriculture and the agriculture of all the present members of the Common Market. It has no direct application to the members of the Commonwealth except in its incidental consequences which we do not think should be the basis of discussion of appropriate protection for our expanding Commonwealth trade. We should therefore like to urge most strongly that the long-term protection of Commonwealth trade should be given such a priority in discussion on this subject at Brussels that there will be no uncertainty on the part of any Commonwealth Government about long-term prospects and that there will be no risk of comments on "transitional" arrangements being misunderstood as implying a willingness on our part to accept as adequate anything less than safeguarding of our long-term interests. ENDS.

Yours very sincerely,

GEORGE DREW

340.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni  
au Lord Privy Seal du Royaume-Uni*  
*High Commissioner in United Kingdom  
to Lord Privy Seal of United Kingdom*

SECRET

London, March 20, 1962

My dear Lord Privy Seal,

I have been asked to transmit the following comments in regard to the papers which we were informed the British Government proposes to table at Brussels, so that you may place these comments in the hands of your officials who will be dealing with this subject.

MESSAGE BEGINS:

Please submit the following detailed comments on agricultural proposals contained in the papers enclosed with Mr. Sandys' letter of March 9th. In passing on these comments, it should be made clear that they are designed to assist the British negotiators to appreciate Canadian interests in the agricultural sector under discussion, and viewed against the background of basic Canadian concerns about fundamental policy issues involved in the negotiations.

2. *Cereals and Cereal Products*: Except for wheat, cereals and cereal products now enjoy preferences in the British market over non-Commonwealth suppliers. We are concerned about the effect of the variable levy system on our exports. We do not consider that Canadian trade will develop over a variable levy system even to the extent that our products may have a quality factor in their favour, as in the case of hard wheat. As regards ordinary wheat, coarse grains and cereal products, the variable levy system, even coupled with "assured right of access," seems likely to leave Canada in the position of residual supplier vis-à-vis production from within the Common Market area.

3. In Paragraph 3 of the Appendix to the March 9th paper, imports of wheat and flour from Commonwealth countries are lumped together. This ignores the importance of the 10 per cent preference on flour not only in relation to Canadian sales, but also in relation to the standards of flour competition in the British market. We consider it essential that satisfactory arrangements be made for flour as well as for wheat.

4. We note that differential treatment is apparently proposed for Australian wheat compared with Canadian wheat. Such differential treatment would destroy the normal relationships between these wheats. (Incidentally, Canada's exports of Ontario winter wheat are not mentioned in the British paper.)

5. We are concerned about the reference to comparable outlets in "the United Kingdom or the Community." This would seem to imply that our present or possible expanded trade with the Continental member countries of EEC under existing or planned arrangements could be regarded as an offset to losses in the British market. Reference to traditional quantities in the paper gives rise to concern, since this concept ignores growth prospects.

6. As regards barley, while Canada's present preferential position is noted, it is not clear how this position is to be dealt with in the British proposals. Barley continues to be an item of considerable importance to Canada. Recent levels of sales reflect a short supply situation in Canada and surpluses in Europe and should not be construed as indicating a declining Canadian export interest in the British market for barley.

7. With respect to other cereals and cereal products, Canada has significant sales in rye and miscellaneous feeding stuffs, and while mention is made of the tariff position on the latter items there are no specific proposals for safeguarding this trade.

8. Concerning horticultural products, the British proposals do not provide for duty free entry for Canadian apples as is proposed for Australia and New Zealand. We would be concerned to see the emergence of reverse preferences against Canadian apples and in favour of Community suppliers, and are not convinced that exemption from the operation of any minimum price scheme up to an agreed level of imports from Canada would safeguard our trading interest. With respect to the horticultural sector generally, there are a number of other tree fruits which it is considered have a growth potential in the British market.

9. As regards other products mentioned in the British papers, except for pig meat offals there appears to be no provision for safeguarding Canadian trading interests. Canada has present and/or prospective trade in egg products, pig meat and poultry meat. For these items, the effects of restrictions on the present trade position does not seem to be recognized in the paper.

MESSAGE ENDS.

Yours very sincerely,  
GEORGE DREW

341.

J.G.D./MG01/XII/C/108.2

*Note du premier ministre*  
*Memorandum by Prime Minister*

CONFIDENTIAL

[Ottawa], March 22, 1962

## COMMON MARKET

Consultation – I wish to outline again what I have said on previous occasions in this regard, that briefing is not consultation.

When Lord Amory saw me last week he informed me that the British officials were advised as to the stand being taken but there had been no reaction from the British officials.

J.G. D[IEFENBAKER]

342.

J.G.D./MG01/XII/C/108.2

*Note du premier ministre*  
*Memorandum by Prime Minister*

CONFIDENTIAL

[Ottawa], March 22, 1962

## COMMON MARKET

We discussed this matter at length in an informal meeting of the members of the Cabinet. The attitude taken by Mr. Fleming was that when Mr. Heath arrives on Monday, he will simply say this:

- 1) This is what we propose.
- 2) We can't do any better than this.

Mr. Hees also spoke and said that, in effect, we should stand pat.

Mr. Churchill claimed that this was a matter in which we had been shown in a wrong light and similar views were expressed by Mr. Nowlan.

A discussion took place on apples and wheat.

The question was discussed as to whether I should be present and I stated that I would notify the U.K. that I would not be attending the conference as to do so would give a significance to the conference out of proportion to its importance as I had not been present at the Heath conference in January. At 4:00 p.m. I gave instructions to Robert Bryce to notify the High Commissioner accordingly.

J.G. D[IEFENBAKER]

343.

J.G.D./MG01/XII/C/108.2

*Compte rendu de la réunion des ministres*  
*Record of Ministers' Meeting*

SECRET

[Ottawa], March 23, 1962

COMMON MARKET

- (1) *Balcer*. We should be protected with reservations on *certain* commodities.
- (2) *Churchill*. Not pessimistic on U.K. entry. I reject fighting for our position. Point out adverse affects. *No inflexible stand*. We have not been able to put forward constructive suggestions.
- (3) *Nowlan*.
- (4) *Flemming*. Entry is inevitable. Leave it – encourage U.K. If U.K. has decided to go make the best.
- (5) *Starr*. Insist on rights – not fight.
- (6) *W. Hamilton*. They are now doing the question item one by one. P.M.s' Conference. *We don't agree* until all explored in conference.
- (7) *Browne*. ?
- (8) *Halpenny*. On Monday and Tuesday don't let's declare war. Deferring until P.M.s' Conference.
- (9) *Walker*. Save final discussion until P.M.s' Conference.
- (10) *Flynn*. Our final stand will depend on P.M.s' Conference.
- (11) *Dorion*. Realistic.
- (12) *Sévigny*. People.
- (13) *O'Hurley*. U.K. is going on.
- (14) *Dinsdale*. We are not faring well in public opinion. We are trying to preserve what we can.
- (15) *Monteith*. (agree with Churchill). It has done harm politically to take stand. P.M.s' Conference.
- (16) *Mrs. Fairclough*. Accra showed up U.K. position more than anything. Economic sound to? [sic]
- (17) *Fulton*. Agree with Government attitude. *Entry* will disrupt Commonwealth programme. What is best that can be accomplished and then a P.M.s' Conference, to decide [if] it is worthwhile taking.
- (18) *Harkness*. Here are the *vulnerable* products – apples, canned fruit. Wheat is less vulnerable. Effect on base metals will not be very good.

344.

J.G.D./XIV/E/136

*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], March 24, 1962

MR. HEATH'S VISIT

The following may be of interest in view of your meeting with Mr. Heath on Monday morning.

*Background to Mr. Heath's Visit*

We now have the proposals the British Government intends to submit to the Six for safeguarding our trade interests in industrial products and agricultural commodities over the transitional period and during the definitive stage of Britain's membership in the Common Market. Some of these proposals regarding agriculture may already have been tabled in Brussels when you see Mr. Heath. Others are expected to be submitted to the Six very soon.

The attached briefs prepared for his talks with Canadian ministers<sup>†</sup> contain preliminary comments on these British papers. These briefs are:

Comments on suggested British Agreement with the EEC on Industrial Products from Canada, Australia and New Zealand (prepared by Finance Department).

Comments on British Draft Formula on "Comparable Outlets" for Commonwealth Temperate Foodstuffs (prepared by Finance Department).

Paper on United Kingdom Proposals for Safeguarding Canada's Essential Trade Interests in Industrial Products (prepared by Trade and Commerce).

Paper on United Kingdom Proposals for Safeguarding Canada's Essential Interests in Certain Temperate Agricultural Products (prepared by Trade and Commerce).

In brief, a settlement based on these proposals would, at best, ease the adjustment during the transitional period and provide for later consultations regarding long-term arrangements. While the prospects for the long term would depend in some degree on the amount of influence which the British will be able to exert after they become a full member of the Community, it cannot be assumed that they will be able to get acceptance of particularly favourable arrangements at that time. There is, also, no assurance that the Six will agree to what the British are proposing for the transitional period.

The British Government seems to have basically accepted the essential elements of the Six's position – namely, that accommodation for Commonwealth interests should be limited to the transitional period and that in the definitive stage all Common Market rules should uniformly apply to Britain in its trade with the Commonwealth. Thus, in the long run Canadian trade with Britain and the rest of the Common Market would be treated the same as the Common Market's trade with other outside countries such as Argentina and the United States – no better and no worse.

The British Government invited our comments at an earlier date on the transitional arrangements for agriculture. In your message of March 20 to Mr. Macmillan, relating to this request, you expressed concern over the extent to which they fall short of protecting our interests and you emphasized that transitional accommodation alone would not assure the protection of Commonwealth trade. No comments have yet been given to the British regarding their later papers.

*The Purpose of Mr. Heath's Visit*

This visit comes from a British initiative. The Brussels talks are now approaching the stage where substantive proposals will be discussed and the British Government is probably concerned at our initial reaction to its proposals. In addition to reviewing developments at this week's Ministerial meeting in Brussels, Mr. Heath will presumably seek Canadian comments on the latest British papers – i.e., long term agricultural proposals and proposals for industrial products.

He will probably stress that they represent the maximum that is negotiable in Brussels and that, despite adverse changes in our terms of access to the British market, our trade, except perhaps for a small range of particularly vulnerable products, will continue to move, and most likely increase. We may be pressed again by Mr. Heath for a list of priority items which we would want to have safeguarded.

*What Could Be Achieved*

Mr. Heath's visit is again bringing to the fore the issue of consultations and of what they could achieve.

It seems unlikely that given their assessment of the likely response of the Six the British Government could be persuaded to change the substance of its papers. On the other hand, some improvements may perhaps be obtained in the course of the discussions with Mr. Heath and through subsequent comments to Brussels.

We have so far avoided giving the British Government a list of priorities outlining essential Canadian interests for which a minimum settlement should provide protection. Mr. Heath may wish to obtain an indication that we would be prepared to do this. It is for Ministers to consider whether they wish to provide him with such a list during his stay in Ottawa.

The issue of Canadian involvement in the negotiations may also arise in another context. Some reports have been received suggesting that the Six had agreed to some Australian participation in the negotiations. Mr. Heath may wish to give you a full account of discussion of this issue at the last Ministerial meeting in Brussels. New Zealand has indicated that if the Australian request was successfully considered, pressure would develop for similar New Zealand participation. A decision by the Six to admit Australia and New Zealand might be regarded as raising important policy considerations for us.

*The Future Timetable*

Mr. Heath will be coming here from a meeting this week at Ministerial level with the Six in Brussels. The Deputies in the Brussels negotiations will probably renew their meetings next week and Ministers from Britain and the Six may convene again before Easter. They are anxious to make as much progress as possible before the summer break.

N.A. R[OBERTSON]



345.

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-713

Ottawa, March 29, 1962

SECRET. OPIMMEDIATE.

Repeat to: London, Brussels, Washington, Hague, Bonn, Geneva, Rome, NATO Paris, Paris, Canberra, Wellington.

Repeat for Information: T&C (Warren).

MR. HEATH'S VISIT

Mr. Heath was accompanied to Ottawa by Sir Eric Roll, Andrew of the Board of Trade and Bottomley of CRO. They met on March 26 and 27 with Canadian ministers and senior officials. Mr. Heath also called on the Prime Minister and met privately with Canadian ministers. The purpose of his visit was to bring up to date, in the light of developments in Brussels and British intentions to table proposals for safeguarding Commonwealth interests, the consultations initiated at his last visit to Ottawa. There was no press conference and no communiqué. Apart from private ministerial discussions following are highlights of the meetings which were all carried out in a good atmosphere.

2. Mr. Heath reviewed in detail the progress of negotiations since January in each of the main areas covered so far. He explained that the somewhat slow pace both at the ministerial and deputy levels had to a large extent been set by the need of the Six to coordinate positions. The British delegation for its part had endeavoured to ensure that progress in each area should keep in step with progress in others. The Six had been critical of this approach but there would otherwise be danger in focussing on any particular set of issues, e.g. those related to zero duties, lest the Six gather the impression that British concerns with other areas were less important.

3. Mr. Heath said that preliminary work on Commonwealth problems was virtually concluded. The Six were working at possible solutions and it seemed desirable that Britain should take the initiative and come forward with its own proposals. If the Six tabled theirs first, the onus would be on Britain to demonstrate that they were inadequate. So far discussions had been carried out without prejudice to the general principles stated at the opening of the negotiations. The British delegation considered it important that the general principle of preserving essential Commonwealth interest should constantly be before the Six. However, the time had come when arguments should become more specific.

4. According to Mr. Heath it was against this tactical background that papers relating to arrangements for Commonwealth interests in industrial products and agriculture had been drafted and submitted for comments to the Commonwealth countries concerned.

5. With respect to the timetable for the negotiations, Mr. Heath stressed that Britain would not wish to negotiate against a target date as its position would thereby be weakened. Every effort would however be made to break the back of the negotiations before the summer holidays. The Six had agreed to work on this basis, although there were some doubts among themselves that this deadline could be met. The pace of negotiations could therefore be expected to pick up. This brought to the fore the problem of consultations with Commonwealth countries and the need for early comments on the British papers and on any detailed proposals which might have to be tabled in Brussels over the coming months.

6. After reviewing other aspects of the negotiations and related developments including discussions in the Fouchet Committee and EFTA, Mr. Heath concluded that the atmosphere in Brussels was “extremely good.” The British delegation said that while the French would drive the hardest bargain they were now prepared to “negotiate reasonably.” There was concrete evidence to support this view in recent days.

7. In the course of discussion the British papers (transitional commodity arrangements, long term agricultural protocol, and proposal for industrial goods) came under close scrutiny. The extent to which they fell short of protecting Canadian interests and of providing long term assurances was stressed by the Canadian side.

8. On long term agricultural arrangements we pointed out in particular the inconsistency between the proposed objective of maintaining the same opportunity of outlets for Commonwealth in the enlarged community and other objectives of the Rome Treaty e.g. that of increasing agricultural productivity within the EEC. We emphasized the importance of EEC pricing policy and suggested a reference to it in the long term agricultural protocol.

9. With regard to suggested arrangements on industrial products we stressed that the proposed “*décalage*” during the transitional period would in no way protect our interests in the Common Market period and that in any future tariff negotiations we might have to pay for concessions in the Common Tariff which would not therefore compensate for our losses. Manufactures and semi-manufactures amounted to about 11% of our total exports to the U.K. but a great deal of importance was attached to this trade.

10. The British agreed to examine some of our suggestions. Among the main points they made in response to our comments were the following:

(1) The negotiability of British proposals had to be borne in mind. The extent to which they could be “loaded” was a delicate tactical matter. For instance the long term agricultural paper already aimed at an ambitious goal, i.e. to make the preservation of comparable outlets for Commonwealth food and feed stuffs an objective of the common agricultural policy.

(2) Long term arrangements looking beyond 1970 had necessarily to remain vague since it was impossible so far ahead to predict prevailing conditions at the Common Market stage.

(3) It should not be assumed that present British policy particularly with regard to agriculture (i.e. free market with deficiency payments) could indefinitely be maintained even if Britain did not join the Common Market. Could a greater degree of security for Commonwealth interests be written into the new arrangements than was provided for in present ones?

(4) The British proposals should be seen in the context of the effects British membership in the EEC would have (a) on USA tariff negotiating authority (the 80% provision of the proposed new legislation would only become operative with an enlarged Common Market); (b) on the level of the common external tariff, and (c) on the CAP pricing policy.

(5) In endeavouring to obtain special arrangements for Canadian industrial exports to Britain, the British delegation had to move on a broader and shallower front than if we had provided them with a narrow list of priority items for which they would seek special safeguards e.g. lower common tariff. At the same time they recognized the difficulty for us of establishing any priorities on this trade. They did not press on this point. However, they accepted that the broader approach need not exclude special arrangements to deal with a very few items.

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DEA/50412-40

*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. 127

Port of Spain, April 3, 1962

CONFIDENTIAL

Reference: Your Telegram E-704 of 28th March, 1962.†

MR. MACMILLAN'S VISIT – WEST INDIAN REACTION MEETING PRIME MINISTERS

The Federal Government has shown considerable apprehension concerning the British application to join the ECM. Their worries are principally concerned with the future marketing of the major West Indian products that are sold to a very large extent in the United Kingdom market, such as sugar, bananas and citrus. They were also vitally concerned with the position of Trinidad petroleum products, not only in the British market but also in the markets of the Six. In addition, they showed a lively interest in the direct effect on Jamaica's bauxite and alumina production of the level of tariffs proposed on primary aluminum and alumina by the Six.

2. However, you will appreciate that since the Federal Government is moribund and will be unceremoniously buried either by the end of this month or by the middle of May, their views are of very little consequence now.

3. The Trinidad Government's principal preoccupation is with exports of petroleum products, but of course they are not insensitive to the possibilities that the Commonwealth Sugar Agreement might be upset at some time in the foreseeable future.

4. At the present time the oil industry accounts for about 80% of the total export earnings of Trinidad and constitutes about one-third of the territory's gross national product. In addition, the industry is by all odds the largest source of new investment in the territory (now calculated to about one-half of the annual new investment in fixed assets).

5. At the present time about 35% of the 300,000 barrels of refined products now available for export daily moves to the United Kingdom and to the Common Market or FTA area. Trinidad's own crude production accounts for slightly more than 40% of the refinery throughput.

6. However, there are high hopes that new and profitable fields extending far out into the ocean on the East coast of Trinidad will considerably increase the amount of crude oil produced in Trinidad. Moreover, Texaco has embarked on a new facility for the production of lubricating oil products and it is anticipated that much of this new production will move to England and to the European countries incorporated in the ECM.

7. Trinidad is aware of the efforts by France to erect tariff barriers against refined products from outside the area in order to protect the Sahara crude oil production which will be largely refined in France.

8. At the present time the Netherlands West Indies has a quota arrangement for supplying a small quantity of petroleum products to the ECM on a quota basis. Not only is the quota so small as to be of no serious importance, but it is liable to reduction at any time if it is considered likely to "disturb the European markets." The fear is that pressure will be brought to bear on the British Government to enter into some similar arrangement for Trinidad as a means of acceding to France's desire to protect their own refined oil production.

9. Since under the ECM formulas now being considered crude oil would enter the area free of duty from all sources, Trinidad regards the efforts to establish a barrier on refined products as a perpetuation of the old Colonial pattern whereby the overseas territories supplied raw materials to be processed in the metropolitan countries. They also consider that [it] is hardly just that Russian crude, for example, could be shipped into European refineries free of all duties and restrictions whereas Trinidad would find its historic market in Britain (and to a lesser extent in the Continent) for refined products put to a disadvantage in order to benefit "other less respectable" suppliers. This would mean in effect that Trinidad is being penalized for having its own refining capacity and it would also seriously diminish the attraction for further exploration of its own oil fields. Trinidad industry does not seek preferred treatment, but they do hope for and expect that they will have free access, in equal competition with all other suppliers to Britain and the ECM countries in the future.

10. As far as sugar is concerned they have a comforting cushion in the Commonwealth Sugar Agreement that protects them for 9 years, but they are acutely sensitive that any interference with their markets in Britain, even if only at sometime in the foreseeable future, would have serious consequences in view of the continued importance of sugar to the economy by virtue of the number of people employed by the industry.

11. The Jamaican Government, of course, would be very seriously concerned over any interference with the preferred position of sugar, bananas, and citrus in the British market. In addition, any duties on metal or on alumina erected by the ECM would have an effect on the markets for the Aluminum Company of Canada's production in Jamaica or in Canada. While the numbers employed by the aluminum industry in Jamaica are not as great as in sugar and other agricultural industries, exports on bauxite and alumina are growing in importance and now represent about one-half the value of the total exports. Moreover, the bauxite and alumina industries are the high wage industries that offer a constant incitement towards higher wage standards in Jamaica.

12. You will appreciate that Barbados and St. Kitts are almost totally dependent on sugar for their export earnings and that the Windward Islands draw the major proportion of their export income from bananas. Thus the remaining territories of The West Indies are vitally concerned with Britain's negotiations with the Six.

13. As far as British Guiana is concerned its livelihood depends on sugar, bauxite and alumina and that Government has been watching these developments with equal anxiety.

14. I have no doubt that all governments concerned would fully support a meeting of Commonwealth Prime Ministers prior to a British decision to join. However, if the meeting is called before the autumn Jamaica, [which] will have its independence on the 6th of August, probably will be the only territory that could attend the meeting as of right. Assuming that Trinidad gets its independence in September it could only attend if invited. You will recall that the Federal Government was not invited to attend the last meeting of Commonwealth Prime Ministers and this gave rise to considerable agitation not only from the Federal Government but from the Unit Governments as well. You can anticipate that if Trinidad has not achieved its independence by the time the meeting is called Dr. Williams will be agitating most vociferously for an invitation to the meeting. Similarly it is almost certain that Dr. Jagan, and possibly Barrow of Barbados, will also press for an invitation.

R.G.C. SMITH

347.

DEA/50412-40

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

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

TELEGRAM 125

Accra, April 3, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel E-704 Mar 28.†

Repeat for Information: London.

## MACMILLAN'S VISIT

As you know Ghana's attitude toward Britain's negotiations with the EEC is governed by concern about the political effects of African association with EEC. This is regarded as perpetuating a system of discrimination among African states. Discrimination itself is resisted not repeat not only on economic grounds but much more on the grounds that it contributes toward the political division of Africa. Ghana Government's basic objection therefore even to the act of negotiation by Britain with the Six is that in order for negotiations to begin Britain must have accepted the principles of the Rome Treaty. To Ghana this means that in a fundamental way Britain has accepted the idea of a political association with Europe, and will consequently be in no repeat no position to bring about a modification of the existing discriminatory system.

2. This is the core of Ghanaian position and very little consideration has been given to the purely economic implications of British membership in EEC. There is no repeat no likelihood whatsoever that Ghana would itself contemplate becoming associated with the Common Market. Ghana has no repeat no confidence in British ability to bring about a liberalization of European tariffs on behalf of other Commonwealth members. Ghanaians have concluded that Britain and European countries automatically assume that African states will indefinitely remain primary producers: looked at in this light concessions for African raw materials in European market which are offered as inducements to Africans to fall into line serve only to perpetuate African dependence on European manufactures.

3. I think it likely that President Nkrumah would welcome a meeting of Commonwealth Prime Ministers before any British decision to join EEC provided the timing did not repeat not conflict with any African undertaking. The latest word I have had from sources qualified to speak is that Ghana "would be represented" at such a meeting.

[BRUCE] WILLIAMS

348.

DEA/50412-40

*Le haut-commissaire en Nouvelle-Zélande  
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in New Zealand  
to Secretary of State for External Affairs*

TELEGRAM 56

Wellington, April 4, 1962

CONFIDENTIAL. PRIORITY.

Reference: Your Tel E-704 Mar 28.

By Bag: Canberra from Wellington.

## MACMILLAN'S VISIT

Secretary of New Zealand Department of External Affairs Alister McIntosh is not repeat not happy with direction EEC negotiations seem to be taking.

2. New Zealand's attitude and position remain unchanged namely free and unrestricted entry to United Kingdom market although New Zealand officials are becoming more and more doubtful of ability of United Kingdom to guarantee this condition. New Zealand Cabinet is also aware that it is unlikely New Zealand will be able to maintain this attitude. Government however is influenced by powerful farmer producer boards and government will say and do nothing that would indicate any retreat from this position. McIntosh feels that this is a mistake [and that] government should be preparing public for a smaller United Kingdom market in future. British High Commissioner in New Zealand (see our letters 75† and 109† February 22 and March 4 respectively) hinted strongly in speeches that some form of control might have to be placed on meat and butter going into Britain. These speeches were referred to by press and producer boards as first signs of trouble ahead mutually. New Zealand Prime Minister confidentially informed British High Commissioner that he also believed some form of restrictions would be inevitable.

3. One of first steps was taken shortly after these speeches when Britain last month put butter imports on a quota basis. New Zealand had no repeat no alternative but to agree to this quota. A generous one but they have made it plain they will refuse to consider it a precedent. Nevertheless McIntosh feels that a precedent has now been established and that it will be used again. General alarm experienced in New Zealand when Britain first mentioned joining EEC subsided somewhat with promises given by Britain that they would not repeat not join unless New Zealand's interests were fully protected and by this was meant free and unrestricted entry of her products.

4. New Zealand officials however are now again becoming concerned and are not repeat not at all confident of outcome. Alister McIntosh takes a dim view of future and thinks New Zealand in general and farmers in particular are in for a lower standard of living in years ahead. McIntosh told me that Cabinet would probably agree to a meeting of Prime Ministers on September 10 in hope that sufficient progress will have been made by that time to enable them to know just what terms are under which United Kingdom would be able to enter EEC and be able to value its effect on New Zealand trade.

5. Mr. Foss Shanahan Assistant Secretary of New Zealand Department of External Affairs and the officer primarily responsible for coordinating New Zealand views on EEC matters told me that they had sent a telegram to Mr. Sandys on March 30 expressing in fairly strong terms that they were not repeat not at all happy with attitude being adopted by United Kingdom in their negotiations on a number of New Zealand products. They particularly had in mind danger of losing their preference on general processed foodstuffs such as canned peas and canned

vegetables generally, frozen vegetables and a number of other minor agricultural products which while small individually amounted to a substantial figure by New Zealand standards taken collectively. Shanahan felt that while progress at moment was slow that it would probably go forward in a rush and that by September terms of entry would be sufficiently known to justify a Prime Ministers' Conference.

6. Honourable J.R. Marshall Deputy Prime Minister does not repeat not appear to be so optimistic. His view [is] that Britain should be in a position to say to Prime Ministers' Conference – we have been offered admission to EEC on following terms and he is doubtful if terms for United Kingdom entry into EEC will have been completed by September.

7. Today while introducing Mr. James Stewart of Canadian Trade Mission to Honourable Keith Holyoake, latter remarked that without full and complete protection United Kingdom entry into EEC could mean complete and utter disaster to New Zealand economy in short run, although admitting that probably in long run it might be best for United Kingdom.

8. New Zealand's present attitude can be summed up even if unrealistic as being unchanged – mainly free and unrestricted entry for New Zealand products into United Kingdom with retention of present preferences.

349.

DEA/12447-40

*Note de la Direction économique  
pour le premier ministre*

*Memorandum from Economic Division  
to Prime Minister*

SECRET

[Ottawa], April 5, 1962

BRITAIN AND THE SIX: AUSTRALIAN AND NEW ZEALAND VIEWS  
ON BRITISH PROPOSALS FOR SAFEGUARDING COMMONWEALTH INTERESTS

We were recently informed by Australia and New Zealand of their reactions to the British proposals for safeguarding industrial exports from Canada, New Zealand and Australia and Commonwealth exports of temperate foodstuffs. The following is a summary of the comments they intend to make to the British Government.

*Industrial Products*

2. The burden of the Australian reply to Britain's invitation for comments on its industrial proposals is that too much is being given up too quickly. The Australians are raising five main points:

(1) They are prepared to recognize that unrestricted duty-free entry for Commonwealth manufactured goods into the Common Market could not be maintained forever. On the other hand, they consider that to concede to the Six and third countries the complete abolition of preferences on these products, softened only by a phasing out period, would not "augur well" for the terms of an eventual settlement.

(2) Unless it can be shown that the continuation of preferences would harm the Six, it would seem unreasonable to oppose it; and until alternatives have been fully explored, it cannot be said that no arrangement can be found to protect the interests of Britain, the Commonwealth and the Six.

(3) The Commonwealth is not trying to improve its position but merely to prevent the disruption of industries which have been planned and built in accordance with the present

preferential system. The Australians feel that the Brussels negotiations are being used as a pretext for eliminating Commonwealth preferences while this is not required either by the GATT or the Rome Treaty.

(4) As a minimum position, a preferred treatment for some items should at least be considered (e.g., basket quotas, rebates of duties, etc.); every effort should be made to get the Six to agree to it now, rather than postpone the issue to future reviews of this trade when Britain will be a member of the Common Market and less able to hold its ground.

(5) The Australians hope that Britain will continue to ensure that progress in each of the areas covered by the negotiations keeps in step with progress in others; thus, if concessions have to be made in one sector (e.g., industrial products), this can be used as a bargaining point to secure better terms in others (e.g., agriculture).

3. The Australians are asking that British proposals should not be tabled until their own representatives have had the opportunity of stating their case in Brussels before the Six.

4. New Zealand has less interest in industrial products than Australia and Canada. On tactics, however, they share the Australian view that it does not seem necessary for Britain to put forward the proposals it has in mind at this stage. The solution envisaged by Britain amounts to a considerable concession which might harden, rather than ease, the positions of the Six in other areas. New Zealand also shares in common with Australia the general view that future multilateral tariff negotiations would not offer much prospect for compensation for its losses.

#### *Temperate Foodstuffs*

5. The Australians are unwilling to commit themselves with respect to the British proposals until they learn the substance of the specific arrangements contemplated for particular products. In their view, further probing and progress should be made in Brussels on all products concerned before draft proposals are put to the Six. They have strong reservations about the "general but quite imprecise formula" for comparable outlets outlined in the British longterm proposals. They consider that this formula might exclude solutions which would be more appropriate for certain commodities. It might also come to be regarded during the negotiations as affording a firm assurance, thus reducing pressure for obtaining satisfactory specific guarantees. The Australians, in brief, are anxious to know from the beginning, what they can expect in terms of quantitative access, over what period and what is to be the basis for the determination of prices.

6. New Zealand is generally less critical of the British draft proposals. It points out that transitional arrangements should provide the Commonwealth countries with access to the enlarged Community at least comparable with that which they now enjoy in the individual markets of member states. The main New Zealand concern is, however, that the accommodation provided by transitional arrangements will be lost once these arrangements are replaced by broad international commodity agreements. It is accordingly suggesting that the provision of comparable outlets for Commonwealth countries should be made an explicit objective of these longterm agreements, and that any review of the transitional arrangements and of the longterm agreements should consider the extent to which they are achieving this objective. Subject to appropriate drafting amendments covering these points, New Zealand is prepared to accept the British proposals.



350.

DEA/50412-40

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

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

TELEGRAM 52

Kuala Lumpur, April 6, 1962

CONFIDENTIAL

Reference: Your Tel E-704 Mar 28.

## MR. MACMILLAN'S VISIT

Since the Prime Minister and ministers and senior officials concerned with economic matters are all in the Cameron Highlands attending the current ASA Conference I have discussed Malaysia's attitude towards Britain's negotiations with the Six, individually with the Governor and Deputy Governor of Malaya's Central Bank. Both have confirmed our earlier information from various sources that since rubber and tin are by far this country's most important exports and since neither have a tariff to hurdle in entering the Common Market now existing, the government has no repeat no significant worries about the outcome of Britain's efforts. Indeed, Malaysians mildly favour their success because even though this would mean the loss of British preference on say, pineapple, they would hope that with Britain a member the Common Market [it] would become more prosperous and more outward looking and therefore more likely to become a larger buyer of Malayan exports. British membership could also strengthen sterling to which this country is tied.

2. The Tunku is a courteous man, on friendly terms with both Britain and those members of the Commonwealth most concerned about the results likely to flow from British membership in the Common Market, and known to favour more frequent meetings of Commonwealth Prime Ministers. Therefore, notwithstanding the attitude of this country towards Britain's negotiations with the Six, and provided timing offered no repeat no great obstacle and most Prime Ministers agreed that a meeting was desirable I should be surprised if the Tunku did not repeat not accept an invitation to attend.

[CHARLES E.] MCGAUGHEY

351.

DEA/50412-40

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

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

TELEGRAM 261

New Delhi, April 6, 1962

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 704 Mar 28.

## MR. MACMILLAN'S VISIT

As you know Indians have from time to time expressed concern at prospect of losing export facilities they now enjoy should Britain join the ECM. At present about 30% of India's exports and 26% of her total imports are with UK. Being a developing country, however, India is

hopeful of being given an opportunity to develop in the long run even larger export facilities with member states of Community. Britain's entry in initial stages would undoubtedly upset India's actual trade pattern but after a period of adjustment it is hoped that it will turn to India's advantage. Officials seem confident their problems will be resolved because consortium members can understand lack of logic in policies which would prevent India from earning maximum foreign exchange.

2. India has declared her policy to keep aloof from associate status which might be offered to African members of the Commonwealth.

3. With regard to the proposed Prime Ministers' Conference the press has alleged that requests by Canada and Australia for meeting in June or early July are influenced by considerations and draws attention to dangers that could occur on premature meeting such as (1) decelerating the Brussels negotiations because the British negotiation team cannot repeat not be in two places at once or (2) leading to a majority of the Commonwealth countries insisting on terms for joining the ECM which might tie British negotiators' hands in Brussels. A presumed unwillingness of Britain to press its own Commonwealth issue before ECM has reached decision on how it proposes to link its African territories to Community has also been mentioned as being argument against early meeting.

4. We were talking to Secretary General R.K. Nehru the day Macmillan's letter arrived. R.K. Nehru said the Prime Minister had not repeat not been [sic] fully studied the matter but it was probable he would agree to Macmillan's suggestion. R.K. Nehru implied satisfaction with an agenda broader than the Common Market and indicated that conference in the second half of September fitted conveniently into the Indian parliamentary calendar.

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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*

SECRET

[Ottawa], April 9, 1962

BRITAIN AND THE SIX: BRITISH PROPOSALS FOR THE PROTECTION  
OF COMMONWEALTH AGRICULTURE

We now have the revised text of the British short-term proposals for protecting Commonwealth agricultural interests. You will recall that in a message of March 20 to Mr. Macmillan you gave your reaction to an earlier version of these proposals. Detailed comments were also transmitted to British officials in London and also Brussels, and given orally to Mr. Heath and the senior officials of the British negotiating team who accompanied him to Ottawa two weeks ago.

2. Some amendments have been made to the British paper on cereals which is of chief interest to us. You may be interested in the following summary of the new points: they clearly reflect some of our comments and the concerns expressed by Australia and New Zealand.

(1) The earlier British proposals stressed the importance of fixing prices within the European community at a level which would not over-stimulate production and give rise to surpluses.

These proposals, however, left room for a pricing policy which could encourage self-sufficiency in the Community and drive traditional suppliers, such as Canada, to a marginal position.

The revised British paper expresses the view that internal prices, notably for wheat, must be such as to maintain a *balance between supply and demand having regard to the position of traditional suppliers*. This is an important point since the preservation of the Commonwealth position would become a factor in the determination of internal prices.

(2) It was proposed initially that arrangements for cereals should ensure for Commonwealth countries outlets into the enlarged Common Market comparable to those they now enjoy. These 'comparable outlets' were broadly defined by reference to traditional quantities sold to the United Kingdom. Under this earlier formula, Commonwealth countries would continue to have a market in Britain or the Community for traditional quantities.

This formula ignored growth prospects; moreover, it suggested that any increase in our sales to the Six could be regarded as offsetting our losses in the British market, although this increase might well be accounted for by the natural expansion of demand in the Common Market.

The revised paper now refers to "comparable opportunity" instead of "comparable outlets," thus taking growth prospects into account. More emphasis is also placed on the Commonwealth *basic assured right of access for at least the traditional quantities sold in Britain and the Six*. This is a stronger assurance than that contained in the earlier draft.

H.C. G[REEN]

353.

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*

SECRET

[Ottawa], April 13, 1962

BRITAIN AND THE SIX: PROBLEMS OF ASSOCIATION WITH THE EEC

You asked for our comments on London's telegram No. 1282 of April 9, 1962 (copy attached<sup>†</sup>) concerning a meeting in London of representatives of Nigeria, Ghana, Tanganyika and Sierra Leone with the British Government, where the question of association with the EEC is reportedly to be discussed. This telegram also referred to British newspaper reports suggesting that Britain is considering important contributions to the EEC programmes of aid.

2. It may be appropriate to begin with a brief review of some of the recent developments relating to the association of former independent territories with the EEC.

*Association of Overseas Countries Under the Rome Treaty*

3. Twenty-four overseas countries and territories having special relationship with the Six were associated with the EEC under the terms of the Treaty of Rome (Part IV) and of a special implementing convention annexed to the Treaty. Most of these territories are former French colonies, but they also include the Belgian Congo, Ruanda-Urundi, Somaliland and Netherlands New Guinea.

4. The association is characterized by four main features:

(a) The Six are removing tariffs and other restrictions on trade from the Associated Overseas Countries in the same way as among themselves. Thus, if a country remains associated during

the whole transitional period its exports will enjoy free entry into the Common Market at the end of this period.

(b) In return, the Associated Countries take similar measures with respect to the trade of the Six. However, they retain the right to keep or impose revenue duties and such duties as may be required to protect developing industries. In addition, they are not required to move their external tariffs to the level of the common tariff of the Six.

(c) The same measures are taken by the Associated Countries among themselves.

(d) A development fund with resources of about \$580 million was created by the Six to promote economic and social development in the Associated Countries.

5. The main effect of these provisions was to establish a framework for the creation of a free trade area between the Six and their associates. Both groups derived the following economic benefits from these arrangements:

(a) France shared with her EEC partners the burden of providing aid to her former African dependencies (their contribution amounted to \$380 million over 5 years); the other five shared in France's privileged position in the markets of the French African states.

(b) The Associated Countries gained preferential access for their exports to the whole of the Common Market. They could also look to it as a major source of capital.

The association was also regarded by the Six as of considerable political significance since it could replace the loosening ties between France and Africa as the former colonies gained independence.

6. The terms of association also had the incidental effect of establishing the framework of a free trade area among the African countries themselves. This feature, however, has not been of any great practical significance since trade among these countries is of minimal value, they are generally in the process of revamping their monetary and trade systems and they have developed Customs Unions of their own (the West Africa Customs Union and the Equatorial Customs Union).

7. It was agreed that the implementing convention annexed to the Rome Treaty would have a duration of five years, expiring at the end of 1962. There would thus be an opportunity for reviewing the terms of association and re-negotiating a convention more in keeping with the new independent status of most associate countries.

8. These arrangements while never formally blessed in GATT received the tacit benediction of the contracting parties under a negotiated formula.

#### *Renegotiation of Association with the EEC*

9. Of all the countries now associated with the EEC Guinea alone has decided to break off association. The others have all indicated that they wish to renew it. The former French territories in particular are pressing for new terms that will give them benefits at least equal to those they now enjoy.

10. Over the past ten months or so extensive discussions have been carried out among the Six and the Associated Countries over the future form of association. Working from proposals drafted by the EEC Commission, the Six have now agreed on the following general points:

(a) The association should be renewed for a period of five to seven years and the steps already taken towards free trade under the initial convention should be maintained.

(b) The association should be renegotiated freely between the Six and the Associated Countries; the independent status of the latter should also be reflected in the creation of institutions responsible for the affairs of the association, where the Associated Countries would be fully represented.

(c) The benefits under the new trade arrangements should be equivalent to those now enjoyed by the Associated Countries.

(d) At least as much aid should be made available as under the initial convention.

11. The Associated Countries are also in broad agreement with these points; however, they object to one feature of the new trading arrangements proposed by the Commission: the Commission has proposed certain reductions in the Common Tariff on items of importance to the Associated Countries. On these items they would thus lose part of the preferences they enjoy against third countries and they would receive compensation through technical and financial assistance and market stabilization schemes. The Associated Countries are pressing for the maintenance of preferences as a minimum position. On this point their views are in direct conflict with those of the United States which, as a matter of general policy and out of concern for Latin America – against which the preferences would operate – have also been putting pressure on the Six and France, in particular, to eliminate these EEC preferences altogether and move on a global front towards free trade in tropical products. No decision has yet been taken by the Six but there is some evidence that agreement may be reached along the lines of the Commission's proposals – accelerated progress in the removal of tariff and QRs on the trade between the EEC and the Associated States, reduction of preferences, market stabilization arrangements and technical and financial aid.

12. Before its application for membership in the EEC, Britain was generally critical of the trade aspects of association because of the additional discrimination it introduced among African countries (with the Commonwealth territories enjoying Commonwealth preferences and the EEC territories preferences in the Common Market). Since its application has opened the possibility of merging the two systems for the benefit of Commonwealth countries prepared to apply for association with the EEC, Britain has had a more direct interest in the problems of association. Without participating in the renegotiation of the Association Convention, it expressed support for the EEC Commission's approach.

#### *Brussels Discussions on the Problems of the Less Developed Commonwealth Countries*

13. The Six requested from Britain a list of possible candidates for association so that their individual problems could be examined. Britain took the position that association with the EEC should be open to any Commonwealth country. This position has been stated on several occasions and, in principle, remains unchanged.

14. However, when, during the early stages of the negotiations, Britain and the Six agreed to focus their study of Commonwealth problems on several broad areas, there was a common understanding that association would not be relevant to the examination of the problems of developed Commonwealth members – Canada, Australia and New Zealand. Britain and the Six also seem to have recognized that general discussions on association would be futile without a detailed study of the trade problems of less developed Commonwealth members and a clearer view of the future régime of association with the EEC.

15. You will recall that at the EEC Commission's suggestion (the Deniau Proposals) Britain and the Six then agreed, without prejudice to any possible solution, on an attempt at classifying under-developed Commonwealth countries in accordance with the nature of their problems and as a means of developing a better understanding of the issues at stake. Britain made it clear that it did not regard this exercise as meant to develop a priority list of Commonwealth candidates for association.

16. As discussions progressed, and categories and sub-categories became more and more complex and cumbersome, the serious limitations of this approach had to be recognized. What this exercise seems, however, to have achieved, is to document the issues and bring to the fore the diversity of the problems Britain's entry into the Common Market would raise for the

Commonwealth under-developed members. There would be commodity problems (e.g. sugar, oil, tea, bananas); India, Pakistan, Ceylon and Hong Kong would have difficulties in relation to some of their low cost manufactures (chiefly textiles). The problems of the African territories and of the West Indies are more akin to those of the associated territories of the Six.

17. The Six have given clear indications that they would not regard the Asian group with their vast populations, different cultures and low cost exports as suitable candidates for association. They advocate seeking solutions to the problem of their industrial exports along the lines of guaranteed markets and market disruption arrangements on a broad multilateral basis. There is no evidence that for their part any of these countries would seriously entertain association as a possible course.

18. Thus, this process of elimination, although resisted by Britain, seems to have narrowed down possible association to the Commonwealth African countries and the British West Indian and Pacific territories. On the other hand, the extent to which association would be a solution to the trade problems of these countries has not yet been properly examined. Which of them would be regarded as suitable candidates by the Six is not clear. (The Six indicated that in principle association should be limited to Africa and they are under pressure from the Associated Countries not to increase the coverage of association to the point where its benefits become diluted.) Apart from Ghana, which has expressed firm opposition to association, the other countries and territories concerned have not yet taken any definite position. The general issue, however, can be expected to be a very controversial one in African politics. The Commonwealth countries are reluctant to surrender preferences and Commonwealth assistance which they now enjoy until some new guaranteed benefits are assured. The whole debate will also become tinged with charges about neo-colonialism.

19. Slow progress is likely to be made in this area of the Brussels negotiations until the new terms of association emerge from discussions between the Six and their Associated Territories, and trade issues have come into sharper relief. The Six still insist that they should know which Commonwealth countries will want to become associated; Britain points out that until the terms of association are known Commonwealth countries cannot be expected to take a decision. Even after they should be given a reasonable period for doing so.

20. Against this background, the following points could be made in relation to London's telegram:

(a) Although it is by virtue of decisions of the Six – who were then responsible for the administration of the Associated Countries – that these countries were brought into close relationship with the EEC, it has now been agreed that, with the new independent status of these countries, the renegotiation of their association should be based on free negotiations among the countries concerned, on the basis of equal status, and that these countries should enjoy their full share of responsibility in the affairs of the Association. Discussions have progressed to a point where a return to colonial rule under the authority of the EEC Council and Commission would hardly seem feasible.

(b) Throughout the Brussels negotiations the British delegation has endeavoured to ensure that progress in all areas should move forward in step so that the problem of the Commonwealth as a whole should constantly remain before the Six. The British delegation seems to have been aware that different solutions would be proposed for the different problems of Commonwealth countries with a divisive effect. There is a good deal of evidence to suggest that with their tactics in Brussels the British delegation hoped to forestall the trend.

(c) The decision whether to seek association with the EEC is one which the Commonwealth countries concerned, not the British Government, will have to make. These countries might react sharply if we expressed a critical view of their bilateral discussions with the British Government at this stage on the problems raised for them by Britain's application when we, as

well as Australia and New Zealand, have carried out similar talks with the British on matters of interest to us.

(d) If Britain joins the Six it will, as a senior partner, have to contribute to EEC aid. If, in addition, some Commonwealth countries decide to associate with the EEC these steps will have some implications for Commonwealth Aid Programmes, although the British contribution to these programmes should not necessarily be allowed to decline. You will recall that when Mr. Sandys was in Ottawa last year, he emphasized that if Britain could enjoy the benefits of the Common Market its ability to provide development and investment capital would be improved.

(e) The Six can be expected under French pressure to be very stubborn towards any proposal which might alter substantially their dominant role in the future of the Associated Countries; nor would they look with equanimity on a greater U.S.A. role in the development of these African states. This means that serious differences which could divide the West may lay ahead.

21. While the issue is not quite as clear-cut as London's telegram suggests, the fact remains that developments relating to association with the EEC reflect some of the stresses which Britain's application was expected to put on the Commonwealth relationship, and raises basic issues which, it seems to us, should appropriately be discussed by Commonwealth governments collectively at the proposed Commonwealth Prime Ministers' meeting in September.

N.A. R[OBERTSON]

354.

DEA/50412-40

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

TELEGRAM 97

Canberra, April 18, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel E-704 Mar 28.

Repeat for Information: London, Brussels, Washington (Priority) from Ottawa, T&C Ottawa (Priority).

By Bag: Kuala Lumpur, Colombo, Delhi, Karachi, Accra, Lagos from London, Port of Spain from Ottawa, Wellington from Canberra.

MR. MACMILLAN'S VISIT

The following is a summary on current thinking on UK-EEC.

2. Australians see merit in stronger more integrated Europe through the association of UK with the Common Market. However, to Australia this association should not repeat not result in a disruption or weakening of the Commonwealth.

3. Australians feel that UK will associate with EEC but they will press very strongly for arrangements to protect Australian commercial interests. These have been built up through a long period of close trading relations and important sectors of Australian agricultural production are dependent upon this trade. Disruption of (groups missing) tariff quotas. For manufactures, Australia believes that the broad range of preferences may not repeat not be continuable and is therefore seeking special arrangements for individual products such as

“basket quota system” whereby groups of manufactures would be importable under long term preferences based upon most trade and allowing for a growth factor.

4. Australians have not repeat not yet given intensive consideration to work of Commonwealth Prime Ministers’ Conference. However they assume UK will work towards the development of a package offer for presentation at the conference and that although this may be further negotiable the scope for obtaining major additional concessions from the Six may be limited. It appears to Australians that the work of the conference will be mainly to deal with a potential UK-EEC relationship which might not repeat not be subject to major alterations.

355.

DEA/50412-40

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

TELEGRAM 235

Brussels, April 26, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel E-935 Apr 25.†

Repeat for Information: London, T&amp;C Ottawa, Finance, Agriculture from Ottawa.

#### BRITAIN AND EEC – DEPUTIES’ REPORT TO MINISTERS

We received our copy of Deputies’ report at beginning of last week and were told that copies for Ottawa were given Canada House at same time.

2. The report does not repeat not add much to what we have already reported on progress of negotiations. It has however, the merit of summarising the positions of both parties on all the issues examined so far. Seven main areas are discussed: (1) general level of CET; (2) nil tariff requests; (3) manufactures from Australia, Canada and New Zealand; (4) India, Pakistan, Ceylon and Hong Kong; (5) association; (6) agriculture; (7) Economic Union matters. Following is full text of sections 1, 2 and 3.

#### 3.I. GENERAL LEVEL OF COMMON CUSTOMS TARIFF

British delegation accept in principle, for the enlarged Community, Common Customs Tariff as it results from Dillon negotiations subject to exceptions concerning their requests for zero duties and the level of duties for agricultural and tropical products. They reserve however possibility of requesting, at the end of those negotiations, to examine with the Six whether the resulting level of tariff is appropriate for enlarged Community or whether further downwards adjustments within the limit of the 20% foreseen in these negotiations may not repeat not be necessary (but in any case no repeat no request for reincreases).

The Six took note of this British position, but pointed out that they considered the present Common Customs Tariff to be compatible with the provisions of GATT and that, given the higher general level of British tariff, British membership should not repeat not alter situation.

#### II. PRODUCTS FOR WHICH BRITISH DELEGATION HAVE REQUESTED A ZERO DUTY

##### (a) *British Position*

1. British delegation have proposed a zero duty in Common Customs Tariff for: (a) 27 industrial products (chiefly raw materials and manufactured products, including particularly



aluminum, lead, zinc, newsprint and wood pulp), representing about 10% of British imports of industrial products from Commonwealth and indeed from all sources; (b) 11 processed and other miscellaneous foodstuffs.

2. In support of their request, British delegation have emphasized that entry of UK into Community will considerably alter balance of economic factors on the basis of which the Six decided upon the present duties for these products. UK is generally a large consumer but a small producer of the products and has been traditionally dependent on imports for her supplies.

The imposition of a duty would increase prices to consumers (particularly in the case of certain foodstuffs) or to the using industries in UK. The latter would thus be in danger of finding themselves at a competitive disadvantage compared with the industries of Community which would have (group corrupt) national sources of supply. Finally, for almost all the products there is a Commonwealth interest, often very important.

(b) *The Position of the Six*

During course of a first examination, the Six have indicated that, in general, Community is a large producer of these products and that duties in the Common Customs Tariff are intended to secure for existing industries conditions of production compatible with economic and social needs at same time as making possible continuity of investment. On other hand the level of duties does not repeat not seem to them such as to injure imports from other countries. For some products there are special reasons for protection – different for different products – and particularly arising from:

- The need to compensate for the higher costs of energy in Community than in the chief competing countries (Canada, USA) in the case of, for example, aluminum, ferro-alloys, corundum, silicon carbide and calcium carbide;
- The need to ensure to certain processing industries regular supplies of raw materials in competitive conditions similar to those existing in other countries where, as a result of tariff protection, the high prices of the processed products make it possible for the industries to pay high prices for their raw materials (e.g. zinc, and lead ores).

The Six also stated that they did not repeat not see why the using industries of UK should find themselves in an unfavourable competitive position in Common Market compared with industries of other member states. The removal of obstacles to trade within Common Market, the establishment of a Common Customs Tariff and the application of rules of competition have indeed among their objectives to ensure fairness in conditions of supply. Finally, it was emphasized that some of British requests for zero duties should be considered in connection with applications for membership or association which had been made or were likely to be made (Scandinavian countries: newsprint, wood pulp, aluminum, ferro-alloys), or with existing agreements (Greece: rosin, etc.).

(c) *State of Negotiations*

The study of the processed and other miscellaneous foodstuffs seemed difficult apart from that of agricultural problems. Their examination was therefore postponed.

For the industrial products, the Six proposed to the British delegation that a working group should undertake a first study of solutions to which there might be recourse in order to reconcile British interests and those of the Six, and that this should be done on the basis of the solutions existing in the framework of Treaty of Rome and by examining the possible solutions by products or groups of products.

British delegation have expressed the view that there should be more precise reactions from committee before the working group could usefully embark on new work. Committee of

Deputies therefore decided to resume examination of questions involved at a subsequent meeting.

### III. MANUFACTURED PRODUCTS IMPORTED FROM AUSTRALIA, CANADA AND NEW ZEALAND

#### (a) *British Position*

1. UK asks for the maintenance, wherever possible, of existing commercial arrangements for all industrial products from these three countries, as well as for most processed and other miscellaneous foodstuffs. Nevertheless UK recognizes that indefinite and unlimited continuation of free entry for all industrial products may not repeat not be regarded as compatible with the development of a Common Market and are willing to discuss ways of reconciling these two conflicting considerations. (See paragraph 39 of Mr. Heath's statements.)

2. In support of her request, UK has drawn attention to the political importance of maintaining Commonwealth links. The application of Common Customs Tariff to these products might give rise to difficulties in connection with the patterns of trade with possible repercussions on the industrial development of countries, and possibly giving rise to particular problems in certain regions. Moreover, total exports of the products in question are very small in comparison with the enlarged Community's total imports of same products. The latter would therefore be in a position to absorb these imports without insurmountable difficulties.

#### (b) *The Position of the Six*

The Six explained that, for reasons of principle and given the practical consequences (especially, diversions of trade, distortions of competition, origin problems, etc. . . .), it did not repeat not seem to them possible to contemplate a system which would be an exception to the application of Common Customs Tariff without limit as to time or quantity. Furthermore, they did not repeat not think that the progressive application of Common Customs Tariff would be likely to lead to a reduction in these countries' exports to enlarged Community. In this connection, the Six pointed out that a large proportion of the exports of the products in question in any case go to third countries, in spite of tariff protection higher than that of Common Customs Tariff.

#### (c) *State of Negotiations*

1. In view of the position of the Six, British delegation declared themselves ready to accept that a study be made of the problems which would arise on the hypothesis of the progressive application of Common Customs Tariff to products in question, and of the various ways and means of dealing with these difficulties, provided that:

- This procedure be considered as a working hypothesis without prejudice to the final decision whether or not repeat not Common Customs Tariff should be applied to the exports of manufactures from these countries;
- Not repeat not only the economic aspects of problem, but also the political and social aspects be taken into consideration in this study.

2. The study took the form in the first place, of an analysis of statistical and tariff data relating to products. The method of work used was to draw up, as an initial step, a list of products of which exports to UK are not repeat not less than 0.01% of the total exports of country in question and not repeat not less than 20% of their total exports of the product itself. The list does not repeat not take into account products for which Common Customs Tariff has a zero duty nor products covered by ECSC Treaty. This method of work was considered both by British Delegation and by the Six as a first approach. British delegation, on their side, considered that the method of selection did not repeat not take account of a number of important economic, social and political factors. In this connection they have already asked for certain products to be added to the list. Delegations of the Six on their side have reserved the

possibility of re-examining lists of products established by the procedure explained above in order to satisfy themselves that the presumption of difficulties if Common Customs Tariff were applied pure and simple was sufficiently great to justify a special solution at the start. This method of work has led to the drawing up of a list of:

- 35 items out of 387 (the original list) for Canada, representing 53% of this country's exports to UK of the products on the original list;
- 16 items out of 266 (the original list) for Australia, representing 18% of this country's exports to UK of the products on original list;
- 6 items out of 30 (the original list) for New Zealand, representing 5.5% of this country's exports to UK of the products on the original list.

3. As regards study of possible solutions to meet difficulties which might face these countries' exports, the Six proposed to British delegation that a preliminary exploratory study should be made of the solutions existing within the framework of Treaty of Rome on the basis of an examination by products or groups of products. In this connection, the Six expounded to British delegation solutions theoretically possible within the framework of Treaty of Rome and also the order of preference which should be accorded to them. Possibility of having recourse, if necessary, to composite solutions combining elements of these various solutions was also mentioned.

As in the case of zero duties, British delegation have expressed the view that there should be more precise reactions from committee before working group could usefully embark on new work. Committee of Deputies therefore decided to resume examination of questions involved at a subsequent meeting.

4. Summary of rest of report follows in separate message.†

**356.**

DEA/12447-40

*Note du chef de la Direction économique*  
*Memorandum by Head, Economic Division*

[Ottawa], April 24, 1962

BRITAIN AND THE EEC: A NEW CANADIAN APPROACH

*The Objective*

The Canadian interests will obviously be best served from a globally negotiated solution to compensate for any losses in the British market. If announcement of Britain's entry could coincide with some agreed proposals related to a new round of tariff negotiations, much of the uncertainty about the long-term arrangements for Canada covering industrial products and raw materials would be removed. It would not compensate for any change in our terms of access to the British market for agriculture but it is now apparent that any permanent solution on this will have to be worked out separately on a global basis.

This approach would offer a constructive alternative to the present and "deterrent" policy and avoid an impending collision in U.K.-Canadian relations and would hold out some hope for a fruitful "Commonwealth approach."

*The Tactics*

Action at an early date would be required and the cooperation of Britain and the United States in the first instance, and the Six eventually, would be necessary. It would mean that the British would have to change their timetable to some extent to relate the date of their actual entry to the conclusion of a successful new round of tariff negotiations. It would also mean that

President Kennedy must obtain from Congress generally the type of authority he is requesting and that he uses it effectively.

It may, therefore, be important for an initiative of this nature to be undertaken at the earliest possible date before Congress takes a final decision on the President's trade proposals.<sup>21</sup> It might, therefore, be discussed by the Prime Minister during the Macmillan visit.

The advantages for Canada are clear. What would be the likely reaction of the main interested countries?

#### *Britain*

By offering some presentable and other safe-guards for Commonwealth interests, it should remove some of the domestic criticism of British entry. It would delay actual British entry (although they could sign an agreement and possibly a separate protocol concerning tariff negotiations at a reasonably early date). It would remove the possibility of a Commonwealth veto at the Conference in September. It would shift part of the onus for looking after Commonwealth interests (including the tropical producers) to the United States and the Six.

For these reasons the proposal on balance might be attractive to Britain.

#### *United States*

It would hold out for United States the prospect for British entry into the Six in an atmosphere of cooperation. On the other hand, they could not expect that Commonwealth preference would automatically fall into their lap. The United States would have to negotiate with the Six as though they were in fact the Seven, in order to meet the 80 per cent requirements, etc., in the Kennedy proposals. Although the United States have not fully taken this point on board, it could also avoid a deterioration of Canada-U.S.A. relations.

#### *France*

If France wanted to keep the British out, this plan is not attractive. While it holds out some of the benefits of the industrial free trade area discussed in recent messages from Paris,† it presumes British entry as a full entry into the common market. If France is generally opposed to British entry at all costs, this should be brought to the surface; they would not be free to play the Commonwealth off against Britain in the hopes of keeping Britain out. It could be argued in these circumstances that it would be more difficult for France to say no to British entry.

#### *The Neutrals*

The extent to which this solves the problem of the neutrals will depend on whether they attach importance to free entry into the Six. If they are satisfied with the benefits relating from the tariff negotiations it could provide a way out and certainly solve Britain's awkward dilemma with that group of countries.

#### *The Commonwealth Conference*

If the above proposal were saleable it could be endorsed at the Commonwealth Conference. It would provide a theme for the Conference and avoid the possibility of a further division within the Commonwealth. The close cooperation involved between Britain, United States and Canada should help to rebuild some of the bridges that are tottering.

<sup>21</sup> Voir/ See "Special Message to the Congress on Foreign Trade Policy, January 25, 1962," *Public Papers of the Presidents: John F. Kennedy, 1962* (Washington: United States Government Printing Office, 1963), document 22.

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DEA/50412-40

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

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

TELEGRAM 156

Karachi, April 20, 1962

CONFIDENTIAL. PRIORITY.

Reference: Your Tel E-704 Mar 28.

## MR. MACMILLAN'S VISIT: BRITAIN AND EEC

Pakistan Government's attitude to Britain's negotiations which has undergone no repeat no substantial change since Thorneycroft's visit (see our telegram 345 July 21<sup>†</sup>), is summarized in immediately following telegram.† Following are recent developments.

2. When Commercial Secretary Lancaster and I saw Commerce Secretary Osman Ali last week he confirmed our impression that there is somewhat increased concern at official level and among businessmen on grounds that as Ali said there does not repeat not now seem to be a prospect of any concessions to safeguard Pakistan's exports except in transitional period. He appeared to attribute this situation as much to lack of sufficient British pressure for concessions as to EEC's reluctance to grant them. He acknowledged there are difficulties in arguing for safeguards for Pakistan since main adverse effect of British decision to join EEC would be loss of potential markets in Britain for Pakistan's developing industry rather than loss of present markets.

3. Ali volunteered information he was preparing recommendations regarding reply to be sent to Mr. Macmillan's proposal of a September 10 meeting. While he said he was not repeat not sure what his recommendations would be he did seem to feel that proposed discussion in September would be anti-climactic since he believed Britain would know what they could and would do by some time in July or August (even though they would refrain from announcing any decision before meeting).

4. This fits with remark of an officer of British mission over the weekend that while he was confident President's reply would be favourable in view of his basic acceptance from the outset of the idea of Britain joining EEC he understood that Pakistani officials were recommending to President that September 10 would be too late since Britain would have made up its mind by then.

5. Local press reported April 18, and British Deputy High Commissioner has confirmed to Moore, that President replied April 16 to Macmillan accepting his proposal of meeting starting September 10 and his assurance that Britain would take account of Pakistan's interests in negotiations. He called reply "helpful" and satisfactory and said it contained no repeat no reservations or conditions of any kind. This again demonstrated gap in thinking on this question between President and his principal ministers on one hand and officials concerned on other.

6. A few days ago Pakistan made good its long standing plan to contribute directly to Brussels discussions by deciding to accredit the able Mohammad Ayub, who will continue as ambassador to Bonn, to EEC Secretariat. He will probably be assisted in Brussels by an experienced officer of High Commission in London.

[C.C.] EBERTS

358.

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 1359

Washington, May 3, 1962

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: London, OECD Paris, Paris, Geneva, Brussels, T&C Ottawa (OpImmediate), PCO Ottawa, Finance Ottawa, Agriculture Ottawa, Bank of Canada Ottawa (OpImmediate) from Ottawa.

## INITIAL CALL ON ACTING SECRETARY OF STATE BALL

In the absence of Secretary Rusk who is attending a series of meetings in connection with CENTO, the NATO Ministerial Meetings, and ANZUS, I paid my initial call yesterday afternoon on the Acting Secretary, George Ball, and left with him copies of the letter of credence, Mr. Heeney's letter of recall and the text of the proposed remarks to be left with the President on presentation of the letter of credence.

2. Apart from these formalities and a brief reference to the recent exchanges on Berlin and Germany between the Secretary and the new Soviet Ambassador, on which we are receiving reports both local and through the NATO Council in Paris, it was clear that Ball's main preoccupation, particularly in the immediate wake of the visit of Prime Minister Macmillan, was with the problems arising out of UK negotiations on entry into the Common Market and their implications both for Canada and USA.

3. It was helpful to have received promptly the text of the communiqué issued after the Prime Minister's talks with Mr. Macmillan in Ottawa and I left copies of the text with Ball.<sup>22</sup> In doing so I emphasized in particular those portions of the communiqué which referred to the great importance which we attached to safeguarding Canadian and Commonwealth interests in these negotiations, and the assurances which had been given to this effect by the British Prime Minister.

4. Ball referred to Mr. Macmillan's talks in Washington and said that the British Prime Minister had spoken in the strongest terms in emphasizing the importance attached to Commonwealth interests by UK Government.<sup>23</sup>

5. Ball went on to discuss in rather general terms the substance of the USA position on the subject of Britain-EEC relationship. He stressed that the USA understood the special problems facing the Commonwealth and the need for transitional arrangements pending the development of world wide solution. Referring to the field of temperate agriculture he then made a point of saying that with the entry of UK into EEC an increased share of the British market for wheat and grains would probably be taken by suppliers within the EEC and that outside suppliers would be at some disadvantage. He thought the problems raised with respect to wheat should be treated on a global basis in a way which would take account of the interests of all countries affected rather than by creating new preferential arrangements. He made a distinction between certain other grains and wheat, pointing out that with respect to wheat there were no repeat no

<sup>22</sup> Voir « Visite du premier ministre Macmillan, » *Affaires Extérieures*, vol. 14, n° 5 (Mai 1962), pp. 162 à 163. See "Visit of Prime Minister Macmillan," *External Affairs*, Vol. 14, No. 5 (May 1962), pp. 158-159.

<sup>23</sup> Voir/See *Foreign Relations of the United States 1961-1963*, Vol. XIII (Washington: United States Government Printing Office, 1994), documents 391, 393.

Commonwealth preferences in UK market and that all suppliers were currently on an equal footing. From Ball's comments with regard to wheat exports, it seems clear that USA authorities are concerned about any possibility which would lead towards a preferential position for Commonwealth wheat in UK or in the EEC market as a whole. Ball indicated that UK membership in EEC would in any event put USA into the position of a residual supplier of wheat to that whole area and that if, in addition, new preferences were created USA would be left in an even worse position and USA trade interests would be seriously affected.

6. I took the opportunity in this preliminary talk to stress again the importance which we attach to the special trade links within the Commonwealth. I pointed out that while we understood that USA trade interests would also be affected by UK entry into EEC, Canada was in a far more vulnerable position because of the relatively greater importance of our trade with UK and of the special relationships that have been built up. I suggested that these trade and economic links would naturally take on added importance if the political and other relationships among Commonwealth countries were modified as a result of UK membership in EEC. I also indicated that there was a strong feeling in Canada that USA authorities did not repeat not fully appreciate the nature of our interest in exports of manufactured goods to UK. While our actual trade in this field was relatively small, there was great potential for expansion and development. The main issue was not repeat not only the present composition and the wide range of our trade but also the preferential terms and historic access we had long maintained in UK market. Ball said that he was aware of this situation, and had found the discussion at the Ministerial Committee Meeting in Ottawa in January<sup>24</sup> particularly useful in this regard. He looked forward to further exchanges with us in this important area as the pace of negotiations in Brussels is increased in the weeks ahead.

[C.S.A.] RITCHIE

359.

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*

SECRET

[Ottawa], May 15, 1962

BRITAIN AND THE SIX

The main event of the last two weeks in the Brussels negotiations was the meeting of Ministers of May 11 and 12. Britain was anxious to ensure that, after seven months of exploratory talks, this meeting should mark the beginning of effective negotiations. The attached telegram no. 276 of May 13† from Brussels contains the account Mr. Heath gave of the meeting to Commonwealth representatives in Brussels.

2. According to this account, the British objective seems to have been met. The Six agreed to work towards the outline of a settlement by the summer. This should put some urgency in the discussions of the Deputy Heads of Delegation, who will now be developing possible solutions. The next meeting of Ministers has been set for May 29 and 30 and four days have been reserved at the end of June for ministerial meetings in the expectation that the broad terms of a settlement will then be available for discussion by Ministers.

<sup>24</sup> Voir/See document 264.

3. The British seem to have taken a much firmer line in Brussels than they had so far; the atmosphere of the meeting is also reported to have been better than was generally expected. Whether the Six will now make serious concessions to Britain over its requests for special arrangements for the Commonwealth, however, remains to be seen.

4. The French have not yet given any indication of what their attitude will be in the crucial phase of the negotiations; you may have seen press reference to a statement allegedly made recently by Chancellor Adenauer in Berlin to the effect that the Six could not accept the entry of Britain with its Commonwealth commitments into the Common Market. Although strong denials have been issued by the German Foreign Office such a statement by the Chancellor is somewhat puzzling. The Benelux countries, on the other hand, are clearly on the record in favour of British membership – so is Italy, though perhaps to a lesser degree.

5. Discussions at the most recent meeting of the Deputy Heads of Delegation, which dealt with manufactures from developed Commonwealth countries, are also of interest as evidence of the sharp questioning from the Six to which the British delegation in Brussels is subjected. The attached telegram no. 275 of May 11† from Brussels contains an account of these discussions. Britain has now tabled, in addition to its request for free entry into the Common Market for certain industrial materials, papers on transitional arrangements for specific agricultural commodities (including cereals), a draft formula for comparable outlets (longterm agricultural arrangements) and proposals for manufactures from Canada, Australia and New Zealand. So far, the response of the Six has been limited to tentative comments and requests for clarification.

6. Mr. McEwen, on his return from Europe, and more recently during a visit of Secretary Rusk to Australia, is reported to have made strong public statements taking issue with the U.S. view that Commonwealth preferences should not be perpetuated. Recalling Britain's assurance not to become a member of the Common Market on terms seriously harmful to the Commonwealth, he stressed that American opposition to Commonwealth preferences could make it virtually impossible for Britain to join.<sup>25</sup>

O.G. STONER  
for Under-Secretary of State  
for External Affairs

360.

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-1094

Ottawa, May 21, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1778 of May 16/62.†

Repeat for Information: Brussels.

<sup>25</sup> Voir/See "Australian Is Gloomy On Trade Prospects," *New York Times*, April 27, 1962, p. 7; "Australia Hears Rusk Trade View: Secretary Urges Adjustment to Common Market," *New York Times*, May 9, p. 15.



BRITISH-EEC NEGOTIATIONS: PROPOSALS RE NIL DUTIES  
FOR INDUSTRIAL PRODUCTS

In view of the major importance of basic industrial materials in our sales to the British market, the new British approach regarding possible solutions for these products is considered sufficiently important for you to put our views with respect to this development to the British at ministerial level. In the circumstances, it would be appropriate for you to pass comments to the British in the form of a note along the following lines:

I refer to proposals with respect to the kind of possible solutions that the British negotiators are contemplating discussing with the EEC for the safeguarding of Commonwealth interests with respect to basic industrial materials.

The Canadian Government is seriously concerned at the implications of these developments for the access of important Canadian exports to the British market. I understand that for many years free entry for industrial raw materials, particularly from Commonwealth countries, has been an important element in Britain's industrial position. Equally, for Commonwealth countries the supplying of basic materials to meet the needs of Britain's industries has been a key feature of Commonwealth trade for many years. The Canadian Government is confident that as a matter of common interest the British Government would not be prepared to contemplate the imposition of tariff barriers against imports of industrial materials.

In this situation it would be a matter of serious regret to the Canadian Government were the British Government to contemplate yielding to protectionist pressures in Europe at the expense of the important trading interests of Commonwealth countries.

On the basis of these considerations Canada, and we assume the British Government, attaches major importance to the nil tariff proposals with respect to industrial materials. The alternative proposals listed in the British message could not be considered as effectively safeguarding essential Commonwealth interests. Further, it is a matter of serious concern to note that the British Government is prepared to consider interim arrangements which are clearly designed to find accommodation for additional European countries which may accede to or seek association status and leave arrangements for the trade of Commonwealth countries to be considered later as a residual problem.

JOHN G. DIEFENBAKER

361.

DEA/50085-K-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 2100

London, June 12, 1962

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel E-1094 May 21.

Repeat for Information: T&C Ottawa (Emergency), Finance Ottawa (Emergency) from Ottawa.

BRITISH-EEC NEGOTIATIONS: NIL DUTIES  
FOR INDUSTRIAL PRODUCTS

At seven o'clock this evening following letter was received from Sandys in response to my letter sent on May 22 to the Lord Privy Seal† in accordance with instructions your reference telegram: "I am replying to your letter May 22 to the Lord Privy Seal about the handling in Brussels negotiations of our 'nil duties' requests on aluminium and other industrial raw materials (CRO telegram No. 81 May 14).

We recognise the importance which Canadian Government attach to the trade in these products which has developed over the years to the mutual benefit of Canada and Britain, and there is no repeat no question of our regarding it as a subsidiary interest. But it is not repeat not practicable for us to refuse to discuss such suggestions as the Six may make as alternatives to our own proposals in this sector of the negotiations, or to refuse to consider any solution short of our full initial proposals. In forming a view on any such counter-proposals, and in framing instructions to our delegation, it would have been helpful to have your government's views on the alternatives in the reference telegram, with respect to each item which concerns Canada.

If, on further consideration, Canadian Government felt able to send us some comments of this nature, we should still find them valuable, while recognising your strong preference for nil duties.

The last sentence of your letter is, I think, based on a misunderstanding. To reduce Canada to being a residual supplier, after Norwegian and Swedish interests had been taken care of, is the last thing that we envisage, and I do not repeat not think that it is in the mind of the Six. But they take the view that until the position of these two countries vis-à-vis EEC is clearer, the Six will have difficulty in considering the most suitable form of tariff arrangement on products from Norway and Sweden.

Meanwhile, Heath has explained to you at our meeting on June 1 the position reached at the Ministerial Meeting in Brussels on May 29 and he explained it also to Mr. Pierce in Brussels before returning to London."

[GEORGE] DREW

362.

DEA/12447-40

*Note du sous-ministre adjoint du Commerce  
pour le sous-secrétaire d'État adjoint aux Affaires extérieures  
Memorandum from Assistant Deputy Minister of Trade and Commerce  
to Assistant Under-Secretary of State for External Affairs*

Ottawa, June 29, 1962

U.K./E.E.C. NEGOTIATIONS

I have prepared the attached draft paper for possible consideration at next Tuesday's meeting. It is an attempt to draw a few threads together and to suggest some elements of future direction. It is not a report on our recent discussions in London, Brussels, Paris and Washington, but is intended to take account of some of the impressions we gathered there.

I shall be out of town on Monday, but propose to revise this paper on Sunday. Any quick comments or reaction you can pass on to me before then will be very welcome.

J.H. WARREN

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note**Draft Paper*

## MEMORANDUM FOR MINISTERS ON BRITISH/EEC NEGOTIATIONS

*Background*

In July of last year, after discussions with Mr. Duncan Sandys which revealed deep differences of opinion concerning the potential advantages and disadvantages of British membership in the European Economic Community, Canadian Ministers expressed grave concern about possible U.K. negotiations with the EEC and about the political and economic effects of British membership on Canada and the Commonwealth as a whole. Following the British decision to negotiate, Commonwealth countries collectively registered their apprehensions at the Accra Conference. In September, Canadian officials, after discussions in London, reported that the measures being contemplated by the United Kingdom to safeguard essential Commonwealth interests, even in the unlikely event they proved fully acceptable to the EEC, would fail to protect, or provide acceptable alternatives to, Canada's present position in the United Kingdom market.

Since their inception, Britain has kept Canada closely informed of the course of the negotiations. The general position as well as certain particular problems have been discussed at Ministerial level, notably during the visits to Ottawa of Prime Minister Macmillan and Mr. Heath. Following the January meeting with the Lord Privy Seal, additional Canadian officials were sent to Brussels for the period of the negotiations. Through our officers in Brussels and London, the British authorities have been given complete information on aspects of Canadian trade interest relevant to the negotiations. In the course of cooperation with the British negotiators no commitments have been entered into and the establishment of priorities within Canadian trade interest in the U.K. market has been avoided. The technical information and comment provided have, however, permitted the British negotiators to form an intelligent appreciation of the nature and character and importance of the different elements in our trade. As various proposals have come forward, officials have indicated where such solutions would fall short of safeguarding Canada's present position in the British market. The British have been encouraged to seek or stand firm on arrangements which would do so.

*The Current Situation*

A separate paper† describes in detail the state of the negotiations with respect to main products of interest to Canada. In summary, a provisional agreement has been reached for manufactured goods which, while providing for some delay in the application of the common tariffs against any goods entering the U.K. market, would involve the full application of the common tariffs by 1970 and thus the extinction of Canadian preferences and free entry. For industrial raw materials not already free in the common tariff, including aluminum, lead and zinc, pulp and newsprint, the Six have not agreed to the British request for the elimination of duty except for two relatively minor items. For pulp it seems likely, however, that an unlimited duty free quota will be offered. For newsprint restrictive quota solutions are being considered. For aluminum some slight reduction may eventually be offered in the common tariff; for lead and zinc an offer may be made to suspend the duty when prices are firm and protection of domestic industry is not really required. Apart from pulp, solutions along these lines would fall far short of being equivalent to duty free access and would be regarded as highly unsatisfactory by the large Canadian industries concerned. Up to now they have had free and, in some cases, preferential entry to the U.K. market.

For cereals, including wheat where there is no preference, the British have asked for "comparable opportunities of outlets" in the enlarged Community to safeguard sales up to traditional volumes. This would be accomplished by avoidance of restrictions, a preference on the variable levy, or sharing of the intra-Community preference, depending on the cereal involved. In theory, this system would go on past the transitional period and until subsumed in any world-wide commodity arrangements that might be made in due course. This proposal was unacceptable to the Six who however have not yet agreed to a counter-proposal. They are considering suggesting transitional arrangements whereby any preferences in this sector would be progressively narrowed, and combined with an offer to negotiate world-wide non-discriminatory commodity arrangements at an early date. The British are showing some interest in this kind of approach which would of course leave the eventual position of our grain in considerable uncertainty.

For apples, the British have proposed that present U.K. global quota arrangements be continued for five years. Thereafter the common tariff and EEC quality standard would apply to Canadian apples. They would be exempted, however, from any minimum price scheme or quantitative restrictions up to a specified amount related to previous sales. For processed and miscellaneous food and agricultural products, the United Kingdom has requested the removal of EEC duties on canned fresh and frozen salmon, canned lobster and flour and fish meals. For certain other items of interest, reductions have been proposed in the Common Tariff. For such items and all others in this sector, free or preferential quotas have been proposed for Commonwealth suppliers without specific terminal date. While the Six have not yet given detailed reactions to these proposals, they are not prepared to agree to special arrangements going beyond the transitional period.

### *Outlook*

It is clear that the outlook for the maintenance of our terms of entry to the United Kingdom market or outlets comparable thereto is most discouraging. Few of the proposals for duty free entry seem likely to survive the negotiations. It appears that otherwise the most that will prove negotiable will be some slight reductions in the C.T., a few unlimited quotas, some restricted quotas and for the rest transitional arrangements only, and for grains the uncertain prospect of successful negotiation of new world-wide arrangements. In short, free entry, except where already provided in the common tariff, and Canada's preferences in the U.K. market would all have disappeared by the end of the transitional period in 1970. The prospect is even less encouraging when it is remembered that the Six are unlikely to make concessions of importance to the Americans without being assured of payment in the U.S. tariff and that the Six are nervous about the further demands which may be made on them by Third Countries in the course of Article XXIV:6 negotiations after U.K. accession. A factor which further complicates the situation is the probable demand of the Six that by the end of the transitional period the U.K. either has relinquished or made arrangements to share its preferential access to the markets of other Commonwealth countries.

Given this outlook, can the negotiations succeed? The answer seems to be more political than economic. Germany, Italy and at least The Netherlands element in Benelux are generally in favour of British membership. But Germany has proven unwilling under Adenauer to split with France on really important issues. Thus France, and the enigmatic de Gaulle, hold the key to the puzzle. Although certain elements in France now favour Britain's entry (Monnet and even the modern Patronal), it seems that the French leadership would have preferred that the U.K. had not applied, or at least had delayed its application, until the Community was more securely established and France had further entrenched its intellectual command over Community thinking. However, the French Government is apparently not prepared politically to veto the British application or to accept blame for failure of the negotiations. The position

therefore appears to be that the negotiations in Brussels can succeed if the British are prepared to bring their proposals for special treatment within the framework of the Treaty of Rome or to put it more simply if France and the Community are required to move only slightly from the continental position expressed in the Treaty and the British do the compromising. The British Government's desire to secure membership, which appears to be more political than economic in the sense of hoping to secure or share the leadership of Europe in world affairs and the domestic impossibility for Macmillan of reporting failure, makes steady erosion of the British position more or less inevitable and the eventual success of the negotiations, in the sense of an agreement which the two sides could report back to their respective countries.

Whether or not Britain will become a member of the Community is another and different question.

Assuming that a deal can be struck in Brussels because the British must have a deal, membership will turn on whether or not the terms are acceptable to the British Parliament. This will no doubt depend a good deal on party prospects and the state of public opinion. In this connection, the treatment of Commonwealth problems could be an important, and in certain circumstances a decisive, factor.

At present the Labour Party is uncommitted but divided; the Conservative Party is also divided but the overwhelming majority stands with Macmillan in favour of joining; the Liberal Party favours membership. Considering the historic nature of the decision Britain faces and the possibility that Labour could make it a prime domestic political issue, the meeting of Prime Ministers scheduled for September 10 assumes considerable importance.

At that Conference irrational and ill-considered opposition by the Commonwealth might well have the effect of consolidating British public and political opinion behind the Government's desire to join the Community. On the other hand, a sober and critical reaction to the effect that the arrangements which the British had been able to secure fell far short of safeguarding essential Commonwealth interests and that United Kingdom membership on such terms would so weaken the Commonwealth as to threaten the continuation of the association could conceivably be a critical factor in changing the balance of British opinion against the Government. Before taking public positions which could lead to this result, Commonwealth Governments, particularly leading members such as Australia, Canada and India would have to consider whether they are prepared to have the onus of failure of the United Kingdom to join Europe laid at their door by the pro-Europeans and how they would respond to the inevitable British requests that the Commonwealth should provide an economic alternative to Common Market membership by further opening its markets to British goods. The fact that there are good answers to such a request, in a multilateral attack on both European and U.S. trade barriers in course of which preferences could be negotiated away rather than thrown away, would ease but not remove the embarrassment of the situation.

The sort of situation described above assumes that the outline of a settlement and its main components will be known in advance of the Prime Ministers' meeting and so permit informed judgments to be made. There is an increasing possibility that this will not be the case, or at least that important elements in the package will still be obscure in early September. This may be especially so where important Canadian trade interests are concerned. Thus it is conceivable that final settlement of the question of zero rates of duty for aluminum, newsprint and lead and zinc will not have been reached by that time either because of items of concern to Scandinavia which will be negotiated later or because final positions on tariff questions of this importance tend to be deferred until the final hour of negotiations. In the case of wheat, it could easily be that the situation will be quite unclear, either because the British are still holding out for fairly firm undertakings about market access which the Six have not met or because the United

Kingdom concedes that the problems could best be dealt with through international commodity arrangements, the content of which could not, of course, be known by September.

If this were the shape of events the tactical issues would be different and it might prove desirable to use the Prime Ministers' Conference to strengthen British determination and to build up a climate of international opinion which would help bring about greater willingness to meet Commonwealth difficulties on the part of the Six. United States influence could be of particular importance in a situation of this kind.

The balance of this paper considers various measures and possible courses of Canadian action for the near future, on the assumption that the Brussels negotiations will result in sacrifice of Canadian interests in the British market by the end of the transitional period and that future policy must be planned on the basis of United Kingdom membership in an enlarged European Community. An important implication of this conclusion is that during the transitional period and at its end, Canada would be free to terminate or substantially diminish United Kingdom preferences in this market and through negotiation use such adjustment (together with appropriate reduction in M.F.N. rates) to secure alternative trade outlets in the United States, the enlarged European Community, Japan and in the markets of other trading partners throughout the world.

#### POSSIBLE COURSES OF ACTION

##### (a) *Representations in London and European Capitals*

It is not recommended that Canadian Ministers be asked to visit London and European Capitals to emphasize Canadian concerns or to attempt to safeguard Canadian interests by introducing separate proposals in the negotiations. To do so would involve our Ministers in the stream of Brussels discussions at a time when compromises are being made many of which will involve prejudice to Canadian interests in the U.K. market. Moreover, judged by Australian experience, including visits by Mr. McKeown [sic] and Prime Minister Menzies, it is doubtful whether personal intervention by Canadian Ministers at this time would substantially influence the outcome of the discussions. A Ministerial visit could give rise to publicity and would make the Canadian case better known. However the publicity might not be all that favourable and in Canada might create expectations which in the event could not be fulfilled. In all the circumstances it would seem better for Ministers to reserve their intervention until the time of the Prime Ministers' meeting. In the meantime, the Canadian policy position could be conveyed through written communications delivered in London and officials could continue to work with the British negotiators in Brussels on the presently authorized basis. In this way pressure would be maintained on the British but public positions would not be taken which could limit Canadian freedom of manoeuvre at the Prime Ministers' meeting.

##### (b) *Co-operation with the Americans*

For a little while longer, it would seem tactically unwise to invite Ministers to consult their American colleagues. To do so could probably be regarded by the British as resignation to the inevitability of a "sell out" in Brussels<sup>26</sup> and of our need to find alternatives to our present trading arrangements. This could further weaken their already flabby position in the negotiations. When, however, the thinness of the maximum results obtainable in Brussels can be clearly seen (but when such results have been more or less secured), the Government will have to decide whether it wishes to carry its disappointment to the stage of outright opposition

<sup>26</sup> Note marginale :/Marginal note:  
? lessen the likelihood of a sell out [A.E. Ritchie?]

at the September meeting with a view to keeping the U.K. out and maintaining the preferential system with as little change as possible. If the Government decides that such a position would be historically incorrect or politically untenable then the moment will have come for quick repairing of our fences with the Americans.

Vis-à-vis the Americans there are several points which in such circumstances could and should be made. First, the Americans must be brought to realize that our preferential position in the United Kingdom market is of genuine importance to us. They should be made to appreciate that because of the evolution of preferential trade, because of our greater dependence on exports, and because of the patterns of trade and economic activity which have grown up North of the Border, Canada has problems in relation to an enlarged EEC which are different in kind and more severe than those facing the United States. Thus, in addition to working together to achieve solutions to common problems, the United States should recognize and perhaps help to deal with difficulties, including loss of preference in the U.K. market, which we do not share with them. In particular the following objectives might be considered:

- (1) creation of a genuine awareness of Canada's special situation;
- (2) an American statement of willingness to help resolve residual problems faced by Canada as a result of the Brussels negotiations, including the intention to pay a fair price, as in the past, for any narrowing of British preferences in the Canadian market, as well as for reductions in the Canadian M.F.N. tariff;
- (3) recognition that Canada's interests as an economic producer of grain, whose farmers rely not on supported prices, but on the returns which can be earned in world markets, should not be prejudiced in any world-wide commodity arrangements which may be contemplated;
- (4) recognition that Commonwealth countries other than the U.K. may wish to maintain preferential arrangements between them even if U.K. preferences disappear;
- (5) agreement to work closely together to secure improved access to the enlarged EEC market for competitive agricultural exports.

At the same time or at a very early date, the Canadian Government should emphasize its support for and willingness to participate in the next "Kennedy" round of tariff negotiations, subject to procedures and coverage being worked out which would permit a balanced negotiation from the Canadian point of view. In this regard, it would seem that once the "Kennedy" authority is secured, interdepartmental machinery, and possibly special liaison with industry, should be set up to examine and identify the areas of the Canadian tariff which should be regarded as candidates for negotiations, given the need for greater efficiency in some sectors of Canadian industry and the various possibilities for expansion opened up by the new U.S. legislation, including progressive movement to free trade amongst most industrialized countries for certain industrial sectors. In this general context, it would be desirable to consider ways and means whereby areas which may have been excluded from negotiations under authority obtained from Congress, for example raw materials, could be brought within the framework of negotiations through administrative interpretation or through additional legislation at the next session of Congress.

#### *Co-operation with Commonwealth Countries other than the United Kingdom*

Studies should be put in hand or completed concerning the value to Canada of continued exchange of preferences with Commonwealth countries other than the United Kingdom. We should be ready to indicate a position on this subject at the Prime Ministers' meeting in September.

*Commodity Co-operation*

During the summer, we should re-examine the areas in which proposals are current for new or intensified commodity co-operation (wheat, other cereals, lead and zinc). We should examine the fundamental nature of our commercial interests in such products or materials in the changing world environment. If it is found that world trade and Canadian interests would be better served by new or amended commodity agreements, we should urgently frame a Canadian position and thereafter take an active part in the formulation of thinking about the content of any agreements in respect of which we would have an important supplier or consumer interest.

**363.**

DEA/12447-2-40

*Note du haut-commissariat du Royaume-Uni**Memorandum by High Commission of United Kingdom*

CONFIDENTIAL

[Ottawa], July 11, 1962

COMMON MARKET NEGOTIATIONS: REVISED BRITISH  
PROPOSALS ON WHEAT AND FLOUR

The British Delegation have strongly advised that we cannot hope to obtain assured rights of access for Commonwealth wheat in excess of quantities related to imports into Britain as distinct from the enlarged Community as a whole. The same applies to coarse grains and other cereal products. The Delegation's advice accordingly is that we should not press our earlier proposal for assured access into the whole Community for quantities traditionally imported into the enlarged Community as a whole – we put this forward in the belief that our proposal would thus appear more “Community-minded.”

2. British Ministers have considered this advice and have concluded that in fact assured rights of access to Britain alone for the transitional period together with the ability to compete in Britain on terms that are fair in comparison with those for Community suppliers would provide for Canadian wheat a safeguard as good as that now enjoyed in Britain.

3. Canadian longer term interests will of course have to be protected as part of the arrangements we are seeking for the post-transitional period for temperate foodstuffs in general.

4. We therefore have it in mind to put to the Six a proposal that for the transitional period Canadian wheat should have assured rights of entry into the British market for 2.25 million metric tons of wheat and flour (in terms of wheat equivalent) i.e. the average quantity for the three years 1958/59 to 1960/61.

5. We shall of course maintain our proposal for the retention of the benefit of the Commonwealth preference on flour.

6. We originally proposed to the Six that the benefit of the intra-Community preference should be extended both to Canada and to Australia in respect of wheat. The Six have however, emphasised that they are not prepared to consider any arrangements in this field which would introduce any elements of “new preference” for Commonwealth suppliers. It is probable too that our original proposals, if maintained, would come under attack by other third country suppliers such as the U.S.A. and the Argentine. If we could secure the Six's agreement to eliminating the intra-Community preference altogether in the British market, no difficulty would arise. But if we cannot secure this, we consider that we cannot continue to ask for the benefit of the intra-Community preference for Canadian wheat but must rather concentrate on reaching agreement about “access.” Since Canadian wheat is of a kind not produced in the



Community and commands a substantial quality differential above European soft wheat, we do not believe that Canadian interests will be adversely affected to any significant extent by this change in our proposals.

7. An additional element in our proposals will be an attempt to secure a general undertaking in respect of remedial action in event of proven damage to Commonwealth exports of wheat to the enlarged Community as a result of the application of the common agricultural policy on similar lines to that recently given to the U.S.A. in the GATT tariff negotiations.

364.

DEA/12447-2-40

*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-1465

Ottawa, July 12, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 2522 July 12.†

Repeat for Information: T&C Ottawa, Brussels, Canberra, Washington.

BRITAIN-EEC NEGOTIATIONS: WHEAT AND FLOUR

In view of major importance of wheat and flour in our sales to British market please convey our views with respect to new British approach regarding possible solutions for these products to Britain at ministerial level. It would be appropriate for you to pass comments in form of a note along the following lines:

2. On the instructions of my Government I am writing about the new proposals that our Government is contemplating discussing with EEC for the safeguarding of Commonwealth interests with respect to wheat and flour.

3. Canadian Government is seriously concerned at the implications of these proposals for sale of important traditional Canadian wheat exports to UK market. For many years, imports of wheat into UK from all sources have been free from duty and from quantitative limitations. In this situation it would be a matter of serious regret to Canadian Government were British Government to agree to introduction of measures which would endanger important trading interests of Commonwealth countries.

4. Although nothing short of free and unrestricted entry into UK market could fully safeguard Commonwealth interests the earlier British proposals for Commonwealth countries would have assured right of entry into enlarged Community for traditional quantities of Commonwealth cereals annually. This assurance took the form of an undertaking that no quantitative restrictions would be imposed for quantities specified and that no discrimination levy would be applied against hard wheat as compared with soft wheat. There were also safeguards which broadly ensured that Canada would have opportunity to sell wheat in enlarged Community market on terms which did not repeat not involve a reduction in Canadian sales or in prices realized compared with what Canada might reasonably have expected if Britain remained outside Community. UK also proposed that levy on Canadian wheat be abated by amount of intra-Community preference in respect of imports into UK and for coarse grains by the amount of Commonwealth preference.

5. With regard to the latest British proposal which is limited to UK market foregoing assurances have been largely omitted. Accordingly current British proposal would result in still further erosion of Canada's position even in UK market.

6. While need for some longer term arrangements is recognized there is no assurance as to kind of arrangement which might be worked out. As indicated in a message from Mr. Green to Mr. Sandys on March 9, † before arrangements are set for transitional period there should be a clear indication of content of longer term arrangements. This has become all the more important as proposals for transitional period have become progressively weakened.

7. Canadian Government presses British Government to demand proposals which would safeguard Canadian interests.

[H.C.] GREEN

365.

DEA/12447-2-40

*Le haut-commissaire au Royaume-Uni  
au Lord Privy Seal du Royaume-Uni  
High Commissioner in United Kingdom  
to Lord Privy Seal of United Kingdom*

CONFIDENTIAL

London, July 18, 1962

My dear Lord Privy Seal,

I am writing about the most recent proposals that the British Government has formulated for safeguarding Commonwealth interests in the United Kingdom market with respect to processed and other miscellaneous food and agricultural products.

I have been instructed by the Canadian Government to convey to you their comments, as follows:

Canadian exports of goods in this sector to the United Kingdom, which were in the vicinity of \$20,000,000 in 1960, for the most part enter the United Kingdom free of duty and under preferential conditions. Earlier British proposals, although falling considerably short of fully safeguarding our position in the British market, nevertheless called for nil common external tariffs for items totalling \$13,000,000 of this trade, and for duty reductions and preferential tariff quotas for the remaining items in this sector. Even in the event that the Community had accepted these earlier proposals in full, many Canadian exports to the United Kingdom in this sector would have been confronted not only with the loss of their preferential position, but with high tariffs and reduced opportunities for growth. Your Government's most recent proposals would result in an even greater erosion of our position for they would, at best, safeguard free entry for exports totalling only \$8,000,000. For the remainder of the items our preferential and tariff-free position would largely disappear even before the end of the transitional period in 1970.

We are concerned over the way in which your proposals for these products have been progressively moving away from the safeguarding of our interests in the British market. In this sector the nil tariff list has now been reduced from the original ten to three items of interest to Canada, and even on these items your Government is apparently contemplating an alternative to duty-free entry.

The Canadian Government would hope that the British Government would even yet find it possible to press for proposals which would safeguard Canadian interests in these products.

Yours sincerely,

GEORGE DREW

366.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni  
au Lord Privy Seal du Royaume-Uni*  
*High Commissioner in United Kingdom  
to Lord Privy Seal of United Kingdom*

CONFIDENTIAL

London, July 20, 1962

My dear Lord Privy Seal,

I understand that the British Government expects agreement to be reached by the Ministers in Brussels at the end of this month on arrangements for imports into Britain of several industrial materials for which a zero tariff has been requested. You will recall that on May 22nd, on instructions from the Canadian Government, I expressed serious concern at the implications of the alternative arrangements for the access of these important and traditional Canadian exports to the British market. You are also aware of our views on the unsatisfactory nature of developments in other sectors.

The Canadian Government has instructed me to say that while it appreciates the pressures on the British Government to consider alternative arrangements as indicated in Mr. Sandys' letter to me on June 12th, it does not see how anything short of continued unrestricted free entry for basic industrial materials into the British market could safeguard the important interests both of the Canadian Government and of the British Government with respect to trade in this sector. The Canadian Government hopes and expects, therefore, that the British Government will remain firm in the position which it has taken with the European Economic Community for nil tariffs in the sector of industrial materials.

Yours sincerely,

GEORGE DREW

367.

DEA/12447-40

*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], July 24, 1962

As Lord Amory told Mr. Diefenbaker on July 3rd, despite further forceful and repeated efforts at all levels, including meetings of both Deputies and Ministers, as well as by personal conversations in capitals, we have not been able to persuade the Six to accept our "comparable opportunity" formula as a basis for discussion. We have therefore been considering the best way of proceeding.

2. Signor Colombo, as Chairman of the conference, put forward counter proposals on May 28th and Commonwealth authorities were informed of these proposals. Since then, they have slightly improved on them in a further text which was tabled and given to your representatives in Brussels on July 20th.

3. In our view the best way of making progress will be to explore the possibility of building on the formula now presented by the Six and to try and improve it so as to enable us to achieve in a different form the real substance of our original proposals. We shall keep the latter on the

table unless it becomes clear that an acceptable solution based on the proposals of the Six is within sight.

4. The approach of the Six recognizes and attempts to deal with three problems:

- (a) The approach to world-wide commodity agreements.
- (b) The problem of price and production policies within the E.E.C.
- (c) Transitional arrangements up to 1970.

5. As regards the first two of these, there is already considerable common ground. We have already accepted the desirability of working towards world-wide agreements over as wide a field as possible and as quickly as possible. The main point of disagreement is over the proper treatment of the question of "access" and we shall continue to press them to include a suitable reference to this aspect. The Six have also said that if worldwide agreements prove to be impracticable they would be prepared to consult with Commonwealth countries who were prepared to conclude such agreements.

6. If we are to secure our objective of outlets for Commonwealth temperate foodstuffs a great deal will depend on the price and production policies pursued by the Community. The Six are prepared to make fairly forthcoming statements about these policies particularly as regards cereals. This is all to the good. If we can ensure that the Community adopt the right price and production policies this will provide better assurances for the Commonwealth than any precise quantitative arrangements we may be able to negotiate and which may well break down if the Community's price and production policies are wrong. Further the undertakings about price and production policy would not be limited in time while any quantitative arrangements we could obtain certainly would be. Our objective therefore will be to secure that the undertaking will be as specific as possible and that it should be linked to the question of "access" as well as to other considerations. We also hope to persuade them to accept a formula which commits them to consultation with the Commonwealth if there is marked impairment of trade and also to taking appropriate remedial measures.

7. If we can reach a satisfactory agreement on these two general subjects then we have a sound foundation for protecting Commonwealth interests in the longer term. There remains the question of transitional arrangements on which the proposals of the Six are manifestly inadequate. As regards "access" our aim will continue to be to seek an understanding that we shall not be required to apply quantitative restrictions on Commonwealth exports of temperate foodstuffs until imports in any year have reached traditional levels.

8. As regards conditions of competition we have to recognize that it is the aim of the Community to be non-discriminatory as between third countries. We are being reluctantly forced to the conclusion that this means that there is virtually no prospect of retaining the existing Commonwealth preferences after the transitional period and that we shall probably have to accept that they should be phased out by 1970. During the transitional period however our aim is to retain as much of the preferences as possible. We shall aim also at securing as much of the benefit of the intra-Community preference as possible for Commonwealth countries against other third country suppliers. We shall also do our best to ensure that the intra-Community preference arrangements during the transitional period are not such as put Commonwealth exporters at a serious competitive disadvantage in the British market as compared with Community suppliers.

9. I am giving you the above outline so that you may know our present thinking about the prospects and possibilities. But we cannot determine now the precise terms of a possible solution. We propose therefore to keep in the closest touch with Commonwealth representatives in Brussels as the discussions develop.

368.

PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], August 9, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 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 and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

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U.K. NEGOTIATIONS FOR ENTRY INTO EUROPEAN COMMON MARKET;  
COMMONWEALTH PRIME MINISTERS' CONFERENCE

20. *The Prime Minister* said he had received a personal letter from the Prime Minister of the United Kingdom commenting on the status of negotiations between the U.K. and the Six. The letter clearly implied that Mr. Macmillan was determined to lead the U.K. into membership in the Common Market, which he described as part of "a grand design for the unity of the free world."

He asked Ministers to send him statements of their views on the position Canada should take at the forthcoming Prime Ministers' Conference. How far should he go? Should he accept the invitation of the Prime Ministers of Australia and New Zealand to meet them before the Conference? Preliminary meetings between Prime Ministers to exchange opinions had been held in the past, and therefore should not be interpreted as implying any effort to combine against the U.K.

21. *During the brief discussion* some said that a Cabinet Committee under the chairmanship of Mr. Green was preparing a report on the proposed Canadian policy on this subject. Statements of view of individual Ministers would nevertheless be useful supplementary material for the consideration of the Prime Minister.

22. *The Cabinet* noted,

(a) that a report was being prepared by a Cabinet Committee on the policy that Canada should follow on the U.K. negotiations for possible entry into the European Common Market; and,

(b) the request of the Prime Minister that Ministers also send him individual statements of their views on the position he should take on the various aspects of this subject at the forthcoming conference of Commonwealth Prime Ministers, including the desirability or otherwise of preliminary meetings with Prime Ministers of other countries.

R.B. BRYCE

369.

DEA/50085-K-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 2886

London, August 10, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: T&C Ottawa, Washington, Brussels, Geneva, OECD Paris, Paris, Bonn, Hague, Rome, T&C London (OpImmediate), Finance, Agriculture, PCO, Bank of Canada Ottawa (OpImmediate) from Ottawa.

By Bag: Vienna, Oslo, Stockholm, Copenhagen, Berne, Lisbon, Canberra, Wellington from London.

BRITAIN AND EEC

We reviewed most recent phase of Brussels negotiations with Jackling (Foreign Office) yesterday, with particular reference to French attitude and prospects of future developments.

2. Jackling seemed inclined to play down part played by French in bringing about adjournment of negotiations.<sup>27</sup> He also did not repeat not think that there was anything new or surprising in attitude French delegation had taken in Brussels. It was true that the present French Government probably would feel more comfortable in a Europe "à Six." This was not repeat not necessarily a feeling shared by all segments of French opinion nor, of course, was it shared by France's partners in EEC. In any case it was doubtful if French were really thinking of blocking British entry into EEC. Nor was it, strictly speaking, to the point to suggest that French were seeking to exact highest possible price for British accession which is line widely taken in British press. It was no repeat no secret that what French really would have liked was for Britain to have accepted Rome Treaty "as is." As it is, they are trying to make sure that terms of British accession will come as close as possible to letter of Rome Treaty, although negotiations have shown that there are limits beyond which French obviously cannot repeat not go and still hope to carry support of their partners.

3. If French were concerned not repeat not to have British accession upset balance reflected in Rome Treaty, they were even more concerned not repeat not to re-open provisions of CAP which were part – and from French point of view essential part – of that balance. This applied particularly to concept of quantitative assurances which French regard as, in a sense, obverse of quantitative restrictions and which had been main issue of contention with Germans. Jackling thought that French probably did not repeat not expect to make heavy inroads in British market, but they did want to be sure of being able to expand their agricultural exports in markets of present EEC members and, above all, they were opposed to any dilution of CAP

<sup>27</sup> Voir/See Seth S. King, "London Defends Paris on Market: Aides Assert it is Wrong to Blame France for Snag," *New York Times*, August 10, 1962, p. 2.

as it stands. Jackling added that from a purely practical point of view French also had to bear in mind that treaty of UK accession would in due course have to be submitted to French Parliament for ratification, and that this meant that they could not repeat not afford to antagonize or alarm their own agricultural lobby.

4. Whatever may have happened at Brussels, Jackling did not repeat not accept judgement that adjournment of negotiations was likely to result in loss of valuable momentum or that next phase of negotiations might now “drag on inconclusively” as *Guardian* has surmised.<sup>28</sup> Although he conceded that adherence to a timetable had helped to carry negotiations forward – which is point Heath made to Commonwealth High Commissioners at their last meeting (see our telegram 2848 August 8†) – fact was that remaining outstanding issues (processed foods, nil tariffs, etc) were relatively simple and should not repeat not take too much time. In any case, British Government were committed to delay final action on their accession until it was possible to make judgment as to extent to which interests of their EFTA partners had been met, and some of these had not repeat not even begun to enter into formal negotiations with EEC. Moreover, it was reasonable to assume that both here and in EEC countries parliaments would want to look at treaties covering British accession to EEC, EURATOM and ECSC together, and there again negotiations with the other two communities had only just begun. All in all, therefore, Jackling was inclined to doubt if time was really going to be lost.

5. As far as French are concerned, we assume that Foreign Office’s tendency to play down allegations of French ill-will is designed as much as anything to avoid possible exacerbation of relations with French at this stage. As far as timetable is concerned, it stands to reason that British Government do not repeat not want to create impression that there is no repeat no longer any urgency in subsequent stages of their negotiations with EEC and in their consultations with Commonwealth Prime Ministers.

370.

DEA/50085-K-40

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

TELEGRAM 1066

Paris, August 10, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 1059 Aug 9.†

Repeat for Information: Bonn, London, Washington, OECD Paris, Brussels, Hague, Rome, Geneva, T&C Ottawa, Finance Ottawa, Bank of Canada Ottawa, PCO Ottawa from Ottawa.

By Bag: Berne, Copenhagen, Dublin, Lisbon, Oslo, Stockholm, Vienna, Delhi, Karachi, Wellington, Canberra from London.

## BRITISH – EEC NEGOTIATIONS

We called yesterday afternoon on Clappier (Economic Affairs Ministry) to review developments at the last Ministerial Meeting in Brussels at which he was present.

<sup>28</sup> Voir/See “The Price of Delay in Brussels,” *The Guardian*, August 6, 1962, p. 4.

2. He was surprised, not repeat not that the meeting was unable to complete the “*vue d’ensemble*” that had been its objectives but that it had accomplished so much in a relatively short time. The progress made was substantial (agreement on associated territories and on arrangements for India, Pakistan and Ceylon and the broad outline of an agreement on temperate foodstuffs) particularly in comparison with what had been done up till then (agreement on the relatively minor issues of manufactures and the annual review for agriculture). It was now possible to see fairly clearly the sort of settlement that was negotiable and the negotiating limits on the issues still outstanding. On the most difficult problem of the negotiations (temperate foodstuffs) agreement had in fact been reached on all but one point (terms of access for third countries). If agreement could be reached on this point no repeat no great difficulties were foreseen for the other issues still to be tackled (the nil tariff list, British agriculture and the broad range of non-trade items covered under the Rome Treaty).

3. With respect to discussion of temperate foodstuffs during “*la nuit blanche*” of August 4-5,<sup>29</sup> which has been the subject of differing versions on both sides of the channel (our telegram 1062 August 10†) Clappier explained at some length his understanding of what took place. According to him a temporary impasse had already been reached on the question of terms of access before the proposal on financial regulations had come up for discussion. Heath had not repeat not been able to accept the draft on terms of access proposed by the Six; he had instead “taken note” of that draft and had proposed amendments to it which he considered essential to safeguard Commonwealth interests. The Six for their part had been unable to accept Heath’s amendments and had urged him to agree to their original draft. There the matter was left.

4. The ministers then took up the French proposal on financial regulations which according to Clappier had been formally agreed by the Six and submitted in writing three hours earlier. At this point Heath reserved his position, saying that the proposal required further study, and German and Dutch delegations, to the surprise of French, did the same.

5. Clappier argued that their financial proposal was a logical and necessary follow-up to the negotiations on agriculture, was clearly within the terms of Rome Treaty and should not repeat not have given rise to special difficulty. He claimed that it was the whole problem of temperate foodstuffs rather than this particular proposal that was too difficult to settle in the time remaining, and he emphasized that French delegation had not repeat not played an obstructionist role. He admitted that he was puzzled on one point however: his understanding in Brussels was that the paper on temperate foodstuffs remained to be agreed, whereas the British White Paper seemed to put that question in the same category as other questions that had been agreed.

6. Clappier did not repeat not feel on balance that the momentum of Brussels negotiations would be lost by the present adjournment provided British negotiators returned in September and October ready to conclude an agreement within the presently indicated negotiating limits. He believed that the period of adjournment would enable the participating countries to assess coolly and objectively the very real progress that had been made so far. This progress, achieved as a result of great efforts, would itself encourage the negotiators to bring their enterprise to a successful conclusion.

7. As for the future Clappier clearly implied that the ultimate fate of the negotiations depended more on Britain than on the Six. French saw little or no repeat no room for further concessions on their side except in minor matters of wording that would not repeat not involve substance. Clappier regarded the forthcoming Commonwealth Prime Ministers’ Conference and the future trend of British public opinion as the main (and inter-related) determining factors on British side. In view of the uncertainty surrounding these two factors he personally

<sup>29</sup> Voir/See “How the Negotiations Developed,” *Financial Times*, August 7, 1962, p. 1.



did not repeat not put the chances of final agreement at any more than 50-50. He was uncertain about the present state of British opinion but rather thought that support for British entry had declined and would be further reduced by the sort of public controversy that was now going on about responsibility for the outcome of the last Ministerial Meeting. As for Commonwealth opinion he foresaw three main possibilities depending on the way the Prime Ministers' Conference went in September:

(a) If the Prime Ministers accepted the outlined agreement negotiations could probably be concluded on all outstanding points before the end of 1962. Ratification, enabling legislation and technical arrangements might then take another year to be worked out, permitting formal British entry by January 1, 1964.

(b) If the Prime Ministers' Conference came out strongly against the outlined agreement, it would presumably mean the break-up of the negotiations.

(c) The Prime Ministers' Conference might result in new instructions to the British delegation to seek more favourable terms and in particular more specific guarantees for Commonwealth exporters.

8. If in the last named case the resumed negotiation proceeded along the same lines as previously, Clappier thought they would lead to a fruitless search for a general and meaningless formula, in which the Six would insist on matching every specific reference to Commonwealth exporters with an offsetting reference to precedence for EEC producers. He saw greater hope in a proposal which had been put to the Six last week by Couve de Murville but not repeat not accepted. It had also been communicated informally to Britain. This proposal was that Britain and the Six should agree specifically on the price level for cereals within the enlarged Community, that this level should approximate the current French price (which, Clappier said, was the lowest among the Six) and that it should be linked with a formula providing for increasing prices in the enlarged Community, thus assuring comparable revenues if not repeat not comparable outlets to exporters in the Commonwealth and third countries. Such an arrangement would of course have to be discussed in the same context as the proposed world commodity agreements.

9. Clappier admitted that this proposal would meet serious objections within the Common Market from Germans and Dutch in particular. He thought however that it would enjoy the support of others, including Italians, and that Germans could be brought around by the prospect of British agreement. Depressive arrangements could be envisaged for high cost European producers and a similar approach might provide a solution for the high cost sectors in British agriculture.

10. It is our conclusion from this interview that when the British negotiators return to Brussels they are likely to face a very hard time unless they are prepared to accept the terms of the Six. If Clappier, who takes a positive attitude toward British entry, sees little room for manoeuvre in French position, it is easy to imagine what difficulties may be created by others with a less constructive approach. It would be interesting to know what the British think of the latest French agricultural proposals outlined above. If British view them with favour they might open a new avenue of exploration which however could hardly but lengthen the negotiations further.

371.

J.G.D./MG01/XII/F/200.3

*Note du chef du Comité interministériel*  
*Memorandum by Chairman, Interdepartmental Committee*

SECRET

[Ottawa], August 13, 1962

MEMORANDUM FOR MINISTERS ON U.K. – E.E.C. PROBLEM

Officials concerned with the U.K. negotiations with the European Common Market and the related Commonwealth problems have reviewed the results of the Brussels negotiations and the prospects for the Commonwealth Prime Ministers' meeting. They would like to present the following summary of their conclusions for consideration by the Cabinet Committee dealing with this subject.

1. Unless there is a further substantial swing in British public opinion, which we think is unlikely, the British Government will decide to enter the E.E.C. after the Commonwealth meeting and the final negotiations with the E.E.C.

2. All important nations and leaders concerned seem very anxious to avoid positions in which they could be blamed for a final breakdown of the negotiations. This appears to include Gaitskell, de Gaulle, Menzies, apparently Holyoake, and the Germans and Italians.

3. We think Canada should not get into the position of leading any open opposition to British entry or being blamed as a principal cause of failure of British efforts to enter.

4. While there are to be further negotiations at Brussels and some opportunity to improve the final package, in general one cannot expect Britain to gain substantially better terms of access for Commonwealth exports to the U.K. or E.E.C. by these final stages of negotiation.

5. We must expect that all the tariff preferences for Canadian exports in the British market will have been gradually eliminated by 1970 and also that free entry for Canadian products to Britain will have been lost well before then except where free entry is provided for all GATT countries under the common external tariff.

6. The logic of the situation would imply that the reciprocal tariff preferences which British exports enjoy in the Canadian market would come to an end by 1970. We shall be free to dispose of them if and as we wish between now and 1970. Based on past experience we should be able to use reductions or eliminations of these preferences as valuable bargaining counters in coming trade negotiations with other countries, especially the United States and the E.E.C. Meanwhile, at the Commonwealth discussions in London as well as elsewhere, care should be taken not to prejudice this potential bargaining power of ours.

7. We think the U.S. Trade Bill<sup>30</sup> will likely be passed by the time the Conference meets and almost certainly by the time our Parliament meets. This will afford very substantial opportunities for a new round of negotiations between the United States and the E.E.C. and others, including the Commonwealth countries adversely affected by U.K. entry. The United States have indicated their willingness to take into account in these further trade negotiations the benefits they receive as a by-product of the negotiations in Brussels between the United Kingdom and the E.E.C. They have also indicated their willingness to support the United Kingdom and Australia and ourselves in the final stages of the Brussels negotiations in securing additional concessions of mutual benefit in order to smooth the way for British entry to which they attach great importance in the general interest.

<sup>30</sup> Voir/See document 269.

8. We think Canada should seek to gain such further improvements in the U.K.-E.E.C. arrangements as will still be possible after the Commonwealth meeting within the limited scope remaining for negotiations. We will have detailed suggestions to put forward in this regard and we think that at this late stage the Government can be specific because within the narrow margin for additional concessions it is no longer a question of choice over a wide range of Canadian interests but rather of securing what can still be got.

9. We think Canada should take advantage of the present U.S. offer to cooperate with us in seeking E.E.C. concessions to the United Kingdom that would benefit the United States as well as Commonwealth countries. We feel, however, that we should not ask for assistance on specific items in such a way that we might be expected to pay for these later in Canadian trade negotiations with the United States. We should also see what we can do in working out with the United States some concerted approach to the major problem of safeguarding the markets in the E.E.C. for cereals from overseas, particularly wheat.

10. Looking further ahead, we believe that the U.K.-E.E.C. negotiations should now be regarded, not as an isolated event, but as a first stage in a series of world-wide trade negotiations. The U.S. Trade Bill was designed to take over where the Brussels negotiations leave off, and by reductions in the U.S. tariff to secure substantial reduction in the E.E.C. common tariff. The U.S. Administration is now deliberately offering to take account of the benefits they obtain in the Brussels negotiation during the course of the later "Kennedy round" of negotiations. Moreover, the United States are actively interested in the possibility of new international commodity arrangements which might begin in 1963 – a subject also featuring importantly in the Brussels negotiations. These developments will affect not only Europe and North America, but Asia, Africa and Latin America as well. These developments also mean that we in Canada do not need to concentrate all our attention on the probable damage to our trade that may flow from Brussels; we can take a more optimistic view based on the continuing and subsequent negotiations in which we will be at the conference table and in which we can reasonably hope for important commercial benefits. At this later stage, there will be opportunities to renegotiate our own preference margins, now granted to U.K. exports, and generally by tariff bargaining to improve our trading position in Europe, the United States and with other members of GATT.

11. Earlier, officials here had suggested Canada might consider proposing to the British that they delay final decision or action on entry to E.E.C. pending the results of this "Kennedy round" of trade negotiations. It now seems likely, however, that the British would not agree to delay for domestic reasons, and moreover the United States are now willing to take into account and pay for trade benefits they obtain as a result of the final rounds of the Brussels negotiations.

12. If the position outlined in this memorandum is generally acceptable to Ministers, we suggest that, in response to U.S. offers to discuss this general situation with us and to cooperate with us if we wish, officials be authorized to have quiet discussions with American officials. This would be done to secure before the London discussions an up-to-date first-hand appraisal of U.S. policy and the possibilities of our benefiting from U.S. action vis-à-vis the E.E.C. Officials should explore probable areas of common interest with the United States and possible areas of difficulty which may arise. The areas of common interest would probably include identification of items for possible tariff reduction by the E.E.C. and ideas for commodity agreements and arrangements, for example for wheat, in the light of the E.E.C. arrangements. Officials should be authorized to say that the Canadian Government welcomes U.S. willingness to take into account benefits they will receive as a by-product of the Brussels negotiations, is prepared to cooperate on matters of common interest and hopes that the United

States now and later will do what it can to bring about E.E.C. action that will benefit Canada as well as the United States.

13. We think it desirable to continue discussion of our attitudes and plans with Australia and New Zealand, especially in regard to the difficult problem of temperate foodstuffs. Firm, specific Australian proposals are already being put forward in London and Brussels with U.S. support. We do not consider that a common approach need be worked out on all aspects of the current negotiations but so far as possible we should reinforce individual efforts to secure specific improvements in the settlement. We think some discussions in London in advance of the Commonwealth meeting as Holyoake suggests are desirable. The Canadian party might plan to arrive in London on Friday the 7th. We should, however, avoid any appearance of ganging up on the United Kingdom or of holding a "white caucus."

14. The question of whether or not the British Government has lived up to the promises given Canada and other Commonwealth countries leaves room for wide differences of opinion depending on whether the reference is to "essential trade interests in the British market" or "essential interests" more broadly defined. In answer to the inevitable question in Parliament as to whether Britain has protected Canada's vital or essential interests in the British market, we think the reply should be that the British have been doing their best within the limits of their bargaining power, that there is still some room for modest adjustments in the final stages and these should be obtained, that inevitably some of Canada's trade interests will be harmed, but that, on the whole, this injury will not be intolerable in the light of the benefits to be obtained in further negotiations. One should go on to say that Canada will have opportunities to improve its trade position in coming negotiations with the United States, the enlarged E.E.C. and others, and that the Government is already turning its attention to these opportunities.

R.B. BRYCE

372.

H.C.G./Vol. 9

*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 13, 1962

NEGOTIATIONS BETWEEN BRITAIN AND THE EEC

In accordance with your instructions arrangements have been made for a meeting of the Cabinet Committee to take place at 9:00 a.m. on Wednesday, August 15.

2. In preparation for this meeting of Ministers officials have met under Mr. Bryce's chairmanship and have agreed on a number of conclusions and recommendations for the period between now and the opening of the Commonwealth Prime Ministers' Conference on September 10. These conclusions and recommendations are set out in the attached Memorandum to Ministers<sup>31</sup> prepared by Mr. Bryce on behalf of the officials concerned.

3. A most significant development that has taken place in this field recently is the change in the attitude of the Australian Government who now appear to accept British accession to the EEC as inevitable. It is now clear that the Australians are not prepared to attempt to frustrate

<sup>31</sup> Voir le document précédent./See the previous document.

the Brussels negotiations and are ready to work closely with the United States to secure better terms for their exports and more satisfactory assurances concerning world-wide agreements. Dr. Allan Westerman, Secretary of the Australian Trade Department, held extensive discussions in Washington between July 23 and 25 and met Canadian officials in Ottawa on August 2 and 3. The attached memorandum† prepared in the Department of Trade and Commerce sets out in summary form the information received from Dr. Westerman concerning the development of the Australian position. We understand that the Australians are wasting no time in implementing their new approach and are engaged in active discussions in London and Brussels with British and EEC representatives.

4. As part of the background for Wednesday's meeting we have prepared a "situation report"† on the state of the negotiations in each of the principal sectors of trade as of the time of adjournment on August 4. Since this is inevitably a somewhat detailed paper we have also prepared a more concise cover note with a brief description of the position in each sector. A copy of this cover note† is attached for your information.

5. Finally, I am attaching for your convenience copies of some of the more important telegrams which have come in during the past few days assessing the results of the last Brussels Ministerial Meeting and the reasons for its adjournment. In general observers discount the notion that the French manoeuvre was an attempt to rather slow them down and to squeeze out further British concessions on temperate agriculture. The Six seem to have been agreed among themselves that there was no point in reaching agreement on agriculture until after the Commonwealth Prime Ministers' Conference. The French themselves (Paris telegram 1066 of August 10) are inclined to emphasize the extent of progress achieved rather than the difficulties which led to the adjournment and suggest that if the British return to Brussels ready to conclude an agreement within the presently indicated negotiating limits little may have been lost. From the British point of view it is quite clear that they feel they will be in a position to present to Commonwealth Prime Ministers what is negotiable and what is not. They will be able to argue that they stood their ground on key Commonwealth issues in relation to temperate agriculture until they have consulted Commonwealth Prime Ministers and they will be in a position to seek the advice of Commonwealth Prime Ministers on those issues for which no tentative solutions have yet emerged, e.g. treatment of processed foodstuffs and industrial raw materials. The British are also inclined to play down the notion that French tactics at the last Brussels meeting had been directed toward blocking British accession; they suggest rather that the French were still trying to limit derogations from the strict letter of the Rome Treaty so as to avoid re-opening difficult issues in the agricultural field (London telegram 2886 of August 10). The British have suggested through Canada House that it might be advisable to have a round of discussions with senior officials from Commonwealth countries prior to the Commonwealth meeting: these would apparently take the form of bilateral meetings with each Commonwealth country concerned on the pattern of those which took place last September and would not be limited to Canada, Australia or New Zealand (London telegram 2885 of August 10).†

N.A. R[OBERTSON]

373.

J.G.D./MG01/XII/F/200.3

*Le ministre de l'Agriculture  
au premier ministre*

*Minister of Agriculture  
to Prime Minister*

PERSONAL AND CONFIDENTIAL.

Ottawa, August 27, 1962

My dear Prime Minister:

Since my return to Ottawa two weeks ago, I have been trying to get my thinking on the European Common Market into a coherent pattern. I must confess that I fail to see a clear-cut course that we can follow that answers all the difficulties. However, it might be helpful if I did put down on paper some of my thoughts and apologize in advance for any incoherency that might develop during the statement of my views.

In the first place, my concern is over the picture that the people have of the government in relation to Britain going into the European Common Market. To that end, I would think that several things might be done which would improve our public image.

1. Some place along the line we have to let it be known publicly that we are aware of the tremendous battle that the United Kingdom representatives have put up with the group of Six on behalf of the temperate countries of the Commonwealth. I think there is ample evidence that they have put up a sturdy fight and [it would] do a good deal to help our relations with U.K. government and the people at home, if it is known that we appreciate that this fight has gone on.

2. It's about time that we make the public more conscious of what the costs of Great Britain going into the Commonwealth are going to mean to Canada. I am perfectly aware that the facts that we have been discussing are confidential facts, but somewhere along the line, without divulging things which are completely confidential, we should start to set the heather afire in those groups that are going to suffer to let them know that we have been fighting their battle. If you will recall, you asked me in the period just after the Conference at Accra to go on the National Radio and to make a speech on trade. At that time, I took a strong pro-Commonwealth stand and listed the various tariffs that we might be faced with if we went into the European Common Market. I wonder if it isn't time now for a series of similar statements to point out who is the champion for these groups that will be hurt. We already know that the settlement has been made on certain classes of goods. Without divulging that the settlement has been made, we should let them know what the costs will be to brace them for the bad news. I wish this point could be considered very seriously and after having discussions with Trade and Commerce as to how much could be divulged with safety, I think that type of public relations should be started before you go to the Prime Ministers' Conference.

3. Insofar as Canada's actual stand is concerned, I do not believe that it would pay us to take Australia's position and try to buy off by getting the best deal from the United States, nor do I believe that it would be in our best interests to just take a completely negative attitude at the Prime Ministers' Conference. Rather, I would think that we must work on the assumption that our stand at the Conference should be to encourage Great Britain to press as hard as it can for the maximum entry of temperate goods into the European Common Market. As you have probably read from Drew's memorandum from London, there are two points of view. One is that the French ask for the adjournment simply to give themselves bargaining room in case the Commonwealth Nations put up a continued fight. The other point of view, also from the French, is that the French offer is final. With what limited knowledge I have of the French, I

would assume that the French Ambassador's statement to George Drew is probably the more correct. This gives weight to what I said above about protecting our political position by making known the price that we will have to pay if Europe goes in. However, as I have said before, we will have to continue to fight for the best terms that we can get.

4. Another course of positive posture that we are overlooking is the fact that we can point as a Government to several things that we have done in the last two or three years that indicate we were preparing for this new trade position. For example, the aggressive sales program carried out in the last two years by Trade and Commerce. Another example, is the forming of an international company called "FAVEX," which means Fruit and Vegetable Export Company. This was formed under the Amendment of the Combines Investigation Act that we made. It was done with full co-operation by the Departments of Trade and Commerce and Agriculture with these fruit and vegetable companies. Along the same line, we have other groups that we hope to form in the near future. Also on this story of aggressive sales by the Government, we have the story of the grain sales to China, Czechoslovakia, Poland and Russia, plus whatever new countries we can round up in the next few months.

5. Finally, I think we should start preparing in our own minds for concessions that we can throw onto the bargaining table with [the] enlarged European Common Market. I know that this will cause serious repercussions among our colleagues, but I would certainly think that we should take a hard look at the automobile industry. You will recall that in 1935, Bennett in his reciprocity proposals to the United States suggested not only farm machinery, but automobiles. When King got in he was so desperate to get an agreement quickly that he settled just for the farm machinery. Farm machinery has been on a free basis ever since. Speaking for the industry as a whole, the farm machinery industry in Canada has not suffered, although some of us wonder at times about the division of manufacturing between the two countries, United States and Canada. I think on my part that if we could get the Americans and our own manufacturers to agree along the lines of the Royal Commission suggestion that there should be a division of production in the two countries, then we both could hit the European Common Market with a positive program of having free trade in automobiles. This would be a tremendous advantage to the ninety-five percent of Canadians and Americans who do not produce automobiles, but just consume them and at the same time would cause, I believe, a tremendous increase in trade between the two large areas of North America and the European Common Market.

6. Insofar as agriculture is concerned, I think that we could possibly consider the freer movement of lamb and wool into this country, as well as sugar. These things are not very successful industries in Canada, particularly in the East, and [it] would be no serious problem for us to make the adjustment. It would mean trouble in two or three of the constituencies, but, at the moment, insofar as each in Canada is concerned, those seats have gone against us in any case. The reason for advancing these types of concessions is to let you know that I think that the shelf is not completely bare insofar as either the manufacturing or the agricultural segments are concerned.

7. In conclusion, in our public relations I think that we have to bring out in the open that the possibility of having a North Atlantic trading community is simply not possible at the present time. This has been done once or twice, but I think that fact has to be pounded home. Along this line, a Commonwealth economic community is equally impossible at the present time. Therefore, the only two courses that lie open for us are the multi-lateral course that Donald Fleming announced on behalf of the Government at the beginning of the talks, or joining more closely with the United States. I will not discuss the latter point because if your feelings are the same as I think they are, it's completely academic here in Canada. I happen to agree with you very strongly. But we should begin to outline the advantages of the multi-lateral approach, not only for the long run, but even for the immediate.

I think this gives, in general, the viewpoints that I have on the European Common Market and I hope they may be of some help to you.

Yours sincerely,

ALVIN HAMILTON

374.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], August 30, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (Mr. Fleming), (for morning meeting only)  
 The Minister of Trade and Commerce (Mr. Hees),  
 The Minister of Transport (Mr. Balcer),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Labour (Mr. Starr),  
 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), (for morning meeting only)  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

PROGRESS REPORT ON DISCUSSIONS CONCERNING POSSIBLE U.K. ENTRY  
 INTO THE COMMON MARKET AND POSITION AT LONDON COMMONWEALTH MEETING  
 (Previous reference August 17†)

8. *The Secretary of State for External Affairs* recalled that the Cabinet had rejected an Australian suggestion that that country and Canada seek to make an arrangement to obtain U.S. assistance in negotiations to improve the terms of U.K. entry into the Common Market. Instead, the Cabinet had decided that Canadian officials should proceed to Washington to ask questions regarding the U.S. position on this subject.

The Washington meeting had been very successful. The officials had ascertained that the Australian officials who had recently visited Ottawa had been excessively sanguine in their belief that the United States might be prepared to enter into such a deal. The U.S. was adhering carefully to a neutral position on the whole subject, although it was known that their President favoured U.K. entry into the Common Market. Australia had received less support in Washington than they had expected. On particular commodities, however, where there was an identity of interest between the U.S. on the one hand and Australia or Canada on the other,



they would be prepared to "lend a hand." The U.S. position was completely straightforward, and their principal negotiations would take place in their tariff discussions with the Common Market if the United Kingdom had meanwhile agreed to join it. They appeared to be taking it for granted that the U.K. would enter the Common Market.

Canadian officials were scheduled to leave for London on September 4th, and should be given instructions on the position they should take in the meetings that would precede the Prime Ministers' Conference. They should probably be instructed to seek full information and to avoid any attempt to make tentative agreements.

A merging of the U.K.-E.E.C. negotiations with broader negotiations involving the U.S. and other third countries (the "Kennedy Round" of tariff negotiations) would have important advantages for Canada. It had been suggested that Canada's main objective in London should be to have these two sets of negotiations timed to coincide. The combined negotiating weight of the U.S., the U.K. and other interested countries should be able to win substantial reductions in the Common Market tariff, and with Britain's entry hanging in the balance the U.S. might be prepared to make greater concessions than otherwise. Secondly, the Six might be more disposed to make concessions in the safeguarding of Commonwealth interests if the U.S. were able to pay immediately for benefits received. Thirdly, there would be a better chance of getting full recognition of the value for the U.S. of the loss of Commonwealth preferences in the U.K. market, and of the value for the U.S. and the Six of the removal of preferences enjoyed by Britain in the Canadian market. Fourthly, the benefits for Canada from a negotiated solution that would more than offset Canada's losses in the British market would be demonstrably clear. Fifthly, Canada would be able to move along the lines of the kind of multilateral solutions that this country had been advocating.

A formal proposal in London to stretch out the E.E.C. negotiations might be interpreted as blocking tactics, and would not be likely to command wide support. If the Six responded favourably to the U.S. offer to give them credit for concessions made before the multilateral tariff conference, or if some firm commitment were obtained from the Six that they would react favourably, some of the advantages of merging negotiations might be obtained without need for a formal stretch-out proposal. If the British could be persuaded to give a firm commitment that they would not raise either preferential rates or M.F.N. rates by more than a token amount until after the Kennedy negotiations, Canada would achieve important benefits.

9. *The Secretary to the Cabinet* reported that officials were of different opinions on whether it would in fact be feasible to synchronize the two sets of negotiations.

10. *The Prime Minister* said that first consideration should be given, not to the steps to be taken if Britain joined the Six, but to the position he should take on behalf of Canada at the Prime Ministers' Conference. The Cabinet had concluded that the U.K. would probably enter the Common Market, but this should not be taken for granted. The purpose of the Commonwealth Conference was to help the U.K. to decide whether the consensus of opinion among other Commonwealth countries was in favour of or opposed to British entry. The next step would then be for the U.K. to determine. Nine out of every eleven letters he received from the Canadian public were opposed to British entry. Opinion polls in the U.K. showed that only 28 per cent of the population there favoured U.K. entry, and only about 18 per cent were undecided.

11. *The Secretary of State for External Affairs* went on to say that officials had explored the various alternative trade patterns, but that none of the alternatives was particularly attractive. Canada would derive little benefit from a Commonwealth Free Trade Area, because this country would then be exposed to the entry of various manufactured goods from the U.K. and from Commonwealth countries in Asia. Canadian agriculture would then also face increased

imports of produce from Australia and New Zealand. Canada already enjoyed free entry of many products to the U.K.

A North Atlantic Free Trade Area would also be unattractive for Canada because it would cause severe dislocation of industry, and whole sectors of Canadian secondary industry might disappear unless special safeguards could be introduced. The uncertainties might constitute an unacceptable risk. Such an Area might yield some advantages to Canadian trade in agricultural products.

A Pacific Free Trade Area and a Latin American Free Trade Area would each have certain advantages, but would not be of major significance to Canada's overall trade picture.

12. *The Prime Minister* said that he understood that the Leader of the Opposition had changed his mind on this subject, and was now opposed to British entry. Clarence Streit, the "Union Now" proponent, had recently written to the Deputy Leader of the U.K. Labour Party stating that, if Britain should join E.E.C., there would no longer be any possibility of forming an Atlantic Community. Perhaps he should speak to Mr. Pearson on September 4th to obtain his views informally before proceeding to London. Mr. Pearson would then not be in a position to claim subsequently that the Prime Minister had not sought his views.

The Cabinet should meet on August 31st to discuss this whole matter again. A summary of the views of Ministers should be prepared before his return to Ottawa on September 4th. The Cabinet had given him a free hand to use his own discretion at the London Conference, but he wished to know how far Ministers thought he should go. He would be expected to speak immediately after the Prime Minister of the United Kingdom and his opening statement was likely to influence the position taken by some of the new members of the Commonwealth. He also wished to have the opinion of the Cabinet on the content of the public statement he would make during his mission to London.

At the Conference he might begin for example by outlining the political consequences of British entry into the Common Market. Some Commonwealth countries were members of international groupings such as N.A.T.O. or S.E.A.T.O., and this had not interfered with their continuing membership.

He might then proceed to outline the economic consequences to Canada, pointing out that certain sectors of Canadian industry would suffer. Canada's trade with the Commonwealth had increased considerably since 1957; did the U.K. intend to throw this away? If so, what steps did they intend to take with regard to certain specific commodities?

Ministers should indicate whether this outline appeared to be suitable for the occasion.

Prime Minister Macmillan appeared to expect defeat in the next general election, but was apparently convinced that his position on the Common Market question would in the long run prove right and be advantageous to his party. In the U.K., unlike Canada, the political parties appeared to expect alternate periods of a few years in and out of power and took this into account.

13. *Mr. Diefenbaker* said that he expected to meet the Prime Ministers of Australia and New Zealand on September 7th. At a later stage of the Commonwealth Conference he might ask other Ministers to come to London, but the immediate problem was his opening statement.

British entry into the E.E.C. would be the occasion, if not the cause, of the dissolution of the Commonwealth by about 1970. The U.K. had apparently decided that the Commonwealth Prime Ministers' Conference was no longer an efficacious body, but merely a pocket edition of [the] U.N. During World War I, Mr. Borden had taken a strong view in favour of Canadian self-determination when he had insisted that Canadians must have their own Commander in Chief. In 1921, Mr. Meighen had made a major contribution when he had opposed the Anglo-Japanese agreement and had helped to bring a recognition of the worldwide responsibilities of

the U.S. This had in the long run proved to be a major contribution toward the winning of World War II. In 1960, the Conference had decided that Commonwealth membership was not automatic for countries deciding to become republics or for colonies achieving independence.

As part of the preparation for the meeting, he should be given a careful summary of the development of the Commonwealth concept.

On his return to Ottawa on September 4th the Cabinet would have a final series of meetings on this subject.

14. *During the discussion* various points were explored, and it was generally agreed that the Prime Minister should speak informally with the Leader of the Opposition as proposed.

15. *The Cabinet* agreed to give further consideration at its next meeting to the position Canada should take on the British negotiations for possible entry into the Common Market.

R.B. BRYCE

375.

H.C.G./Vol.10

*Note du chef de la Direction économique  
pour le secrétaire d'État aux Affaires extérieures  
Memorandum from Head, Economic Division,  
to Secretary of State for External Affairs*

SECRET

[Ottawa], September 6, 1962

As instructed by Cabinet, Canadian officials met with senior British officials concerned with the Brussels negotiations. They also had talks with Australian and New Zealand officials present in London in connection with the Conference of Commonwealth Prime Ministers.

*UK-EEC Negotiations*

The main points emerging from the meetings with British officials may be summarized as follows:

(1) The British do not regard the adjournment at the beginning of August as in any sense a break in the continuity of negotiations. No change whatever was apparent as regards the intention of the British Government with respect to entry.

(2) The British do not see much, if any, scope for significant new concessions from the Six when the negotiations are resumed.

(3) While the British intend to press their proposals in sectors where provisional agreement has not yet been reached, they do not wish to re-open sectors where it has. They argue that the results achieved to date are substantial and that to re-open matters might well endanger what has been accomplished.

(4) Canadian officials canvassed the possibilities contained in the paper entitled "Specific Trade Objectives." The British showed no disposition to re-open any but the most minor matters.

In the discussion about securing more favourable "décalage" than has so far been offered, the possibility of maintaining existing access or of making only a token movement towards the common tariff pending multilateral tariff negotiations was raised. Canadian officials were not led to expect favourable consideration of such an approach. However, interest was shown in it.

(5) As regards the UK-EEC paper on temperate foodstuffs, British officials emphasized the importance of the declared readiness of the Six to pursue price and production policies which would take account not only of domestic agricultural objectives but would also contribute to "a satisfactory level of trade between the Community and third countries, including

Commonwealth countries." When it was pointed out that the paper was couched in imprecise terms and provided no meaningful assurance for Canadian trade, the British pointed to the cumulative effect of the declarations contained in the paper taken together, and stated that in any event this was the best that could be obtained in the negotiations.

(6) With respect to the British requests for nil duties on industrial raw materials and their proposals for processed foodstuffs, British officials will maintain their requests but are not optimistic about the outcome.

#### *Talks With Australian Officials*

Australian officials are far from satisfied with the results of the negotiations to date. Their assessment of the paper on temperate foodstuffs is similar to our own. Like ourselves, the Australians have not been encouraged to expect major new concessions from the Six. Australian officials gave the impression that Mr. Menzies, in referring in his press statement to the possibility of a further meeting, did not necessarily have in mind that it should be at Prime Ministers' level or that all Commonwealth countries need be included.

While the Australians may be expected to press hard for improvements in the course of the Conference, there is no indication that they will lead any opposition movement to British entry.

#### *Discussions With New Zealand Officials*

New Zealand is unable to assess fully the results of the negotiations to date because specific arrangements for meat and dairy products remain to be discussed. Moreover, they do not know what significance to attach to the stated willingness of the Six to contemplate special arrangements for them. In fact, they see considerable difficulty in reconciling New Zealand's interests in these products with the Common Agricultural Policy of the EEC. New Zealand does not propose to take any lead in opposing British entry into the EEC.

#### *The Attitude of Nigeria*

Officials of the Commonwealth Relations Office appear to have been surprised and are concerned by the statement made by the Prime Minister of Nigeria on arrival here that he found it difficult to see how Nigeria could become an associate member of the EEC. British officials fear that other African Commonwealth countries, taking their cue from Nigeria, may be tempted on political grounds to reject associate status despite the very attractive economic terms which this would entail and which the British regard as a major concession on the part of the Six.

**376.**

DEA/12447-40

*Note pour le Comité du Cabinet sur le Commonwealth et la CEE*

*Memorandum for Cabinet Committee on the Commonwealth and the EEC*

SECRET

[Ottawa], November 29, 1962

BRITISH-EEC NEGOTIATIONS: CANADIAN TRADE INTERESTS  
POSSIBLE COURSES OF ACTION

#### *Prospects*

1. The British Government remains determined to proceed quickly to the completion of negotiations in Brussels. If at all possible, the British wish to accede to the European Economic Community by the end of 1963.

2. There is little reason to believe that in the present circumstances of negotiations the British will be successful in obtaining many significant concessions from the Six for the safeguarding of Commonwealth trade interests. There has been no improvement in the negotiating situation since September and the difficulties are more manifest. The British do not have a strong bargaining position and the Six are reluctant at this stage to make available concessions which might be used in subsequent negotiations with European countries seeking some form of association (e.g. Norway and Sweden) or in major tariff negotiations with the United States, Canada and other countries.

3. A Situation Report on the progress of the negotiations is attached.†

#### *Canadian Approach*

Canada's approach to the Brussels negotiations has been to urge on the British the need to safeguard Canadian trade interests as a matter of real importance to us and in the light of the repeated British assurances given in this regard. Canada has not intervened directly in the negotiations. To assist the British we have, however, provided all relevant information regarding Canadian trade interests in the British market. While information passed to the British has put them in a position to identify the more important items in Canada's exports to the British market, we have avoided specifically identifying priority items.

#### *Possible Courses of Action*

It is timely to examine what, if anything, further needs to be done to minimize the damage to our trade in the event of British membership in the EEC, having in mind the terms likely to prove negotiable. Canada's capacity to influence the terms on which Canadian goods might enter an enlarged Common Market is based on three factors:

1. The British undertaking to safeguard essential Commonwealth interests;
2. Canada's contractual rights under GATT to free entry in the British tariff which entitles us to compensation if they are impaired. These rights are principally free entry for aluminum, ferro silicon, woodpulp, newsprint, wheat and wheat flour.
3. The scope at a later stage for securing concessions in the Common Tariff in exchange for concessions in the Canadian Tariff, including adjustments in the preferences accorded to Britain. Canada would of course in addition benefit from any reductions in the Common Tariff which the U.S. or other countries may negotiate in the "Kennedy round."

In order to facilitate British efforts in the negotiations, the United States recently made known its interest in and willingness to pay at a later stage for concessions in the Common Tariff of interest to the U.S. which might flow from any Brussels settlement. This U.S. offer has had little practical effect on the course of the negotiations. It was necessarily imprecise, pending completion of the public procedures which would identify the specific items on which the U.S. could make concessions. Further, the EEC are getting closer and closer to the maximum which they are prepared to concede in a negotiation with the British, having in mind the demands which can be expected in the context of subsequent negotiations and pressure for protection from domestic producers in the Community.

There is no reason to believe that comparable action by Canada would serve any useful purpose at this stage, either in terms of general representations in EEC capitals and Brussels or by an offer to pay for benefits received in the negotiations going beyond those to which we could consider ourselves entitled as a result of the change in our contractual GATT position in the United Kingdom.

It is considered, however, that it would be timely

(a) to remind the British in a general way of the position taken by the Canadian Prime Minister in discussions in London and of our expectation that the British will do everything within their power to safeguard Canadian trade interests;

(b) to indicate to the British that to the extent it might prove helpful in securing a satisfactory settlement on items still outstanding of interest to Canada, we would be prepared to indicate whether or not a particular settlement would be regarded as discharging our rights under Article XXIV:6 of GATT (compensation for changes in rates bound to Canada in the U.K. tariff);

(c) to convey to the British negotiators in Brussels the following specific points on items where we have clear GATT rights at appropriate times in relation to developments there:

(i) *Wheat* (Exports 1961 – \$140 million)

In return for an undertaking that should Canada's exports of wheat to Britain fall below traditional quantities as a result of Britain's adoption of the common agricultural arrangements for grains, remedial action would be taken to restore the level of imports, Canada would be prepared temporarily not to assert its GATT rights in respect of free entry in the British tariff. This interim arrangement would be maintained until a long term settlement was reached.

(In the meantime, and apart from the Brussels negotiations, we are working in concert with the United States and other exporters to secure improved access to the Common Market for wheat and other grains.)

(ii) *Wheat Flour* (Exports \$22 million)

Canada would not press its contractual rights in respect of free entry in the British tariff for wheat flour in return for an opportunity to compete in the British market on equal terms with European producers for traditional quantities sold to Britain.

(iii) *Aluminum* (Exports \$72 million)

A reduction in the level of the Common Market Tariff from 9% to, say, 5% (to be confirmed in the light of consultations with industry). In addition the possibility should be explored of securing an undertaking that the Community would be prepared to negotiate further reductions in the Tariff in negotiations with the U.S. and other countries in the Kennedy round in return for similar or equivalent concessions by such countries. Such a settlement would be regarded as discharging Canada's rights under GATT in respect of free entry in the British tariff. (The principal Canadian producer has indicated that a tariff of 9% would make it worthwhile to establish smelter production in Europe.)

(iv) *Newsprint* (Exports \$60 million)

A reduction to free in the Common Tariff on newsprint would be regarded as fully discharging Canada's rights on this item under GATT and as partial compensation for losses in other items, e.g. woodpulp.

(d) With respect to other particular commodities on which there are no clear GATT rights and without prejudice to comments which would be appropriate to other items of Canadian trade interest where agreement has not yet been reached, the following specific safeguards might also be sought:

1. *Sized Lumber* (Exports about \$15 million)

Firm assurances that imports of sized lumber into Britain will be classified under the free entry item of the Common Market Tariff. There is serious danger that a tariff classification involving a rate of 10% could result from Britain's adoption of the Common Market Tariff.

2. *Softwood-Plywood* (Exports \$11 million)

A maximum reduction in the Common Market Tariff for fir plywood of the type and grade which competes directly with lumber and for which free entry is provided in the Common Tariff.

3. *Canned Salmon* (Exports \$8 million)

Subject to further consultations with industry and provided it is clear the British will not succeed in getting substantial reduction in the level of the Common Market Tariff, free or preferential entry under tariff quota based on traditional quantities should be sought.

4. *Cheddar Cheese* (Exports \$6 million)

Canada should be assured as favourable access to the British market for cheese as might be accorded to any other supplier, including New Zealand, either in terms of rates of duty to be applied or any form of quantitative access that may be accorded.

377.

DEA/12447-40

*Le haut-commissaire par intérim au Royaume-Uni  
au Lord Privy Seal du Royaume-Uni  
Acting High Commissioner in United Kingdom  
to Lord Privy Seal of United Kingdom*

London, December 6, 1962

My dear Lord Privy Seal,

In discussions which have taken place recently in Brussels between British and Canadian officials, it appeared that the British Government would welcome an indication of the views of the Canadian Government on whether a reduced tariff on aluminium would be preferable to the present 9 per cent Common Market tariff, plus a tariff quota, from the point of view of minimizing damage to Canadian trade interests. I have now been asked to place on record with you the views of the Canadian Government on this matter.

It is the understanding of the Canadian Government that the British Government may now be giving consideration to possible alternatives to the proposal for free entry for aluminium in the common tariff which they have put forward in the Brussels negotiations.

The British Government will be aware of the importance the Canadian Government attaches to the efforts being made to obtain unrestricted free entry for imports of aluminium in the event of Britain's accession to the Common Market. It is understood that the British proposal for a nil duty has been put forward not only from the point of view of safeguarding this important Canadian trade interest but also from the point of view of Britain's own interest in obtaining import requirements of aluminium from dependable sources of supply at the best possible price and without the additional costs which a protective tariff would involve.

Anything short of unrestricted free entry will not fully meet these needs. For this reason the Canadian Government would strongly urge that the British Government maintain its efforts to secure agreement to a nil duty or, if this should in the end prove not to be negotiable, to obtain the maximum possible reduction in the level of the Common Market tariff.

Any alternative arrangement such as a system of tariff quotas which would leave the effective level of protection in Europe at 9 per cent would be most undesirable from the Canadian point of view and could well be prejudicial to the United Kingdom's long-term interest in securing adequate supplies of aluminium on the most economic basis. A tariff quota would fail to provide for the prospective growth of import requirements for aluminium in

Britain and other European countries. A quota solution would divert attention from the central issue of the undue level of protection provided by the Common Tariff. It would also encourage a tendency towards substantial increases in European smelter capacity on a basis which would be less than fully competitive with other world producers who already have economic capacity well in excess of demand. Such an artificial development of production of a basic industrial raw material would have serious effects on current trade patterns and adversely affect Canada's interests. It would also prejudice future possibilities of obtaining a more rational pattern for primary aluminium production and trade in the Western trading community as a whole.

On the basis of these considerations the Canadian Government wishes to re-emphasize its expectation that the British Government will continue to press for a nil duty for aluminium in the Common Tariff and that, in the final analysis, if this should not prove possible of achievement the alternative sought should be the maximum reduction in the duty itself and not a compromise involving the undesirable introduction of quota concepts into the trade in this basic industrial material.

Yours sincerely,

BENJAMIN ROGERS

378.

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*

CONFIDENTIAL

[Ottawa], January 17, 1963

POSSIBLE BREAKDOWN OF THE BRUSSELS NEGOTIATIONS

President de Gaulle's press conference on January 14,<sup>32</sup> revealing his unbending attitude toward any significant concessions designed to facilitate British entry into the Common Market, clearly raises the possibility of a final breakdown in the negotiations. So far there has been no public reaction from British Ministers to the President's remarks but the British press probably reflects public opinion in suggesting that the end of the negotiations may now be in sight. Mr. Heath as well as British officials both in London and Brussels have stressed the fact that the British Government has no intention of abandoning the negotiations and have emphasized the continued goodwill of members of the EEC other than France. In spite of this goodwill, however, there is very little evidence up to this morning to suggest that any of the "friendly five" is prepared seriously to challenge President de Gaulle on the question of British membership. The only opposition with real prospect of success would have to come from Germany and there is no sign that they are prepared to challenge the French on this or any other question, particularly since growing economic problems have caused German industry to lose some of its former enthusiasm for expanding the EEC. However, the reports from Brussels this morning suggest that more substantial opposition is gathering momentum among the other five as a result of the rumour that the French Foreign Minister may propose breaking off negotiations.

<sup>32</sup> Voir/See "President De Gaulle's Press Conference, 14 January 1963," in D.C. Watt, ed., *Documents on International Affairs 1962* (London: Oxford University Press, 1971), pp. 487-500.



2. It is, therefore, important to consider some of the possible implications for Canada of a final breakdown at Brussels. The effect on Britain itself of a collapse of the Brussels negotiations would probably be severe. The angry reaction to Mr. Acheson's recent speech at West Point<sup>33</sup> is an indication of current sensitivity to Britain's failure to find a definitive role in world affairs and the failure of the Government's European policy would certainly heighten this feeling of frustration. Although British resentment would probably be focussed on France and General de Gaulle, this would almost certainly lead to coolness between Britain and other members of the Six. It could lead to an attempt to establish closer co-operation with other countries such as the United States, members of the Commonwealth such as Australia, New Zealand and Canada, and members of EFTA or it could lead Britain to adopt standoffish and restrictive policies in a general mood of xenophobia.

3. The efforts by de Gaulle to assume actual leadership of the Community could of course also create serious rifts among the Six and even lead under certain circumstances to a break up of the EEC. The resulting economic confusion could have devastating effects on the West generally. It would also create a situation in general which the USSR would exploit politically.

4. The British economy has in recent months become increasingly geared to the prospect of membership of the Common Market. While the overall balance of payments has not been very favourable (and exports to Canada have been particularly disappointing), British trade with the Six has grown steadily, in spite of the increasing incidence of the EEC common tariff. This growth has resulted largely from a sustained drive by British industry with Government support to establish themselves in Europe, and a readiness to forego profits to surmount EEC tariffs pending Britain's accession to the Community. These extraordinary efforts can certainly be expected to cease if British industry is to be faced indefinitely with tariffs in EEC markets. A falling off of exports to Europe would probably lead to further investment by British firms in branch plants on the continent. This tendency was quite pronounced eighteen months ago but many investment decisions of this kind have been postponed until the fate of the Brussels negotiations was known.

5. The British balance of payments has not been very strong in recent months and a decline in exports to Europe and a general lack of faith in Britain's future as a major industrial power could easily lead to a new sterling crisis. The extent of such a possible crisis is of course impossible to estimate but at worst it could force the devaluation of sterling. Even if this eventuality could be avoided a major sterling crisis involving the need for assistance from the IMF and other Western countries would put a further serious strain on the financial system of the Free World. (It would also have serious implications for Canada in respect of the sterling earned by our wheat sales to China.) Moreover a payments crisis would oblige Britain to impose trade restrictions which would hit us very hard.

6. It is far from clear what policies the British Government would seek to adopt to replace entry to Europe. In the trade field they could be expected to seek improved access to European and other markets through meaningful negotiations under the Kennedy round (though the Trade Expansion Act would require amendment in the event of a failure to enlarge the EEC). It is less certain, however, that the Six will be prepared to adopt a particularly forthcoming attitude in these negotiations – President de Gaulle made it clear that for him the future of the EEC lay in a status "separate but equal" to that of the United States, rather than in forming part of any broad Atlantic community. More specifically there has been considerable resentment

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<sup>33</sup> Voir/See Dean Acheson, "Our Atlantic Alliance: The Political and Economic Strands," *Vital Speeches of the Day*, Vol. 24, No. 6 (January 1, 1963), pp. 162-166.

among all the Six at recent United States criticism of EEC agricultural policies<sup>34</sup> and doubts have been expressed by the French and others that the United States is really prepared to grant meaningful concessions, particularly on non-tariff barriers, as the price of improved access to EEC markets.

7. In recent months there have been indications that some French officials, opposed to British membership of the Common Market, were inclined to look with favour on the idea of an industrial free trade area of Britain and the Six. This would solve the problem of access to the EEC for most British exports and would avoid the difficult problem of British and Commonwealth agriculture; it would also preclude Britain from any voice in shaping the institutions of the Community. There is as yet no indication that the French will advance proposals along these lines if the negotiations break down. General de Gaulle spoke vaguely of the possibility of some sort of "association" between Britain and the Community but neither of these solutions takes any account of the major political objectives which the British have been seeking at Brussels. It is even questionable whether political sentiment in Britain would permit acceptance of such a solution.

8. Another possibility which cannot entirely be excluded is that Britain might seek closer co-operation with countries outside the Six, particularly in the Commonwealth. Thus Canada might be faced with a renewal of the 1957 proposal for a free trade area with Britain,<sup>35</sup> possibly broadened to include Australia, New Zealand and members of EFTA. Any proposal for freer trade in the Commonwealth still contains from Canada's point of view the inherent drawback which led to rejection of the more limited 1957 plan (see the attached note, prepared as briefing for last September's meeting of Commonwealth Prime Ministers†).

9. The foregoing lines of thought are necessarily entirely speculative in that no decision has yet been taken to suspend Britain's negotiations with the Six. Recent reports from Brussels (telegram No. 50 of January 16, 1963)† quotes Mr. Heath to the effect that the British intend to carry on and hope to persuade the other Five to stand up to the French. The British are also ready to make further concessions on agriculture and elsewhere in the hope of reaching a settlement. The French delegation have taken no active part in the proceedings since General de Gaulle's statement and as suggested by Couve, the French Foreign Minister, may seek at today's meeting of EEC Ministers to break off negotiations with Britain.

10. In the event that you wish to send a copy of this Memorandum to the Prime Minister and Senator McCutcheon I am attaching for your signature covering memoranda† for this purpose.

N.A. R[OBERTSON]

<sup>34</sup> Voir/ See Robert Alden, "Common Market Rejects U.S. Plea," *New York Times*, November 21, 1962, pp. 1, 15.

<sup>35</sup> Voir/See Volume 24, document 351.

4<sup>e</sup> PARTIE/PART 4  
 RELATIONS AVEC DES PAYS PARTICULIERS  
 RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A  
 ROYAUME-UNI  
 UNITED KINGDOM

SUBDIVISION I/SUB-SECTION I

VISITE À OTTAWA DU PREMIER MINISTRE DU ROYAUME-UNI,  
 30 AVRIL AU 1<sup>ER</sup> MAI, 1962  
 VISIT TO OTTAWA OF PRIME MINISTER OF UNITED KINGDOM,  
 APRIL 30-MAY 1, 1962

379.

DEA/12447-40

*Compte-rendu d'une réunion entre le premier ministre  
 du Royaume-Uni et le premier ministre*

*Record of Meeting between Prime Minister  
 of United Kingdom and Prime Minister*

SECRET

[Ottawa], April 30, 1962

Prime Minister Macmillan  
 Lord Amory  
 Sir Norman Brook  
 Mr. P.F. de Zulueta

Prime Minister Diefenbaker  
 Mr. Green  
 Mr. Fleming  
 Mr. Hees  
 Mr. A. Hamilton  
 Mr. R.B. Bryce  
 Mr. H.B. Robinson

*Mr. Diefenbaker* invited Mr. Macmillan to discuss various aspects of the possible entry of the United Kingdom into membership of the European Economic Community and its effects upon the Commonwealth.

*Mr. Macmillan* said that Mr. Heath had discussed the negotiations in detail with the Canadian Ministers and there was no need to go over that ground again. One matter that had engaged his own attention had been the timing of the Commonwealth Prime Ministers' Conference. It should not occur too soon for then it could not have before it a clear idea of what terms of entry were possible. On the other hand, it should be soon enough that the United Kingdom Government would have an opportunity to reach its own decision afterwards in the light of the discussion. It was difficult now to find any date that is convenient to Commonwealth Governments all around the world. That chosen, September 10, seemed about the best all things considered. It may be difficult for Australia. It is hoped that Mr. Menzies will be able to get there for it; if not, he plans to come for discussions beforehand.

Mr. Macmillan said that consideration should be given to procedures for the conduct of the Meeting of Commonwealth Prime Ministers in September. Consultations on the Common Market question would require careful planning. He thought it would be necessary to find a combination of plenary meetings and bilateral consultations. All Prime Ministers would naturally wish to participate in the discussion of the broad considerations relating to the United Kingdom's application for Common Market membership but opportunities would have to be

found for him to have more detailed discussions on specific practical problems with other Prime Ministers as necessary. *Mr. Diefenbaker* emphasized the need for the fullest collective consultation and said that detailed bilateral discussions should not be allowed to prejudice plenary consultation on the broad subject of possible British entry. *Mr. Fleming* noted that, by the time of the Meeting in September, preparatory exchanges would have taken place which would to some extent limit the time required for bilateral discussion. *Mr. Macmillan* did not dissent but emphasized that the plenary meetings should not be complicated by too much detail of interest only to particular Commonwealth Governments.

*Mr. Diefenbaker* said that the two broad subjects which should be discussed in plenary meetings were the political and the economic implications of British entry into the Common Market. Would British entry obliterate the Commonwealth as we know it and what would happen to the economic benefits now enjoyed by Commonwealth countries? *Mr. Macmillan* agreed that these were subjects for discussion in plenary meetings. He thought that the United Kingdom Government should be able to make an intelligible estimate of the likely terms of entry by the end of July or the beginning of August. This would be the basis of consultation at the Prime Ministers' Meeting. If, in the light of that Meeting, it were decided to continue the negotiations, the United Kingdom would go back to the Six, perhaps in October, and ask for "this, that or the other point" and after that would reach a final decision.

Speaking of the present state of the negotiations, *Mr. Macmillan* said that nothing really significant had occurred since *Mr. Heath* was in Ottawa a month ago. The United Kingdom did not yet have a very clear picture of the prospects of entry. He thought this was because the broad issues had not really reached the point of seriously concerning the Heads of Government in the Common Market countries and it was impossible to know whether the Heads of Government would conduct the remaining negotiations so as to bring about success or failure. The outcome would not be decided purely on an economic basis. He was certain that, if the Governments of the Six all decided that they wanted Britain's application to succeed, acceptable terms of entry could be formulated. On the other hand, if one or more of the European countries, for political reasons, wanted to resist United Kingdom entry, economic conditions could be posed to render such entry impracticable. An inkling of the intentions of the Common Market countries might be forthcoming at the two meetings of Ministers in May but it was not likely that a reliable pointer to their attitudes would be discernible until perhaps the end of June.

*Lord Amory* referred to the pre-occupation in Ottawa with the political effects of European political integration should Britain join such a grouping. *Mr. Macmillan* said that so far as the Common Market was concerned, the obligations of members were of an economic and social character and he thought they were unlikely to have an adverse effect on Britain's part in the Commonwealth. *Mr. Diefenbaker* and *Mr. Green* both referred to the possibility of a conflict of foreign policy arising between the United Kingdom as a member of a European political union on the one hand and of the Commonwealth on the other. *Mr. Macmillan* said in reply that in the Commonwealth itself one sees a great diversity that makes differences in policy possible. Secondly, he felt that while there was some movement in Europe toward a federal system, it was basically an intellectual and unreal proposal. It was based on a fallacy. The strength and spirit of Europe arise from its history and there is no future in a new system based on a political and spiritual Esperanto. The Government of France in recent years had shown none of that sloppy amorphous quality that was often attributed to it and so long as *de Gaulle* was in power, Europe would not enter into any federal system. He did not feel conflict between obligations the United Kingdom might acquire in Europe and those it would have within the Commonwealth. The United Kingdom had repeatedly been brought into war in Europe by forces on the continent and by secret agreements such as that which *Asquith* had negotiated in 1909 with France. That sort of thing is not involved in the Treaty of Rome.

*Mr. Fleming* asked whether the United Kingdom would be able to withstand continental pressures towards closer political federalism should such pressures develop after Britain's entry into the E.E.C. *Mr. Macmillan* answered that the United Kingdom would have to withdraw if any such pressures got too strong. He did not believe that the trend toward federalism would grow to an unacceptable degree. While the Dutch and Belgians were favouring a supra-national solution, their primary objective was to bring the United Kingdom into Europe because they were afraid of being crushed between French and German rivalries.

*Mr. Diefenbaker* stressed the importance of Commonwealth preferences to Canada as a means of staving off United States domination. He asked why the United States was so anxious to do away with the preferences. *Mr. Macmillan* replied that the United States was prepared to accept the additional degree of discrimination against United States exports to the E.E.C. in its present or later expanded form because they valued the political advantages of having Europe more secure and more able to look after itself in the field of defence. The United States was opposed to the inclusion of the European neutrals, and particularly Sweden, on the ground that they would make no contribution to the political cohesion and defence of Europe. The United States was conscious of the Treaty position of Austria as well as the traditional neutrality of Sweden. *Mr. Macmillan* made it clear that he strongly dissented from United States views in this regard.

*Mr. Diefenbaker* asked why it was that the United States did not wish to enter into an association with the E.E.C. *Mr. Macmillan* replied that it was presumably because of a fear that United States prices were too high to compete in the Common Market, like Canada when the United Kingdom proposed a Free Trade area.

*Mr. Macmillan* said that he could not see in the long run any alternative to a closer alignment of the non-Communist countries. There were difficulties inherent in having uncommitted countries in the Commonwealth but these, he thought, had to be accepted. The Commonwealth had a value as a grouping within which relations with the African and Asian Nations could be developed and some influence exerted on them.

*Mr. Diefenbaker* said that trade was a very important factor in maintaining the cohesion of the Commonwealth. *Mr. Macmillan* agreed but said that this argument applied more to the older Commonwealth countries. *Mr. Hees* pointed out that, for an increasing number of Canadians, the United Kingdom was not the mother country. Trade thus was of continuing importance in cementing the relationship. *Lord Amory* thought that to the new members, the Commonwealth was more important as a source of capital than for day-to-day trade. *Mr. Fleming* recalled that at the Accra Conference African and Asian spokesmen had expressed strong concern at the prospective loss of preferences. He referred in particular to the importance of the United Kingdom as a market for manufactured goods from developing countries. *Mr. Macmillan* replied that the United Kingdom could not continue indefinitely as an important "free" market for manufactured goods from these countries. *Mr. Diefenbaker* agreed that Canada had its problems in this connection with Japan.

*Mr. Fleming* referred again to the United States attitude on Commonwealth preferences. From the Canadian point of view it appeared that United States support for United Kingdom entry into Europe was for the United States a means of doing away with the preferences. For Canada, the maintenance of preferences had been a factor of very great significance in our relations with the United States. *Mr. Diefenbaker* said that the United States attitude appeared to Canadians a new attempt to determine Canada's destiny.

*Mr. Diefenbaker* said that the most disturbing part of the present situation is that, as *Mr. Fleming* said, the present Canadian Government is one of the most Commonwealth-minded governments that there has ever been in Canada. While there was no need to go into the personal aspects of the situation, which he and *Mr. Macmillan* had discussed between

themselves that morning, he thought it was necessary to recognize some of the general political problems. In 1911, the Conservatives had been greatly helped by the remarks by Champ Clark, in an exuberant moment, saying that the Stars and Stripes were going to fly over North America right to the North Pole.<sup>36</sup> Now there is some feeling arising in Canada that the United States is starting out to determine Canadian destinies and this would create interesting possibilities in the next few weeks. Mr. Kennedy was believed to be opposed to the continuation of the Commonwealth preferences and Mr. Ball was making various declarations which were contrary to Canada's best interests.

*Mr. Diefenbaker* then went on to ask what alternatives there would be should the Brussels negotiations fail, or what would happen if the general feeling at the Commonwealth Conference, at least among the older member countries – Australia, New Zealand and Canada – was that the terms of access would be detrimental to their interests and take a strong stand against the U.K. entry. Then we would really have arrived at a point of danger to the Commonwealth.

*Mr. Macmillan* then said that at the Prime Ministers' Meeting there should be first a discussion on the general concept of whether British entry into the E.E.C. would be advisable in the long run from the broadest point of view. The United Kingdom could not continue as the only free market in the world for manufactured and agricultural goods. (People like those in the United States can set up factories in Hong Kong and flood the United Kingdom.) In the light of the decision on the general question, it would then be necessary to consider whether, assuming British entry was agreed in principle, the available terms of entry would or would not be adequate from the viewpoint of the Commonwealth or of British agriculture.

*Mr. Green* said that on the general question referred to by Mr. Macmillan, he wondered whether the United Kingdom Government realized the special standing which its position in the Commonwealth gave to the United Kingdom's role in the world. If the United Kingdom were to move into Europe, its position as leader of the Commonwealth would be endangered. Already he had seen signs, e.g. at recent NATO Ministerial Meetings, that the United Kingdom was following policies designed not to antagonize France and other European countries. This trend would require modifications of United Kingdom policy which would be unpalatable to Canada and other Commonwealth countries. Asked by Mr. Macmillan to identify the policy problems he had in mind, Mr. Green referred to French policy in the United Nations and to certain aspects of German policy, as areas which might give rise to difficulty. *Mr. Macmillan* said that he preferred to think that the United Kingdom could have an influence on the European countries – he agreed that President de Gaulle was not easy to influence but there was a danger he might be followed by an extreme left-wing government. He went on to say that the absence of an agreed Commonwealth policy on such matters as defence and relations with the U.S.S.R. reduced the likelihood of conflict between the United Kingdom's European and Commonwealth obligations. He added that the British can have an influence on Europe, if in it, while if one looks 20 years ahead the United Kingdom outside of Europe would be in a much weaker economic position.

*Mr. Hamilton* said that the future of the world depended on the identity of those who controlled the resources of the world, which lay mainly in North America, Africa and South America. He thought that the emphasis should be on building a new strength and leadership in commodity agreements and in promoting the expansion of markets in the new countries. He thought that there was room for great development along these lines among Commonwealth countries and that the United Kingdom might consider this avenue of advance rather than

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<sup>36</sup> Voir/See "Reciprocity Wins," *Washington Post*, February 15, 1911, p. 1.

associating itself with a grouping of European countries which did not control the major natural resources and which was bound to require tariff walls for its future economic growth.

*Mr. Macmillan* said that, while he did not agree that high tariff walls would characterize the Europe of the future if the United Kingdom were in it, *Mr. Hamilton's* point could be met from a European base. *Lord Amory* agreed that world-wide commodity agreements were desirable but warned that it was difficult to secure such agreements quickly or to make them universal. *Mr. Macmillan* went on to stress the importance of the movement of labour from the farms in Europe into industry, as being the essential means of increasing industrial production and of solving the farm problem.

*Mr. Macmillan* said the big problem confronting civilized people today is not trade but the vast arrival of the Communists which had created a totally new situation in the world. *Mr. Green* asked whether one did not make that worse by building up Europe against Russia, as the United States was doing. *Mr. Macmillan* said he disagreed on that point.

*Mr. Fleming*, referring again to the possibility of alternative solutions, wondered whether the United Kingdom had considered the conclusion of a comprehensive trade agreement with the E.E.C. as the United States was proposing, instead of membership. *Mr. Macmillan* said that this idea had been tried in the past effort for a free trade association but had failed. He thought it would have been much better but that it was too late now to revive it. *Mr. Diefenbaker* wondered how the United States could hope for a trading arrangement with the E.E.C. when the United Kingdom's attempt had failed. *Mr. Macmillan* said that President Kennedy was thinking of an arrangement with Europe that would include Britain. *Mr. Fleming* did not think that the United States plan was firmly linked to the United Kingdom entry into Europe. He thought the Americans saw the entry of the United Kingdom into the E.E.C. as clinching a final settlement to Franco-German rivalry and at the same time as dealing a death blow to Commonwealth preferences. He stressed the difficulty of persuading the United States of the connection between the preferential system and the continuing strength of the Commonwealth as a force for stability.

*Mr. Macmillan* said that, if the United Kingdom were not to join the E.E.C., one of two things might happen. Europe might become stronger – or it might break up, with consequences impossible to calculate. He thought the latter possibility was the more probable. He saw Germany as being then in a new Weimar period and France not far from a régime parallel to that of Léon Blum. Germany might be drawn then to Russia – or to another Hitler. Europe would have been Balkanized. He did not believe that the United Kingdom could afford, facing these possibilities, to remain apart from Europe. Twice in his lifetime, the United Kingdom had been drawn into European wars in spite of itself. If the United Kingdom were in Europe, it is much more likely to hold together.

*Mr. Fleming* said that he hoped *Mr. Macmillan* understood that there was no antagonism on Canada's part towards the Common Market as such. It was rather the likelihood that it would be inward-looking which caused Canada's concern. *Mr. Macmillan* said that all nations had their restrictive policies, e.g. Canadian shipping. *Lord Amory* asked whether the Common Market was really likely to intensify restrictionism. He thought there had been some hopeful signs to the contrary. *Mr. Fleming* was not sure that such signs would be borne out. *Mr. Macmillan* repeated that in any case the United Kingdom would have to determine some alternative to its present position as a free market. There will have to be an agonizing reappraisal whether the United Kingdom is in or out.

In conclusion, *Mr. Diefenbaker* summed up the Canadian position by saying that the Government was keenly concerned with the preservation of the Commonwealth and feared that its future would be endangered by the political implications of United Kingdom entry. The Government also felt strongly about the United States pressure on the United Kingdom which

had an effect contrary to Canadian interests. Mr. Diefenbaker went on to say that he knew President Kennedy was concerned about the position of the Canadian Government on such matters as mining and oil exploration and on magazines. The purpose of the Government's stands on these issues was to preserve the Canadian identity. The Government of Canada could not be unconcerned that, if the United Kingdom should join the E.E.C., the basic buttress of the Commonwealth might go. He thought that the position Canada had taken on the Common Market problem might help to strengthen the United Kingdom's bargaining power in the negotiations. He noted Mr. Macmillan's reference in his recent New York speech<sup>37</sup> to the effect that, if it came to a final choice, the United Kingdom would remain within the Commonwealth rather than accept membership in the E.E.C.

*Mr. Macmillan* thanked Mr. Diefenbaker and acknowledged that there were great difficulties in any course. He asked that the matter be looked at in the light of the world as a whole. Somehow or other, the forces of the free world must be mobilized if we were to survive. It was necessary to adjust our minds to changing world conditions.

In a brief reference to nuclear testing, *Mr. Green* expressed regret that the United States had decided to resume tests in the atmosphere. *Mr. Macmillan* said that the decision had been taken in the strong belief that the Soviet Government intended in any case to conduct another series of tests. *Mr. Green* asked why the United States had not waited until after the Soviet Union had resumed tests. *Mr. Macmillan* appeared to agree that this might have been wise.

380.

DEA/50412-40

*Note de l'adjoint spécial au premier ministre*

*Memorandum by Special Assistant to Prime Minister*

SECRET

[Ottawa], May 1, 1962

SUMMARY OF CONVERSATION BETWEEN PRIME MINISTER MACMILLAN  
AND PRIME MINISTER DIEFENBAKER, EAST BLOCK, OTTAWA, MAY 1

The meeting began at 11.00 a.m. and lasted for 50 minutes. Sir Norman Brook and Lord Amory were with Mr. Macmillan; Mr. Fleming, Mr. Harkness and Mr. Bryce were present on the Canadian side.

*Communiqué*

2. Formal agreement was given to the communiqué, which had already been approved separately by the Prime Ministers.<sup>38</sup>

*Southeast Asia*

3. Referring to *Laos*, Mr. Macmillan expressed satisfaction with the present state of Anglo-American understanding. Largely as a result of Harriman's influence, the United States was now fully persuaded of the importance of achieving the formation of a government under Souvanna Phouma. The disquieting question, however, was whether the situation in Laos had deteriorated beyond the point where a neutral government could be established, an outcome which six months ago would certainly have been possible. Mr. Macmillan did not think that

<sup>37</sup> Voir/See "Text of Macmillan's Speech to Advertising Bureau of the Publishers' Association," *New York Times*, April 27, 1962, p. 14.

<sup>38</sup> Voir « Visite du premier ministre Macmillan, » *Affaires Extérieures*, vol. 14, n° 5 (Mai 1962), pp. 162 à 163.

See "Visit of Prime Minister Macmillan," *External Affairs*, Vol. 14, No. 5 (May 1962), pp. 158-159.



the Russians had behaved improperly in the Laos negotiations; the Russians were probably motivated by a desire to prevent Communist Chinese gains in that area.

4. The situation in *South Vietnam* had become much worse in recent months. The United States had found it necessary to increase the scope of its assistance in order to deal with spreading guerrilla activity. This situation did hold dangers, but Mr. Macmillan implied that the United States could hardly be blamed for exceeding the levels of military assistance laid down in the Geneva Agreements since the communist side had themselves violated these Agreements in various ways.

5. In reply to Mr. Diefenbaker's question about *Greater Malaysia*, Mr. Macmillan expressed United Kingdom support for the proposed merger of Malaya, Singapore, Brunei and Sarawak. It had two major advantages. From the United Kingdom standpoint, it would ease the security position in Singapore and relieve the United Kingdom of anxieties regarding the future of the Base. From the Malayan point of view, it would give the Tunku a broader framework within which the dominance of the Chinese element could be forestalled. The United Kingdom was now awaiting the report of the Cobbold Commission<sup>39</sup> which was expected at the end of May. It would then be necessary for the United Kingdom to satisfy itself that public opinion in the various regions was not hostile to the merger. Mr. Macmillan said that the Tunku felt that one consequence of the success of the plan would be to strengthen his hand vis-à-vis Indonesia.

#### *Cuba*

6. The Prime Ministers reviewed the United Kingdom and Canadian experiences in dealing with Cuba. Mr. Macmillan thought that Canada's trade and financial interests had suffered less than those of any other Western country. The United Kingdom was continuing to do ordinary trade with Cuba but the volume had dropped off particularly because of Cuba's shortage of foreign exchange and because credit terms were not extended.

7. Mr. Diefenbaker thought that Canadian limitations on the export to Cuba of military and strategic goods were more restrictive than those of other NATO countries. There was agreement that the United States was at present virtually powerless to affect developments in Cuba and that United States efforts to promote a trade embargo were of limited effectiveness.

8. Mr. Macmillan said that he was afraid that Castro's influence was spreading. Mr. Diefenbaker agreed and said that there were at least five countries in Latin America seriously vulnerable to Castro's influence.

#### *Soviet Colonialism*

9. Mr. Diefenbaker recalled his speech in the United Nations in 1960<sup>40</sup> and emphasized how sensitive the Soviet Union and Soviet bloc countries were to Western attacks on Soviet colonialism. He underlined the strength of feeling among groups of Eastern European origin in Canada. He expressed the hope that Canada would be able to secure support for a resolution condemning Soviet colonialism at the General Assembly and asked that the United Kingdom give "the fullest consideration" to supporting a propaganda offensive against the U.S.S.R. Mr. Macmillan expressed sympathy with the general concept of Mr. Diefenbaker's suggestion. He thought that the Canadian Government was in a particularly good position to follow it up. He

<sup>39</sup> Voir/See Commission of Enquiry, North Borneo and Sarawak, Inter-governmental Committee (Great Britain and Malaya), *The Birth of Malaysia: A Reprint of the Cobbold Report, the I.G.C. Report, and the Malaysia Agreement*, 3rd edn (London: Sweet & Maxwell Asia, 1962).

<sup>40</sup> Voir Nations Unies, *Documents officiels de l'Assemblée générale, quinzième session, séance plénière*, 871<sup>e</sup> réunion, le 26 septembre 1960, pp. 111 à 115.  
See United Nations, Official Records of the General Assembly, Fifteenth Session, Plenary Assembly, 871<sup>st</sup> Meeting, September 22, 1960, pp. 108-12.

hoped that the Canadian Government would continue its canvass of the opinions of other countries. It was necessary to face the fact that the African and Asian countries had a double standard in their judgment of "colonialism." They did not accept that the Soviet form was analogous to the Western. It would be a mistake to proceed with a resolution unless there was prior assurance that it would be successful. A failure at an early stage, e.g., if only a handful of votes were obtained for a Western resolution, would be most unfortunate. He thought that a concerted programme of speeches by friendly countries would have a useful effect in itself and would demonstrate whether it would be wise to proceed at a later stage to the submission of a resolution.

#### *Neutralist Nations*

10. Mr. Macmillan said that he sensed a certain improvement in the viewpoint of African and Asian countries on international questions. Mr. Diefenbaker agreed. Mr. Macmillan said that he thought that the Soviet record on assistance to the new countries had fallen short of Soviet promises and that this was affecting the outlook of these countries.

#### *Congo*

11. In reply to questions from Mr. Harkness, Mr. Macmillan said that the objective in the Congo should be to "try and get the United Nations to disengage." He had found that this was U Thant's approach and that U Thant was not trying to build a United Nations empire in the Congo, or indeed in other regions. When Mr. Macmillan remarked that there had been an improvement in Belgian relations with the Central Government of the Congo, Mr. Harkness expressed the view that the objective should be to pave the way for Belgian technical and professional people progressively to replace United Nations personnel. Mr. Harkness gave it as his understanding that the Indians in particular had caused trouble in the Congo. Mr. Macmillan commented that Indians generally did not get along with Africans.

#### *United Nations Finances*

12. There was a brief discussion of the finances of the United Nations about which Mr. Macmillan had spoken to U Thant last week. The Acting Secretary General had spoken of the need to scale down special operations, such as the Congo, in view of the difficulty of securing financial support on a broad basis.

#### *International Monetary Fund*

13. Mr. Fleming asked whether the United Kingdom had taken action on the plan for stand-by credits to supplement the reserves of the IMF. Mr. Macmillan indicated that, although the necessary action had not yet been taken, he saw no reason to anticipate difficulty. He agreed when Mr. Fleming stressed the value of the new plan as a means of forestalling potential runs on national currencies.

H.B. R[OBINSON]

## SECTION B

INDE

INDIA

## SUBDIVISION I/SUB-SECTION I

DIFFÉRENDIS FRONTALIERS ENTRE LA CHINE ET LE PAKISTAN  
BORDER DISPUTES WITH CHINA AND PAKISTAN

381.

DEA/50000-H-1-40

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

TELEGRAM 782

New Delhi, October 25, 1962

SECRET. OPIMMEDIATE.

## INDIAN REQUEST FOR CANADIAN MILITARY EQUIPMENT

Krishna Menon requested me to call this morning and made following "urgent" request for specific military equipment. He would appreciate early information as to quantity which could be made available from present Canadian stocks.

(a) *Dakotas and Transport Aircraft*. He renewed request for such aircraft and hopes they might be available at "knock-down prices."

(b) *Fairchild Jackets*. While these are not repeat not manufactured in Canada, he wonders how many Canada can spare for immediate use.

(c) *Helicopters*. Wants information about what type are available of either Canadian made or imported helicopters and if so information regarding altitude and loads.

(d) *Long Range Mortars*. India must have long range mortars – 10 thousand yards. Can Canadian army make 50 or 100 available immediately? (It was lack of these said Menon which defeated Indian troops as mortars purchased from Britain have only range of one thousand to four thousand.)

(e) *Mountain Artillery*. Probably 75mm.

2. Menon said India has purchased two Caribou in Canada which will be flown here immediately and hopes six more will be available each month if USA agrees to release of aircraft which have been ordered. He hopes Canadian authorities will use influence on USA to do so. Menon said commercial transaction involves "cash over counter" but due to urgency of India's requirements there was no repeat no other alternative. India still plans to manufacture certain parts and assemble Caribou here. This will require he said approximately six months.

3. Indian High Commissioner in Ottawa has telegraphed that Canada is sympathetic and will assist if India will specify requirements. Menon fears Indian High Commissioner may have been too optimistic and has therefore asked me to impress you with "India's desperate need in this crisis" to obtain immediate information and supply of these specific requirements.

4. Menon is most anxious to keep request secret as India is trying to obtain military aid from other Western sources and does not repeat not want USSR to know that India is requesting such aid.

[CHESTER] RONNING

382.

J.G.D./MG01/XII/A/305

*Le haut-commissaire de l'Inde  
au premier ministre*

*High Commissioner of India  
to Prime Minister*

Ottawa, October 27, 1962

My dear Prime Minister,

I have been asked by my Prime Minister to convey the following message to you:

“Your Excellency,

I am taking the liberty of addressing you in regard to a very serious situation that has arisen on our frontiers because of the armed aggression of Chinese forces on our territory. The consequences of this large scale aggression are not only serious for India but also for the rest of the world.

Conditioned as we are by our historical background, and traditions of tolerance, understanding and peace, we have ever since India became independent consistently followed a policy of peace and friendly relations with all countries. Abhorrence of war and violence is part of our national tradition.

We understand the horrors of war and all our efforts have been directed to the prevention of war and the preservation of peace. We have endeavoured to follow the same policy of peace in our differences with our neighbours. That is why, when the Chinese aggression first started in Ladakh five years ago, we showed patience and restraint. Even though 12,000 square miles of Indian territory was occupied by the Chinese forces we did not force a crisis, but continued to explore avenues of a peaceful and honourable settlement. In 1960, the Chinese Prime Minister expressed a desire to meet me, and I met him readily, in order to find some way of resolving the differences between us peacefully. The differences were not resolved, and we agreed that officials of both the Governments should examine all the facts. The report produced by our officials fully supported our position in regard to the traditional and customary boundary between India and Tibet, which had been repeatedly confirmed by agreements and treaties. It was my hope that these facts would be considered by the Chinese Government, and a further effort would be made to resolve the differences peacefully. However, the Chinese aggression continued and was even intensified. We were obliged therefore to take limited defensive measures to halt this aggressive advance. While taking these measures, however, we continued to make peaceful approaches with a view to easing tensions, so that a proper climate might be created for further talks to resolve the differences.

While these approaches were being made, and we were hoping that they would lead to results, the Chinese forces suddenly on the 8th September, 1962, made a fresh incursion into our territory. They crossed the international boundary in the Eastern sector, which they had respected for twelve years since they came into Tibet. Our frontier in that sector, traditionally and by treaty, is the high ridge of the Himalaya Mountains, which forms the watershed. We could have taken immediate action to resist this further aggression. However, being wedded to the ways of peace, we continued our effort to persuade the Chinese to end this aggression by withdrawing from our territory, more particularly in the Eastern sector, which had been invaded for the first time for ages past on the 8th of September. We pointed out the correct facts to them about the location of the border, which was the high ridge of the Himalaya Mountains. We also took some steps for the defence of that border.

While an exchange of notes on this subject was going on the Chinese, after a number of probing attacks, made a massive attack on our defence forces on the morning of the 20th October, all along the India-China border in the Eastern sector as well as the Western sector. An attack on this scale could only have been made after careful preparation. Our defence forces have put up a stiff resistance, but they have been pushed back by greatly superior numbers and massive weapons. In spite of these set-backs our resistance will continue, for we are determined to defend our country and to put an end to aggression.

It is a matter of deep regret that the Chinese in their relations with India have paid back evil for good. Friendly and peaceful relations with China have been our basic policy ever since India became independent. We have consistently followed this policy and gone out of our way to support China's case in the councils of the world. We regret that, in their relations with India, China has not merely shown a hostile attitude but has also resorted to dissimulation. Even the pre-meditated and massive attack on our defence forces on the 20th October has been represented by China as an attack by Indian forces on China's border guards. That this assertion is completely false is clear from the weight and intensity of the Chinese attack, which is not confined to the Eastern sector but includes other sectors of the India-China border. No self-respecting country, and certainly not India with her love of freedom, can submit to such aggression, whatever may be the consequences. Nor can India allow China's occupation of Indian territory to be used as a bargaining counter, for dictating to India a settlement of the differences regarding the boundary, on China's terms.

This is not a mere boundary dispute, or a question of small territorial frontier adjustments. Apart from the vast and fantastic claims that China has made, China had already occupied 12,000 square miles of Indian territory during the last five years. While notes were being exchanged for arranging talks and discussions to ease tensions, and even dates and places were being suggested, further aggression by China started on 8th September, and further areas of Indian territory were occupied in a new sector. The issue involved is not one of small territorial gains one way or the other, but of standards of international behaviour between neighbouring countries, and whether the world will allow the principle of "might is right" to prevail in international relations. Bearing this in mind, India will continue to resist aggression, both to preserve her honour and integrity, and to prevent international standards from deteriorating into the jungle law of "might is right." When aggression is continuously taking place, and vast Chinese armies are moving further into our territory, how can we discuss or talk about a peaceful settlement? The first essential is that the Chinese forces along the India-China border should go back at least to where they were prior to the 8th September, 1962.

I have ventured to give you this short account of the crisis that has arisen on the Indian frontier with China. The story of aggression is a long one, going back several years. The most recent aggression in our Eastern sector, which began on September 8 and has, since the Chinese massive attack along the entire India-China frontier, which started on 20th October, resulted in serious conflicts, has brought matters to a crisis. This crisis is not only of India but of the world, and will have far-reaching consequences on the standards of international behaviour and on the peace of the world. We cannot submit to this law of the jungle which affects our integrity and the honour of our motherland.

In the hour of crisis, when we are engaged in resisting this aggression, we are confident that we shall have your sympathy and support, as well as the sympathy and support of all countries, not only because of their friendly relations with us, but also because our struggle is in the interests of world peace, and is directed to the elimination of deceit, dissimulation and force in international relations.

With kind regards,

Yours sincerely,

JAWAHARLAL NEHRU.”

With my highest regards and esteem,

Yours sincerely,

C.S. JHA

383.

DEA/6083-40

*Le premier ministre  
au haut-commissaire de l'Inde  
Prime Minister  
to High Commissioner of India*

Ottawa, October 29, 1962

My dear High Commissioner,

I wish to thank you for your letter of October 27, 1962, conveying to me a message from Prime Minister Nehru.

In return, I would be grateful if you could transmit to your Prime Minister the following message. I assume also that there will be no objection on the part of the Government of India that both messages be made public:

“My dear Prime Minister,

I wish to thank you for the message which your High Commissioner transmitted to me on October 27. I much appreciated your courtesy in providing me with background information on the dispute with China concerning your northern border and the policy of your Government in the face of armed attack by the Chinese People's Republic.

As I have already stated in the House of Commons,<sup>41</sup> Canada deplores the unprovoked attack by China on India and I can assure you of the sympathy and support of the Canadian people for your determination to defend and protect your national territory and heritage. The Canadian Government stands ready to do what it can to be of help at this time.

I had occasion yesterday in the House of Commons to refer to this matter and I spoke in the following terms:

“I should now say a word with regard to another problem which faces the world. The Leader of the Opposition (Mr. Pearson) has referred to the Berlin situation and there is of course the problem which is being faced in India by the people of that nation.

Last Monday I informed the House that if the Indian Government should approach Canada for assistance, such a request would receive the fullest consideration. I now wish to report to

<sup>41</sup> Voir Canada, Chambre des Communes, *Débats*, 1962, vol. 2, p. 1068.  
See Canada, House of Commons, *Debates*, 1962, Vol. 2, p. 1006.

the House that a request has been received from the Indian Government and that we are taking immediate steps to respond. On Friday we gave the Indian authorities a preliminary report on the kinds of military equipment available in Canada. These include Caribou transport planes. In a day or so I hope to be able to inform the House of the details of the supply of equipment to India.

Speaking for the Canadian Government, and I hope for all members of the House, we are deeply disturbed at the attacks which are being made at this time against India, a fellow member of the Commonwealth. India can rest assured that the Canadian Government will cooperate to the fullest in helping that nation acquire those items which it needs to defend itself in this critical hour."

With kind regards,

Yours sincerely,

JOHN G. DIEFENBAKER

384.

DEA/6083-40

*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 30, 1962

#### SINO-INDIAN DISPUTE

When he was in New York on October 29, the Minister discussed this subject with the Indian Permanent Representative Mr. B.N. Chakravarty. The Minister expressed Canada's sympathy with India's very difficult position and said that we were anxious to assist India in a way that would be practical and helpful. He added that he was sure that this general wish to help reflected the opinions of Canadians from one end of Canada to the other.

2. Mr. Chakravarty said that he would communicate this expression of sympathy to New Delhi where it would be very much appreciated. He said that India would probably need small arms and ammunition as well as aircraft but he was not sure whether the former would be requested from the United States, the United Kingdom, or Canada. The Minister said that some technical liaison channel would have to be established, and the Indian Representative said that perhaps one of the Indian attachés who was conversant with these questions should come to Ottawa.

3. Mr. Chakravarty said that India would wish to obtain what it could from Commonwealth sources, however, in the short term, the intention appeared to be to get weapons and equipment quickly from United States stores in nearby Thailand. This might be done before the end of the week. In addition, Britain was airlifting small arms to India within the next few days. Because of the distances involved, Canada might be a long-term supplier.

4. Mr. Chakravarty said that India anticipated the struggle with Communist China would continue throughout the winter. There were some indications that the Chinese wanted a cease-fire but it would be wrong to exaggerate the difficulties of winter warfare in the area and the Indians considered that the Chinese peace feelers were deceptive. The Chinese probably wanted a cease-fire for the purpose of preparing to resume their offensive in the spring.

5. The Indian Permanent Representative said that unless the Chinese were prepared to go back to the McMahon Line<sup>42</sup> and negotiate from that position, India would continue to fight. This was a better position than agreeing to negotiate from present positions on the ground. Moreover, if India could move in adequate arms and military equipment during the winter, when Indian lines of communication were much better than those of the Chinese, they might be able to push the Chinese back. When spring came, this factor would operate in reverse and China would have the advantage.

6. Mr. Chakravarty stressed the seriousness of the situation and said that there were at least ten well-equipped Chinese divisions in action on India's frontiers.

M.N. B[ow]

385.

DEA/50000-H-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], October 31, 1962

INDIA'S REQUEST FOR CANADIAN MILITARY EQUIPMENT

The following, for your information, is a brief report on where this request now stands. We are also submitting for your consideration possible moves which could be taken almost immediately in response to it.

2. Our High Commissioner in India called on Krishna Menon on Monday. The latter expressed his appreciation for your assurance of immediate and sympathetic consideration of India's request. He also asked for information about the number of F-86s available and the extent of the work required on the CF-100 all-weather fighters (we had indicated to the Indian High Commissioner last Saturday that some of these aircraft would be available although requiring some work). These questions are being looked into. Mr. Menon reiterated the hope that equipment would be made available at the lowest possible price on easy terms.

3. Following inter-departmental discussions full lists are being prepared of available equipment from Canadian armed forces surplus, for sale on the commercial market or off the production line. Possible methods of financing sales of these items to India are also being considered. We shall be reporting further on these questions shortly. We have also brought to the attention of the Indian authorities a list of aircraft available commercially in Canada (i.e. from TCA, Spartan Air Services, etc.).

4. In addition to approaches to Britain and the United States an Indian approach to the French has also been reported. United States officials have raised with our Embassy in Washington the question of coordinating responses to these Indian requests, perhaps through a coordinating group either in Washington – where the Indians have a purchasing mission – in New Delhi or both. This group would ensure some degree of standardization of equipment and ammunition and perhaps possible substitutes whenever certain pieces of equipment needed by India are not available. This question will probably have to be considered as soon as the Indians come to grips with detailed procurement issues; they have been invited to send some officials to Ottawa for technical discussions.

<sup>42</sup> Voir « La frontière sino-indienne, » *Affaires extérieures*, vol. 11, n° 12 (Décembre 1959), pp. 409 à 415. See "The Sino-Indian Border Dispute," *External Affairs*, Vol. 11, No. 12 (December 1959), pp. 414-419.



5. Arrangements for Indian military purchases in Canada may clearly take a while to firm up. As the Canadian Government may wish to announce without delay what measures are being taken to assist India in view of the unanimous support in the House of Commons for a forthcoming Canadian response and of the prompt British and United States reactions, we are submitting for your consideration the following possible moves:

(a) Six RCAF Dakotas not immediately required by Canadian forces are now available and could be given to India (technically a token price might have to be set) by Order-in-Council under the terms of existing legislation. Dakotas were among the items specifically mentioned in India's request and we understand Mr. Harkness has in principle agreed to their release. These aircraft could be flown to India within a few days (possibly carrying some automatic weapons if arrangements could be worked out soon enough).

(b) For the longer term the Indian Government could be informed that to the extent foreign exchange was spent on the purchase of equipment in Canada – such as Caribou or Otter aircraft – the recent cuts made in our Colombo Plan contribution to India would be restored. This would enable the Indian Government to continue using for development purposes funds which might otherwise be diverted to military procurement. In diverting these funds the Indians might in particular curtail their purchases of industrial materials for Canada; if the restored aid took the form of such materials it would be of benefit to our exports; it would also encourage the purchase of Caribous and contribute to India's defence efforts.

6. These two possible steps have not been fully discussed inter-departmentally, but we should appreciate your reactions. If they commend themselves to you the quickest way to move ahead would be an early Cabinet discussion. In the meantime you might find it profitable to raise this orally with your colleagues, the Minister for National Defence and the Minister of Finance. Their Departments will have to receive from them appropriate directives if the kind of help suggested by Ministerial statements in the House is to move forward promptly.<sup>43</sup>

N.A. R[OBERTSON]

386.

DEA/6083-40

*Note de l'ambassade des États-Unis*  
*Memorandum by Embassy of United States*

CONFIDENTIAL

[Ottawa, n.d.]

SINO-INDIAN BORDER DISPUTE

Note: The following appraisal represents the views of the United States as of October 31, 1962.

On or about September 8, 1962, Chinese Communists established outposts in that portion of the Northeast Frontier Agency adjacent to the Bhutan border. This action probably was in response to attempts by the Indians since last spring to check or reverse creeping Chinese advances in Ladakh. The Indians attempted to dislodge the Chinese from this new position and announced that they intended "to throw the Chinese out."

Intensive fighting broke out on October 20 when the Chinese advanced simultaneously in the northeast corner of the Indo-Bhutan-Tibetan border and against Indian positions in Ladakh in the northwest. In the northeast, Chinese forces have pushed the Indians beyond Towang,

<sup>43</sup> Note marginale :/Marginal note:

Go ahead with discussion with the other dep[artmen]ts and also with Herb Moran. H.C. G[reen]

which is located some fifteen miles south of the McMahon line. (On October 27 Ambassador Galbraith made the following statement regarding the McMahon line: "The McMahon line is the accepted international border and is sanctioned by modern usage. Accordingly we regard it as the northern border of the Northeast Frontier Agency area.") We expect that a strong Indian stand will be made along the natural defense line at Sela, southeast of Towang. Further to the east, near the Burmese border, the Indians appear to be holding the Chinese advance at Walong, some fifteen miles south of the border. In Ladakh the Chinese are believed to have advanced to the limit of their claim, which is deep inside Indian claimed territory.

An important factor in the Chinese success thus far has been Chinese ability to bring supplies by motor road to within a few miles of the fronts. The Indian front line troops are supplied by coolie, pack train, and undependable air drop. Furthermore, Indian weapons appear to be obsolete. What the Chinese military objectives are is not yet clear, although it seems doubtful that the Chinese have territorial ambitions beyond what they have hitherto claimed. The mounting of a Chinese drive on the Indian plains from Tibet would entail enormous supply problems and would risk the virtual certainty of a major war. We do not believe the Chinese desire a major war at this time. It appears that the political objectives of the Chinese are aimed at humiliating the Indians, destroying their prestige, and forcing them into negotiation on Peiping's terms.

The Chinese Communist attack and the deteriorating military situation are leading the Indian leaders to consider some fundamental reassessments in Indian foreign policy. A *Pravda* editorial of October 25 is probably regarded as convincing evidence that the Soviet Union could not or would not intercede effectively with the Chinese Communists, and that India must rely upon the West for help.

In a letter to President Kennedy dated October 26, corresponding to letters sent to other nations, Prime Minister Nehru requested United States sympathy and support. On October 29 when Ambassador Galbraith delivered President Kennedy's reply promising United States sympathy and support, Prime Minister Nehru personally requested United States assistance in meeting India's requirements. Later that same day the Indian Government handed the United States Embassy at New Delhi a list of priority needs. All the equipment requested by the Indians to date is composed of basic infantry and infantry support items.

The United States believes it is in the free world's short-term, as well as basic, long-range strategic interests to assist India in meeting its defense requirements and to demonstrate to India that the nations of the free world are India's real friends and can be counted upon in a time of national crisis. We believe that early fiscal assistance and a psychological "lift" are vital to India's resolute but tired and disillusioned leaders.<sup>44</sup>

[RUFUS SMITH]

<sup>44</sup> Notes marginales : /Marginal notes:

Left with Mr. Teakles by Rufus Smith, USA Embassy [Auteur inconnu/ Author unknown]  
A pretty superficial paper. G. de T. G[lazebook]

387.

DEA/50000-H-1-40

*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], November 8, 1962

## RELATIONS BETWEEN INDIA AND PAKISTAN

The Pakistani High Commissioner called on me yesterday at his request. He brought with him a copy of the statement made by President Ayub Khan on November 5 (attached).<sup>45</sup> He mentioned that he had also sent a copy to the Minister's office.

2. Mr. Khan then explained that his Government was concerned by the continued military build-up on the Pakistani border and more by the supply of military equipment being sent to India.

3. On the first, he gave me figures for the Indian forces on the various parts of the border as follows:

(1) In Ladakh, one division, one brigade.

(2) In Nefa, three divisions.

(3) In Kashmir on the Pakistani border, three large divisions.

(4) On the Pakistani border south of Kashmir, one armoured division, one armoured brigade, one infantry division, one infantry brigade.

(5) On the East Pakistan border, one division, two brigades.

4. On the second point, he gave me figures for Indian military expenditure taken, he said, from Indian official publications. These showed \$619 million in 1960-61. He claimed that the Indian military strength was consistently three times that of Pakistan. This, taken with the additional supplies now being sent or anticipated, produced a situation which was of considerable concern to Pakistan. He obviously sought to indicate that the military build-up was not for one war but a possible two.

5. At this point, I took the opportunity of explaining the Canadian position. We were faced with an aggression by Communist China against India and we had immediately offered to give what assistance we could. Mr. Khan asked questions about what we proposed to send, how long this programme would go on and whether we were co-ordinating our shipments with those of the United States and the United Kingdom. I answered that the whole process was in an early stage, that we had sent some Dakotas which we could spare and which were asked for; other requests would no doubt be made, some of which we might be able to meet. I thought, however, that our participation would be minor compared to that of the two great powers. On co-ordination I said that to my knowledge no specific machinery had yet been set up, that obviously there would have to be some kind of consultation if the programme as a whole was to be a coherent one.

6. We spent a long time discussing the relations between India and Pakistan and, of course, in particular Kashmir. I asked first about the state of the Pakistani negotiations with China on the eastern fringe of Kashmir. Mr. Khan said that these began about a year and a half ago arising over a Chinese offer to discuss demarcation (an offer also made to Burma and Nepal).

<sup>45</sup> Voir/See "Ayub Declines to Give Assurance on Kashmir," *New York Times*, November 7, 1962, p. 11; "Arms for Indians Worry Pakistan Chief," *Washington Post*, November 6, 1962, p. A11.

Somewhat later a meeting was held, and an agreement was reached on procedure for further discussions. Subsequent discussions have not yet taken place.

7. Mr. Khan contrasted the Pakistani attitude towards these negotiations with the comparable one taken by India. The Pakistanis had explained that on this western strip Pakistan was concerned with an area, the defence of which was her responsibility. Nothing was said about ownership and it was added that any agreement would be subject to ratification when the Kashmir question had been settled. On the other hand, when India made an offer in the United Nations to discuss with China the Kashmir border, Pakistan had given formal notice that it would not necessarily be bound by the results of negotiation concerning a territory not owned by India.

8. Mr. Khan having raised the question of the appeals made to his Government to relieve the pressure on India to allow concentration on the Chinese hostilities, there was an opportunity for getting his views on whether any such arrangement was possible. Making reference to his earlier statements on Indian military capacity and the increase of this by western shipments, he said that they could not possibly give a blank cheque to India in view of the latter's record on Kashmir. He recounted Ayub Khan's efforts to discuss the Kashmir question with Nehru. The former had first gone to India for this purpose without securing a private interview. Later Nehru had visited Pakistan and there had been private discussions. According to Khan, Ayub had talked at some length on his desire to reach a settlement. To this Nehru had made no response and after an hour or so had only remarked that attention should be given to the division of the books in the old India Office in London.

9. I suggested that on one extreme it would not be practical to envisage a final settlement of the ownership of Kashmir (necessarily following long negotiation) in time to affect the present hostilities. On the other extreme, Mr. Khan had said that his Government could not accept a simple statement that the Pakistanis would do nothing to embarrass the Indians during hostilities provided that at the end of those hostilities negotiations began on Kashmir. They had seen too much of vague Indian promises ending in the kind of discussion mentioned above.

10. I asked the High Commissioner then if he saw any compromise between these two extremes. Was there any conceivable arrangement that could be reached to cover the period of hostilities? To this he could give no reply.

11. One incidental point interested me. After listening to his account of the differences between Indian and Pakistan forces (although he avoided my question as to what Pakistani forces were on the Indian and Kashmir borders) I asked why the Indians should maintain a three to one majority. He said he could not explain this but launched into a somewhat subjective account of the history of old India leading to the conclusion that the Hindus felt safe only when they had overwhelming superiority. Goa, he said, was a recent example of this state of mind.

12. After a long conversation, Mr. Khan said that he was available if I should wish to see him again. I said that we were anxious to keep in touch with him and that I hoped that he, for his part, would let me know if any new points arose for examination.

G.P. DE T. GLAZEBROOK

388.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], November 20, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Minister of Justice (Mr. Fleming),  
 The Minister of Trade and Commerce (Mr. Hees),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 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 and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon),  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

. . .

## BORDER DISPUTE BETWEEN INDIA AND CHINA

20. *The Prime Minister* said that consideration should be given to whether a statement should be made in the House of Commons to the effect that assurances were being required that assistance given by Canada to India would not be used other than against Chinese forces. The United States had made this a condition respecting the assistance it was giving. Pakistan was concerned about the war matériel and other support being given to India and might take the view that it should withdraw from the CENTO and SEATO alliances. It had stood by the Commonwealth in these alliances but had received no thanks. Perhaps this would be a time to urge upon India and Pakistan the necessity of making strong efforts to settle their dispute over Kashmir and perhaps also the Canadian position with respect to the sale of wheat to China should be made clear.

21. *During the discussion* the following points were made,

(a) It was desirable that such a statement should be made and that Pakistan's position as a member of the Commonwealth and its various alliances should be underlined. The public should also be told that the best trained and equipped troops in the Indian Army were being held on the Pakistan border despite the apparent reverses suffered by Indian troops at the hands of the Chinese.

(b) It should be ascertained whether Prime Minister Macmillan and President Kennedy were considering putting pressure on the two countries to settle their dispute at this time. This should be done before a statement was made in the House. It would be preferable if Canada's statement were to be made before and not after any similar statements by the United States or

Britain. Prime Minister Nehru was standing out against settlement of the Kashmir dispute, whereas President Ayoub Khan was anxious to get it settled.

(c) It would not be advisable to make a statement in the House of Commons on this subject. If the object was to get India and Pakistan to agree to a settlement of the Kashmir dispute it would not be furthered by an admonishment in the House. More could be done by mentioning the need to co-operate to the Indian High Commissioner.

(d) Not only should the views of the U.K. and the U.S. be sought and the Indian High Commissioner told that it was difficult to see how India could fight a war with a large part of its Armed Forces tied down on the Pakistan border, but a statement should also be made in the House of Commons telling the Canadian people the facts. There should be no suggestion that Canada was holding back aid to India because of the Kashmir dispute or because of the position of Pakistan in the Commonwealth.

22. *The Cabinet* agreed,

(a) that Canada should ask India's assurance that arms supplied by Canada should not be used against Pakistan;

(b) there should be no suggestion that Canadian aid to India would be discontinued or have any conditions attached other than that contained in (a) above; and,

(c) the Prime Minister might determine what he should say publicly on this subject, and its relation to a settlement of the Kashmir issue.

R.B. Bryce

389.

DEA/50000-H-1-40

*Le haut-commissaire de l'Inde  
au premier ministre*

*High Commissioner of India  
to Prime Minister*

Ottawa, November 23, 1962

My dear Prime Minister,

Apropos our conversation the other day and in answer to your query, I am now authorised to confirm that the Government of India would be prepared to give to the Government of Canada the assurances given to the United States and the United Kingdom in respect of equipment and war materials supplied to India in dealing with Chinese aggression.

With my highest regards and esteem, I am,

Yours sincerely,

C.S. JHA

390.

DEA/6083-40

*Note de l'adjoint spécial au premier ministre  
pour la direction du Commonwealth*

*Memorandum from Special Assistant to Prime Minister  
to Commonwealth Division*

SECRET

[London], November 23, 1962

MESSAGE FROM PRIME MINISTER DIEFENBAKER TO  
PRIME MINISTER MACMILLAN

Attached is the original of a message dated November 21 from Mr. Macmillan to Mr. Diefenbaker concerning the Sino-Indian conflict. The Prime Minister has asked to have a reply prepared which will include a summary of current Canadian views of the situation.

O.W. D[IER]

[PIÈCE JOINTE/ENCLOSURE]

*Le premier ministre du Royaume-Uni  
au premier ministre*

*Prime Minister of United Kingdom  
to Prime Minister*

SECRET. CANADIAN EYES ONLY.

[London], November 21, 1962

You will have seen the very serious statement made by Mr. Nehru in his Parliament on the 19th November. Clearly the Chinese attacks have taken on a new and formidable form.

2. Bomdilla, the headquarters of the NEFA command, has been surrounded and the equivalent of two divisions are in difficulties and it is not certain how many will be able to extricate themselves.

3. In a message to me Mr. Nehru has said – “the Chinese are by and large in possession of the greater portion of the NEFA and are poised to over-run Chushul in Ladakh. There is nothing to stop them after Chushul till they reach Leh, the headquarters of the Ladakh province of Kashmir.”

“Events have moved very fast and we are facing a grim situation in our struggle for survival and in defending all that India stands for against an unscrupulous and powerful aggressor.”

4. It is still uncertain whether this will develop into a major assault or whether there may yet be any possibility of negotiation. But should all other efforts to stop the Chinese fail, we and the Americans and perhaps our other Western allies may need to intervene militarily.

5. The Americans have told us that they are sending today a high level mission consisting of Harriman, Nitze, Johnson and a four star General to India to assess the position. We are also sending out immediately a similar team which will leave tomorrow. This will include the Chief of the Imperial General Staff and a suitable military team together with Mr. Tilney, Parliamentary Under-Secretary for Commonwealth Relations. Duncan Sandys was planning a visit this week to Pakistan and India but is unfortunately ill; otherwise he would have gone, but he hopes to be able to make his visit next week. Our idea is that our team would be able to hold discussions with the Indians about the situation and see what we can do to help; in particular, we hope to be able to explore what is on Mr. Nehru's mind as to their military plans, whether there is any possibility of his being prepared to negotiate in any form, whether he wishes to

take the matter to the United Nations and whether there is any form in which he would like the support of Commonwealth countries as a whole to be demonstrated.

6. As you know, both we and the Americans have met all the Indian demands for supplies to date, but they have now asked for very much more, especially combat aircraft and crews for fighters from the Americans and the two missions will be able to explore all this on the spot.

7. Both we and the Americans think that it is most important that before we do anything further there should be some understanding over Kashmir and our latest reports show that the Indians may be thinking of making a move.

8. I thought you would wish to know our thoughts on this situation which is full of potential danger and I will keep you in close touch with any developments. I shall be glad to receive any thoughts that you may have.

391.

DEA/6083-40

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

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

SECRET. CANADIAN EYES ONLY.

[Ottawa], November 26, 1962

SINO-INDIAN CONFLICT: SUGGESTED REPLY  
TO PRIME MINISTER MACMILLAN'S MESSAGE OF NOVEMBER 21

I attach for your approval a suggested reply to Mr. Macmillan's message.

2. I assume your office would send this reply to the British High Commissioner for transmission to Mr. Macmillan.

H.C. G[REEN]

[PIÈCE JOINTE/ENCLOSURE]

*Le premier ministre  
au premier ministre du Royaume-Uni  
Prime Minister  
to Prime Minister of United Kingdom*

SECRET. CANADIAN EYES ONLY.

[Ottawa], November 26, 1962

I was glad to receive your message of November 21.

Since your message, developments have continued to move swiftly; India's military situation has worsened further, and the Chinese have announced their unilateral cease-fire and withdrawal plan.

It is still not clear exactly what the Chinese have in mind and what will be the Indian decision in the grave dilemma in which the Chinese move has placed them. It is clear, however, that Prime Minister Nehru and his Government are in a very difficult position. Mr. Nehru may feel it necessary to reject part or all of the Chinese conditions as a result of the emotional response in India to military reverses and of temporarily diminished international prestige. However, I continue to hope that some accommodation may be possible which would not bear too heavily on India's national pride.

I am sure that the consultations which your team and the American one will have in New Delhi will be enlightening and helpful. I should be glad if you would let me know what the



findings of the British team are. Meanwhile, no doubt, consultations between our officials will continue.

We have, as you know, taken from the first a firm stand in support of India against Chinese aggression. We have been in constant touch with Indian authorities on their requirements for military supplies and will continue to do what we can to meet their requests as these are made.

Like you, I have been giving a good deal of thought recently to the question of relations between India and Pakistan. I stated in the House on November 20, after a brief review of India-Pakistan relations:

“In the present circumstances, when Communist Chinese aggression has forced India into a bloody conflict, the entire sub-continent, home of both India and Pakistan, is exposed to a grave threat. We would hope that this ominous situation might give new impetus to the search for a settlement of outstanding differences between these two fellow members of the Commonwealth. Such a settlement would, among other things, facilitate a concentration of effort against the invading forces on the northern frontier. If there is anything Canada can do to further such a settlement, the Canadian Government will respond whole-heartedly.”

Although the Press have made deductions from these remarks, turning them into proposals for a “non-aggression pact” or an offer of “mediation,” I did not in fact think it wise at this stage to make any suggestion at all until there was some evidence as to what steps by either government might appear possible. I am very interested to know from your message that the Indians may have been thinking of making some move, and would be grateful if you would keep me informed of any such developments. I earnestly hope, however, that the friends of both countries may be able to use their influence to avoid a further divergence between India and Pakistan at a time when there is such a need and perhaps an opportunity for a settlement of disputes. Similarly, a protracted war between India and China would have the most serious effects on the Indian economy and political structure, whereas such a war might be acceptable to the Chinese, who could to a considerable degree control its extent.

392.

DEA/6083-40

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

TELEGRAM 919

New Delhi, November 28, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel K293 Nov 22.†

Repeat for Information: Karachi (OpImmediate), London, Washington, NATO Paris, Permis New York (OpImmediate) from Ottawa.

## SINO-INDIAN CONFLICT AND INDO-PAKISTAN RELATIONS

While Pakistan High Commissioner Hilaly was jubilant prior to *de facto* cease fire over defeats being administered to Indian army, he was depressed and greatly disturbed when I saw him on November 25 by military support being given India by USA and UK. He fears massive support from Western Powers which would place India in impregnable position with respect to Pakistan.

2. Hilaly said Pakistan is now in a state of ferment which could be very dangerous. Communist influence was gaining ground. Chinese offer of non-aggression and mutual defence pact without requiring Pakistan's withdrawal from either CENTO or SEATO was very

tempting to many Pakistanis. He said India was doing absolutely nothing to improve relations with Pakistan. President Ayub's ability to control situation was ebbing fast. Nehru is becoming more intransigent on Kashmir question and unless pressure is exerted on him by Western friends of both India and Pakistan, situation will become worse. When I enquired if he did not repeat not think most productive pressure on Nehru would be from within India itself, he replied that "Indian pressure on Nehru to solve problem of Kashmir was too little, too slow and completely inadequate to meet emergency now existing." He added that effective pressure could only be brought on Nehru by powers supplying India with arms during this crisis.

3. From subsequent conversations I have had, it is obvious that Americans are exerting the pressures considered necessary by Hilaly with, I am afraid, nothing but adverse results so far. I told Harriman's aide, Sullivan, on November 26 that I had heard Senator Mansfield and his fellow senators who visited Delhi last week had "deeply wounded" Nehru by pressing him to make a gesture regarding Kashmir. Sullivan replied that if senators had "deeply" wounded Nehru, then Harriman must have "mortally" wounded him in his recent conversations. Harriman apparently minced no repeat no words when he told Nehru that if present cease fire continued President Kennedy would be unable to obtain USA congressional approval for extensive military aid to India unless Indians adopted different attitude to Pakistan.

4. I had previously forwarded Prime Minister Diefenbaker's statement in the House (your reference telegram) to the Prime Minister and had told Gundevia I would like to discuss Indo-Pakistan relations with him. November 26 Gundevia told me that Prime Minister had been very disturbed by USA attitude. Soon after seeing Harriman, he had told Gundevia in very strong terms that he could not repeat not understand how "our friends could blackmail us in our moment of crisis." Gundevia reiterated the blackmail theme to me and deplored the way in which Pakistan was taking advantage of a situation which threatened both countries to try to wring concessions out of India. Pakistan would prevent Western powers from giving India military aid to defend herself against Chinese regardless of fact that Pakistan has itself been beneficiary of that aid. Pakistan claims to fear Indian use of these military supplies to attack Pakistan, ignoring completely the fact that except for Kashmir cease fire line, all Indian troops had been withdrawn from West Pakistan border. Gundevia could not repeat not understand why Ayub, if he was so anxious to solve Indo-Pakistan problems, had not repeat not yet replied to Nehru's letter of November 11 which, he implied, was conciliatory and provided the basis for improved relations. Gundevia complained that the West never remembered a salient fact about Kashmir, i.e. that it was the Pakistanis who had committed aggression. The West had never asked Pakistan to vacate this aggression. Kashmir had legally acceded to the Indian union. Although he for one would be glad to hand over whole of Kashmir to Pakistan, this would solve nothing since holding a plebiscite would have a disastrous effect on Hindu-Muslim relations in other parts of India. Having thus shown that there was no repeat no give in the Indian position, Gundevia in a final burst of emotion said that if Indians were to be reduced to the position of slaves to another power, it would be better to be slaves under the Chinese than under the Pakistanis. In a reversal of the usual Indian position, he asked that Canada and India's other friends bring pressure on Ayub to reply to Nehru's letter and on Pakistan generally to see reason and to cease their campaign to prevent India from properly defending herself against Chinese aggression.

5. I have since received a letter from Gundevia in which he assures me that there was no repeat no misunderstanding as far as Indians are concerned regarding Canadian intentions as expressed in Mr. Diefenbaker's speech. On the contrary, Indian Government has very much appreciated sympathy and support which Canada has given. Gundevia also sent me text of Nehru's letter to Ayub (copy follows by bag). It contains, as Gundevia points out, an assurance that additional war potential that has to be built up in India will not repeat not be used for other purpose than to counter Chinese aggression. Otherwise I am afraid it contains nothing concrete

to indicate a softening of Indian position or a willingness to try a fresh approach. Although Gundevia can be just as emotional as the Pakistanis, and as guilty of exaggerating in order to make his point, I judge from his remarks to me that American pressure has been counter-productive in driving Indians into even more intransigent attitude. There exists a growing body of opinion in India that consider Indo-Pakistani relations must be improved and recent crisis had brought this opinion more out into the open. But, although ministers like Lal Bahadur Shastri have taken a softer public line and may privately wish to see a more positive Indian approach, this moderating influence is likely to be erased by the instinctive Indian reaction against warnings from outsiders that the price India must pay for Western help is a settlement with Pakistan.

[CHESTER] RONNING

393.

DEA/6083-40

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

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

TELEGRAM 960

New Delhi, December 8, 1962

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 949 Dec 5.†

Repeat for Information: Karachi (OpImmediate), London, Washington, NATO Paris, Permis New York (OpImmediate) from Ottawa.

By Bag Moscow from London.

#### SINO-INDIAN CONFLICT – PRESENT INDIAN POSITION

In paragraph 6 of my reference telegram, I referred to Indian position, and particularly that of Mr. Nehru, in the aftermath of negotiations for the commencement of Indo-Pakistan talks. The impression which Gundevia had given me of Nehru's anger at the Americans for their pressure over Kashmir has been further strengthened by an interesting conversation I have had with Durga Das. He had just had a long interview with Prime Minister Nehru and his summing up of the impressions gained from that interview was that "we (i.e. Nehru, India and the West) are back to where we were before the Chinese aggression started." According to Das, Nehru was deeply grieved by "USA foolishness and Pakistan perfidy." He concluded from Nehru's attitude that the USA in its recent dealings with the Indians had failed to follow up the advantages which the situation presented and had managed completely to nullify all the recent gains made in relations between India and the West by "blackmailing India on Kashmir." Das believed USA incapable of understanding the "blackmailing" approach was bound to be counter-productive. Americans, in his view, have no repeat no understanding whatever of the sensitivity and pride of Indians, and consequently of the deep humiliation and resentment towards China, which Indians had felt as a result of Chinese victories. In this situation he likened Pakistan to a "jackal going in to clean up after the tiger's kill." He blamed Galbraith for having failed to measure the extent of Indian humiliation and of the danger in pressing for action which would only add to this humiliation. Galbraith, he considered, was an intellectual, who, having once latched on to an idea, was incapable of letting it go regardless of the realities of the situation.

2. Das felt that the USA had had and failed to take the opportunity to persuade President Ayub to approach Nehru and, on the grounds that India's enemies are Pakistan's enemies, to

propose a mutual defence pact. If such a move had been made, other problems would have had a chance of being solved. When I said I doubted that USA could have accomplished this and enquired why Nehru could not repeat not have approached Ayub in a similar vein, Das replied that India, in its state of humiliation vis-à-vis the Chinese, could never have taken this step. This was particularly true, he felt, in the face of USA “blackmail” (he claimed that Harriman had gone as far as to suggest that if India could not repeat not agree to a plebiscite, it should give outright to Pakistan what the plebiscite would give). He said USA cannot repeat not understand that in present circumstances, Pakistan is the number one enemy and China the number two enemy. It was inconceivable that Nehru could make a proposal for a defence pact when the Pakistanis were flirting with China.<sup>46</sup>

3. Das said Nehru had greatly resented Harriman’s approach but had been more appreciative of Sandys’ restrained advice. In the end, he had made a gesture to Sandys but because of Harriman’s activities had ended by undercutting this gesture. At this juncture, the Prime Minister’s ability to announce that MiGs would be forthcoming meant to Indians that India had been “saved by the USSR” and that the Delhi-Moscow axis was stronger than before. A week earlier, the MiG announcement would not repeat not have drawn the cheers it did in Parliament, but the resentment among influential congressmen caused by American pressures had changed their attitude and greatly strengthened Nehru’s position which, a few weeks ago, was tottering. Thus, according to Das, Harriman’s pressure at least achieved something, in that it has unified Congress behind Nehru more than has been the case for a long time.

4. Despite his pessimistic interpretation of recent events, Das believed that Nehru still wished to receive Western military aid and that USA-Indo relations were not repeat not irreparable. There was nothing the Indians wished more than to achieve cooperation but they could not repeat not allow themselves to be blackmailed. This was particularly true now that a stalemate in the Sino-Indian conflict seemed to be in the offing and pressures were thus being relieved on that front. He expressed the view, which I think is prevalent in many Indian circles, that the USSR was making new advances for improved Indo-Soviet relations because, while India needed the USSR’s support, the latter also needed the support of 450 million Indians. As a result of this need on both sides, nonalignment could be saved.

5. Durga Das, fresh from his interview with Mr. Nehru, was certainly reflecting to some extent the Prime Minister’s views and his remarks tie in with those made by Gundevia regarding Nehru’s reaction to USA pressures. I do not repeat not put it past Das to have exaggerated the Prime Minister’s attitude or even to have encouraged him to be more inflexible than usual. The Indians are bound, I think, to use every opportunity to apply pressure on the Americans and the spreading of stories regarding Indian reactions is one way of doing so. Although Das has genuine sympathies with the West and would thus feel greater disappointment that the USA “has missed the boat,” he also looks at problem from a purely Indian point of view and ignores fact that USA cannot repeat not forget other commitments or the hard facts of life no repeat no matter how much it may wish to assist India or strengthen its ties with this country. On the other hand, I think he is basically correct in his analysis of the Indian attitude to USA methods and the failure of people like Galbraith and Harriman, in their anxiety to achieve practical solutions, to grasp the importance of emotional factors emanating from traditional Indian attitude to Pakistan and the Indian defeat at Chinese hands. This defeat represented not repeat not only India’s complete failure to reap the supposed benefits of non-alignment, but also a shattering blow to carefully nurtured Indian military prestige. Subsequent pressures to make a statesman-like gesture to Pakistan, the other enemy, when the latter is

<sup>46</sup> Voir/See *Foreign Relations of the United States, 1961–1963*, Vol. XIX (Washington: United States Government Printing Office, 1996), document 219.

flirting with the Chinese, were to the Indians a demand that they invite further humiliation. This, in desperation, they were probably on the point of doing when the cease fire came. Now the situation has changed. Stiffened Indian resistance to outside pressures and the maintenance of their independent stand vis-à-vis Pakistan and the West are part of the desire to balance the humiliation suffered at the hands of the Chinese. (If they cannot repeat not be stronger than the Chinese, they can at least be stronger than the Pakistanis.) Militant North Indian Hinduism which would be strongest opponent of compromise with Chinese is at the same time dead set against compromise with the Pakistanis and ready to back the Prime Minister to the hilt in any hardening of Indian position relevant to Pakistan (see my telegram 958 December 7 † for the attitude of Morarji Desai, who in other circumstances would be the first to seek USA aid).

6. Certain other indicators lend support to theory that Nehru is back to mending his fences with USSR and expecting stalemate in Sino-Indian conflict. MiG statement was an example of his giving USSR benefit of doubt and seems to negate impression Sandys gathered from his talks with Nehru two weeks ago. During his recent visit to Tezpur, Nehru has been talking about importance and usefulness of continued Soviet economic aid and Defence Minister Chavac has told press of requests for “non-combatant” military equipment which Indians hope Russians will meet. Nehru, referring to requests for military aid, said that whatever requests India had made to UK, USA and some other countries would be enough for India’s needs for some time.

7. In regard to the border conflict, Nehru said December 6 in Tezpur that Chinese seemed to be proposing to withdraw behind McMahon line in NEFA. He felt that in this area it did not repeat not much matter whether the line was that of September 8 or November 7/59<sup>47</sup> (in contrast to Mrs. Menon’s remarks, paragraph 4 of my reference telegram). He said the question at issue had more to do with Ladakh than NEFA. In Ladakh November 1959 line would give Chinese an advantage. Asked whether Chinese failure to withdraw behind September 8 line in Ladakh would mean no repeat no negotiations, Nehru hedged by saying that subsequent steps which they (Indians) had proposed would naturally be affected. His usual reference to forcing the Chinese out if they did not repeat not withdraw from Indian territory seemed to be connected more with situation in which Chinese failed to carry out their own withdrawal proposals than with the previous vow to drive Chinese from every inch of Indian territory. Conclusion seems to be that Nehru has no plans to upset present situation, that he is drawing closer to possibility of talks and that he feels confident enough of his control over the internal political situation to resume independent manoeuvring. Otherwise he would not repeat not have dared to take this mild approach four days before Parliament is to have its first chance to discuss Chinese cease fire proposals. It was apparent from discussions in Parliament yesterday that opposition groups are already disturbed by signs of a shift in the Government’s position and of a decrease in their ability to apply pressures.

8. The picture of current Indian thinking drawn by Durga Das does not repeat not augur well for successful results to the Indo-Pakistani talks or for the future of long term military assistance arrangements between India and the USA. In considering Indian reactions, it is, however, always necessary to remember that Prime Minister Nehru tends to react in terms of current circumstances rather than in accordance with long term objectives and that this factor, plus Indian sensitivity, produces a mercurial Indian reaction. These mercurial variations are particularly to be expected during a period of governmental confusion and are more obvious to the outside observer than the much slower acting efforts of the advocates of reason who exist in India as well as in Pakistan (reference my telegram 958 December 7). One important effect

<sup>47</sup> Voir « La frontière sino-indienne, » *Affaires extérieures*, vol. 11, n° 12 (Décembre 1959), pp. 409 à 415. See “The Sino-Indian Border Dispute,” *External Affairs*, Vol. 11, No. 12 (December 1959), pp. 414-419.

of the Sino-Indian conflict has been to make the Prime Minister more aware of his need for support in the Congress Party. While this situation provides a good opportunity for the more extreme elements to push their views, it also has given the moderates a chance to speak their minds more openly.

9. Our conversations with American officials here indicate some appreciation of the practical difficulties ahead and of the need to go slow in pressing Indians towards détente with Pakistan. Yesterday I gave Carol Laice, who has returned here temporarily from her Washington job as Deputy Director of the South Asia Department, a brief outline of my impressions of Indian reactions. I am seeing Galbraith this afternoon before his departure for Washington. According to this morning's press Galbraith has in any event taken first step towards an improvement in the situation by telling a press conference yesterday that political considerations would not repeat not influence the USA Government in deciding its long term military assistance programme for India.<sup>48</sup> Americans here know, however, that it takes more than a psychological treatise on Indian pride and sensitivity to convince USA Congress that India deserves continued assistance and must be humoured rather than forced into what appears to be reasonable path. Main problem now is to get the Indo-Pakistan talks started (a date before the end of December is being mentioned) and, once started, to keep them going.

[CHESTER] RONNING

394.

DEA/50015-40

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

TELEGRAM 1002

New Delhi, December 20, 1962

CONFIDENTIAL. OpIMMEDIATE.

Repeat for Information: Karachi (OpImmediate), London, Washington, NATO Paris (OpImmediate) from Ottawa.

#### INDO-PAKISTAN RELATIONS

Pakistan is displacing China as issue of prime concern here.

2. I have talked about Kashmir with Durga Das, influential dean of Indian newspapermen. He has weekly interview with top Cabinet ministers, Prime Minister and Congress and Opposition leaders, all of whom are keenly interested in his syndicated political comment column supplied in all principal languages to network of newspapers throughout India. His views are not repeat not necessarily official but are based on information and regular discussions with India's political leaders. His opinions are significant because they are shared by politicians who determine Indian policy.

3. On essential assistance for long term modernization and equipment of India's armed forces Das said this must come from abroad and cannot repeat not be financed by India's decision to double annual defence budget. India has therefore made known in general terms this "shopping list" to USA and UK and also to USSR. He said USA and UK have indicated willingness but insist that congressional and parliamentary support can only be obtained for such great expenditures if India "yields to Pakistan on Kashmir." USSR however he says has offered

<sup>48</sup> Voir/See "Nehru Implies Bargaining With China Is in Progress: Nehru Indicates Bargaining Is On," *New York Times*, December 8, 1962, p. 1.

military assistance unconditionally and in fact is encouraging India to stick to her guns on Kashmir. Das said India would prefer to receive aid from Western democracies because India attaches importance to democratic methods and is the only genuinely democratic nation in all Asia but India "cannot repeat not and will not repeat not pay the price of yielding the vale of Kashmir to Pakistan." The USSR he said seems to be the only great power which really understands and sympathizes with India on Kashmir. If the West cannot repeat not adjust in some way to India's views India may be forced to accept Russia's unconditional offer which also has additional inducement of involving only rupees payment. This he says would of course result in drawing India closer to the communist bloc and increasing Soviet influence.

4. Das said that during dangerous period of border war with China Pakistan was on the point of crossing ceasefire line to invade the Vale of Kashmir as it was assumed that significant portion of Indian army had withdrawn to fight Chinese. When it was discovered India's forces remained in Kashmir the plan was temporarily abandoned. Many Indians, says Das, think that it would be better for India if Pakistan would actually start a military invasion of the Vale because this would enable Indian army decisively to defeat Pakistan. Indian armed forces would thus re-establish the confidence in themselves which was lost in recent defeat administered by Chinese and would regain for Indian army confidence of Indian people.

5. Of Galbraith's proposal for a solution of Kashmir Das said there is not repeat not the slightest possibility of Indians and Pakistanis working together in joint commissions on trade, cultural activities, etc. Galbraith and all Americans, said Das, are incapable of understanding the feeling which exists between Hindus and Muslims.<sup>49</sup> He explained: "our feelings for each other are like those which the Crusaders had for the Saracens and in dealing with each other, Hindus and Muslims are still centuries behind modern attitudes which have been developed in the West. The West does not repeat not understand the situation and continues to pressure us to take concessions which are utterly impossible."

6. When it comes to the Kashmir issue, Das said, it is incorrect to think that Mr. Nehru is the chief stumbling block. "All Hindus are united on this question and Nehru's stand has placed him more firmly in the saddle of leadership than he has been since the discovery of the Chinese road through Aksai Chin."

7. I will try in a subsequent telegram to comment on this interview.

[CHESTER] RONNING

395.

DEA/6083-40

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

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

TELEGRAM 1011

New Delhi, December 22, 1962

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 1002 Dec 20.

Repeat for Information: Karachi (OpImmediate), London, Washington, NATO Paris, Permis New York (OpImmediate) from Ottawa.

<sup>49</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XIX (Washington: United States Government Printing Office, 1996), document 73.

## SINO-INDIAN CONFLICT AND KASHMIR

Perhaps the most important point arising out of Durga Das' remarks about India's relations with the West and USSR is not repeat not so much the fact or fancy of USSR intentions, but the fact that some of India's leaders believe that this is the way things are developing. As far as USSR intentions are concerned, I have no repeat no confirmation from other sources that USSR is contemplating assistance in field of long term military re-equipment, although apparently changed USSR attitude regarding delivery of MiGs is one indicator. It is some extension of the facts when Durga Das says India has made known her defence shopping list even in general terms to other countries. The "three plus three" division programme for 1963 has not repeat not been worked out, let alone subjected to cost estimates, and the air programme is even vaguer. There is certainly a reasonable doubt that, even when programme is worked out, USSR would undertake this task in light of its relations with China or that it would in any case wish to become committed to an overall re-equipment programme. As far as financing is concerned rupee payment as practised by Soviet bloc countries amounts to diversion of Indian exports from hard currency earnings and, in any event, USA policy on arms provision has been on even more advantageous lend-lease basis than any repayment would be in rupees. Regardless of these facts, the latent propensity in India to emphasize positive aspects of USSR proposals and negative aspects [of] western offers enables Russians to convince gullible public and many politicians that their terms would involve no repeat no strain on exchange resources. I am sure that USSR is not repeat not wasting any time trying to regain ground lost in India over past two months. Russians may well have made tentative long term offers and without committing themselves entirely they may hope to woo Indians away from action which would place India more solidly in Western camp. If USSR offers have been made, they would obviously be unconditional insofar as Kashmir is concerned and thus highly attractive to Indians. It would not be the first time USSR has taken advantage of a Kashmir row to raise its stock in India. I do not repeat not believe therefore that we can ignore the possibility that USSR is dangling substantial long term military re-equipment offers before Indian eyes.

2. It is equally possible, of course, that Indians will use these offers, whether they firmly exist or not repeat not, to force different Western attitude on Kashmir. The Indians would call this sort of pressure blackmail if practised by the West or Pakistan but in their own case would consider it merely a form of re-insurance or as a legitimate protection of their interests. I imagine present situation may be a mixture of Soviet hints or offers and Indian counter blackmail, but whatever the percentage of the components may be, the main Western countries will not repeat not have an easy time dealing with them.

3. What I find so disturbing about current developments is that, although clear cut Chinese aggression after October 20 and the immediate and sympathetic response of India's Western friends cleared the air of so many suspicions which have dogged relations between India and the West, the old bogey of Kashmir threatens once again to undo the progress made. Unfortunately the Western attitude on Kashmir – although with the best of intentions – has, I think, had much to do with the fact that this unsolved problem can continue to interfere in the solution of otherwise unrelated matters.

4. After five years in India I am convinced that there will be only one practical solution of the Kashmir problem and that is partition with minor adjustments along the cease fire line with guarantees by India to Pakistan regarding such matters as access to Kashmir and the problems of river headwaters. This solution might eventually be accepted by both Pakistan and India provided some Western countries would stop holding out hope to the Pakistanis that they can get more. In my letter 313 May 11† I set out how short a distance India was prepared to go to secure a Kashmir settlement. I am sure their attitude now is as I described it then and doubt



that even at height of Chinese onslaught any Cabinet member thought in terms of concessions to Pakistan in Kashmir. (Although India denuded Punjab of troops the three divisions plus facing the Pakistanis in Kashmir stayed put.) That the Indians will never give more is, in my view, a fact of life which must be accepted whether or not repeat not it is palatable or even moral in the minds of Westerners (after all who can determine in an issue of this type what is absolute moralist [sic]). Indian intransigence is probably chiefly responsible for this situation, also there is Pakistan's original aggression, and the perpetuation of Hindu consciousness that Muslims subjugated and humiliated them for a thousand years. I think it is time that the West (and USA particularly) stopped taking a moral view of the Kashmir issue which in any event does not repeat not contain the ingredients for a clear cut moral solution even in Western terms. During the Dulles era, India non-alignment was frowned upon on moral grounds. In time, however, the West has learned to live with non-alignment and in the specific case of India and Pakistan, USA while giving arms to Pakistan gave economic aid to India which enabled latter to buy elsewhere the arms (such as Canberra aircraft from UK) needed to maintain parity with Pakistan. This understanding USA attitude has yielded tremendous dividends in this country. But whenever this balance has been upset by, for e.g., Western manoeuvring on Pakistan's behalf in Security Council, USSR has stepped in to take advantage of the situation. It now looks as if they may be successfully going through the same manoeuvre again. If the West would now start looking at the Indian position on Kashmir in the same way as they have for some time looked at India's non-alignment, I think they would be farther ahead in their dealings with India, and not repeat not much farther behind in their dealings with Pakistan. There is nothing that any outside country can do to change the Kashmir situation, and only India and Pakistan can on their own work out a solution. The Pakistanis will never repeat never come to terms with this problem until they are disabused of the idea that the West is consistently on their side and ready to bring pressure on India at their behest. The sort of talk that Sandys had with Ayub in which he referred to the "necessity" of India making "major concessions to Pakistan" is likely only to postpone solution. It is worth noting in this connection that Galbraith's plan for a Kashmir solution has now been fully described in the Indian press and Indians have little reason to believe Western assurances that they plan only to bring India and Pakistan together and have no repeat no intentions of influencing the outcome of the talks.

5. Possibly USA considers that Pakistan's adherence to Western military alliances depends on USA position on Kashmir and that this adherence is more important to long term interests of USA than the less clearly defined development of Indo-USA relations. However, fifteen years of explicit or implicit support for Pakistan position on Kashmir has yielded little dividend and has brought the problem no repeat no closer to solution. At this important stage in the development of Indo-Western relations perhaps it is time to take a more practical approach to a problem which occupies altogether too important a position in the scheme of things.

6. I make this plea not repeat not in the light of the rights or wrongs of the Kashmir case but because of over-riding importance of other matters which are, I think, being seriously threatened at this particular juncture by developments in the limited Kashmir sphere. India occupies a dominant position in the world struggle for democracy as a way of life and a way of government. As far as the rooting and growth of the democratic process in Asian countries is concerned, India is so far ahead that no repeat no other country can compare. The massive concentration of economic aid in India has been based on this fact as was immediate and unqualified Western response to Indian requests for military aid against China. Indian democracy is a precarious thing and its workings can invoke serious criticism both before and since the crisis with China. But the facts are there in the form of free elections, a high degree of democratic parliamentary performance, and the pressure of an expressed public opinion. In

past two months we have witnessed the fall of Krishna Menon in a political situation which could only be duplicated in a Western democracy. We have also seen a genuinely democratic leader himself being seriously threatened by democratic processes involving parliamentary pressures and dissatisfaction within his own political party. Subsequently we have also seen the rallying of a great majority of the population behind the Prime Minister in his determination not to be pressured into concessions to Pakistan. One of the West's main objectives in Asia is to preserve and nurture Indian democracy and to (have?) the use of this nascent force in the fight for democratic survival although there can be no repeat no question of destroying through Western action the link of friendship and sympathy between India and USSR, it would be most unfortunate if on the contrary Western attitude on Kashmir at this critical juncture were to have the effect of forcing India into USSR camp in return for essential military equipment. The other "force" in India today is the Communist Party which, while thrown temporarily into confusion by Chinese aggression, is still in a position to benefit greatly from any spectacular Indo-Soviet rapprochement at the expense of the Western powers.

[CHESTER] RONNING

396.

DEA/6083-40

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

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

TELEGRAM K-2

Ottawa, January 8, 1963

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Delhi Tel 1011 Dec 22.

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

SINO-INDIAN CONFLICT AND KASHMIR

In this message we would like to express appreciation to both missions and to convey our tentative thinking, directed particularly to reference telegram.

2. We find it hard to be sanguine about the prospects for the talks begun in Rawalpindi and soon to resume in Delhi, despite the fact that to the impartial observer it appears that both India and Pakistan can only gain by a settlement on Kashmir which would have to be based on some form of compromise. Certainly there can be no repeat no successful issue if either side adheres to its traditional and extreme position; on one side that the Kashmir problem has been decided and that only minor border rectifications could be contemplated and on the other that Kashmir's destiny can only be determined by a plebiscite over the whole area. Our own, very hesitant conclusion is that there is potentially more give in Pakistan's position than we can detect in that of India. And it may be some time, we would judge, before the intense popular emotion in India subsides sufficiently for the Indian Government to face up squarely to an assessment of the realistic demands of lasting national interest. Pakistan's action in reaching agreement in principle with China, on the eve of the Kashmir talks, on the border between China and those parts of Kashmir for which Pakistan exercises responsibility, will have done little to encourage Indian confidence in Pakistani good faith.

3. Whether or not repeat not the mountain fighting between China and India flares up again in the near future, India must now be aware of the lasting threat of aggression posed by China. This awareness is demonstrated by Indian interest in the long term development of defence forces capable of resisting future Chinese aggression. Even the most elementary calculation of

India's strategic requirements would seem to demand a *détente* with Pakistan: (a) to ensure protection of the flanks presented by West and East Pakistan; (b) to enable India to concentrate its forces economically and effectively against any Chinese attack; and (c) to gain the cooperation or at least the friendly neutrality of Pakistan in case of war with China. Reluctant as the Indian Government may be to accept the necessity of a settlement with Pakistan, the logic of the situation will persist and may in the end be persuasive. Similarly, the Pakistani Government, hard pressed by extremists and dismayed by Western military support for India, does not repeat not at the moment seem willing or able to act on the basis of the realistic assessment that China potentially threatens Pakistan as much as it does India and that therefore a *détente* with India would be fundamentally important for Pakistan's interests and would be well worth some concessions, at least of "principle."

4. It is discouraging at this stage to know that responsible Indians are thinking of Western efforts to urge a Kashmir settlement as "blackmail." Traditionally, Commonwealth countries, the USA and other Western countries have seen the Kashmir dispute as providing a dangerous source of tension and as undermining or weakening plans for the economic development of the sub-continent. Now an expensive programme of military assistance to India has been undertaken by the West, foremost the USA. It is stark realism for Western governments to estimate that their parliaments and taxpayers will not repeat not be long content to provide funds, material and energy to building up Indian defence against China if India does not repeat not show itself deadly serious in this effort by drastically reducing forces confronting Pakistan and by a businesslike approach to gaining a well disposed neighbour in the sub-continent out of strategic and political necessity. It would be unhelpful and unfriendly not repeat not to acquaint the Indian Government with these predictable reactions which ought to be considered not repeat not as a threat but as a realistic forecast.

5. With the foregoing in mind we are not repeat not sure we quite understand comments in paragraph 4 of reference telegram about the role of morality or moralism in the present attitude of the West, particularly the USA, towards the Kashmir dispute. For the USA and others, our own view would be that pretty hard-headed political, strategic and fiscal considerations determine attitudes towards the dispute between India and Pakistan. The USA has taken a calculated risk in its relations with Pakistan by sending military equipment on a large scale to India but it would hope to reduce the risks. And the West cannot repeat not be content with a situation of hostility between two non-communist nations threatened actually or potentially by Communist China which hamstringing an effective concentration of military effort towards the Northeast. We think that the West is not repeat not thinking in terms of a "moral solution" in Kashmir but simply of a workable solution which will permit two friendly countries to organize their defence (and economic) policies in a way calculated not repeat not to impose unnecessary political and financial strains on Western countries.

6. We were very interested in the comments on recently developing Indian attitudes towards the USSR. We would agree that the Soviet Union will be quick to take political and propaganda advantage of any Indian resentment towards what they consider Western pressures but we think it is highly improbable that the USSR would in fact be willing to do more than follow through with the agreement made before the Chinese attack to provide some MiGs and an aircraft factory. It seems a most unlikely proposition that Russia is prepared to destroy its relationship with Communist China, no matter what strains it may have undergone, by replacing the USA as chief supplier to India's defence forces against China. If Indians seriously consider that the USSR is an alternative to the USA in the task of reorganizing and re-equipping the Indian army, we fancy they are in for early and sharp disillusionment.

7. We too have been thinking in terms of a solution as expressed in first sentence of paragraph 4 of reference telegram, though you might agree that some modifications weighted

in Pakistan's favour of demarcation line could be envisaged. If both parties accepted such a solution each would be conceding its general position. The approach to such a settlement would no repeat no doubt be through the laborious repetition of familiar arguments. One wonders, however, whether Pakistan has not repeat not long since discounted any expectation of a general plebiscite or that there is any remaining meaning, even to the Indians, in "vacating aggression." If all these formulas, after their inevitable restatement, could be forgotten, both sides would surely gain heavily by some such settlement.

8. It may be that some time will have to pass before emotional attitudes in India and Pakistan will permit really sensible negotiation on Kashmir. In the meantime we can only hope that discussions or the framework for discussions will be maintained and that outside countries friendly to both India and Pakistan will continue, prudently but persistently, to recommend the fruits which a settlement would yield.

[N.A.] ROBERTSON

397.

PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], February 8, 1963

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Secretary of State for External Affairs (Mr. Green),  
The Minister of Justice (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 Public Works (Mr. Fulton),  
The Minister of Finance (Mr. Nowlan),  
The Postmaster General (Mrs. Fairclough),  
The Minister of Labour (Mr. Starr),  
The Minister of National Health and Welfare (Mr. Monteith),  
The Minister of Agriculture (Mr. Hamilton),  
The Minister of Defence Production (Mr. O'Hurley),  
The Associate Minister of National Defence (Mr. Sévigny),  
The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
The Secretary of State (Mr. Halpenny),  
The Minister of Mines and Technical Surveys (Mr. Martineau),  
The Minister of Citizenship and Immigration (Mr. Bell),  
The Minister without Portfolio (Senator McCutcheon).  
The Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

...

CANADIAN PARTICIPATION IN U.S. COMMONWEALTH  
PLAN FOR MILITARY ASSISTANCE TO INDIA

15. *The Secretary of State for External Affairs* said that Canada should inform the United Kingdom, the United States, Australia and New Zealand of its willingness to become a participant in the Nassau plan for aid to India, subject to a clear understanding that Canada is not committed to a specific share of the \$120 million programme and other reservations.

An explanatory memorandum had been circulated (Minister's memorandum, Jan. 23 – Cab. Doc. 37/63†).

16. *During the discussion* it was said,

(a) Reference to the Nassau Plan should take note of the Prime Minister's statement at Nassau that Canada would be a participant in the plan.<sup>50</sup>

(b) Canada had already supplied, or undertaken to supply, aid to India in the form of Dakota and Otter aircraft, winter clothing and nickel. We should continue to participate with others in providing aid to India.

17. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs,

(a) that Canada inform Britain, and also the United States, Australia and New Zealand, of its willingness to participate in the U.S.-Commonwealth Plan for military assistance to India, subject to the following reservations:

(i) Canada does not consider itself committed to taking a specified "share" of the \$120 million programme, although Canada would expect to make a contribution commensurate with that of other Commonwealth contributors and appropriate to Canada's size and resources;

(ii) Canadian participation would be subject to further consultations with the other contributors especially with a view to agreed valuation procedure for items supplied from surplus military stores;

(iii) in as much as Canada has already met, or proposes to meet, various Indian requests received before the advent of the Nassau plan, the government would expect the cost of meeting these requests to count towards the fulfilment of any specific "share" which Canada might later decide to assume; and

(b) agreed that note was to be taken, in references to the Nassau Plan, of the Prime Minister's statement at Nassau that Canada was a participant in the plan.

...

SUBDIVISION II/SUB-SECTION II

RÉACTEURS NUCLÉAIRES  
NUCLEAR REACTORS

398.

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-591

Ottawa, March 14, 1962

CONFIDENTIAL. PRIORITY.

Repeat for Information: Trade and Commerce, London, Vienna, Washington.

<sup>50</sup> Voir/ See "PM Discloses West Aid Plan, Causes Unease," *Globe and Mail*, December 28, 1962, p. 3.

## ATOMIC COOPERATION: SAFEGUARDS ON CIR FUEL

Since the Canada-India reactor has now been operating for some time, fuel elements will soon be withdrawn containing plutonium produced from the Canadian fuel elements. We have given some consideration to the best method of implementing the safeguards provisions of the CIR fuel agreement which specify that India will agree to a joint audit (both physical and record audit) "if Canada so requests through AECL." We understand that Dr. Bhabha insisted on naming AECL because he wished to keep any transactions at the technical rather than the intergovernmental level.

2. In general, we consider the Atomic Energy Control Board the most appropriate organ to administer our bilateral controls including those in the CIR fuel agreement. It seems however that though the first audit will merely involve a physical check on the whereabouts of the Canadian fuel rods, later when they are withdrawn and the plutonium extracted, an officer would need to be permanently in India to keep track. (The alternative of returning the irradiated rods to Canada is not regarded as desirable.)

3. In view of these circumstances, and also of the sensitivity of the Indian Government about safeguards, we have decided that the first approach about CIR should be made by AECL, which should make every effort to avoid giving the impression that we are requesting an audit because we suspect that there may be something wrong. The letter from Mr. J.L. Gray to Dr. Bhabha† being sent to you by bag, which is at present for your own information only, represents this first informal approach. Our ultimate objective will be to establish a permanent scientific liaison officer in India (probably someone from AECL) who would report through External Affairs to the Atomic Energy Control Board on the safeguards aspects of his work with regard to the CIR and any other Canadian cooperative projects in India.

399.

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 583

New Delhi, August 21, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris (OpImmediate) from Ottawa.  
By Bag Vienna from London.

## NUCLEAR POWER STATION FOR INDIA

On motion of Prime Minister Nehru acting in his capacity as Minister in Charge Department Atomic Energy, Lok Sabha yesterday passed Atomic Energy Bill Repealing Act of 1948 and giving Government wider powers especially to develop "national policy" for atomic power generation and its coordination with other power sources. Replying to debate for Prime Minister, Law Minister Sen announced intention to establish 200 megawatts nuclear power station near Rana Pratap Sagar. Further information on legislation will follow by letter.

2. In evening Bhabha told me Government approval had been given to proceed with Rana Pratap Sagar nuclear power station as well as Tarapur during third plan period. He said his intention was to construct CANDU type plant at site near Rana Pratap which had been surveyed by AECL team last summer. He said it was hoped that Canadian Government would agree to assist project not repeat not only in design and technically but also in external financing.

3. Bhabha said external financing would have to be outside Colombo Plan contribution. I reminded Bhabha that Canada was passing through period of financial austerity and said I could not repeat not encourage any optimism. I pointed out that Iddikki had been proposed as next major project to be phased into Colombo Plan during present year but had not repeat not yet been accepted by Canadian Government and suggested Bhabha might discuss substation with Finance Minister Desai with whom he had appointment immediately after our talk. Bhabha indicated he had no repeat no expectation that another power project would be dropped to make room for nuclear station.

4. From Bhabha's remarks and fact that he had yet to see Desai I concluded that he had succeeded in persuading Prime Minister of merits of second nuclear power project now and securing promise that Rana Pratap Sagar would be provided if Bhabha could find external financing outside funds already pledged to Third Plan. Bhabha was at his most persuasive and made great play with prestige Canada would gain by participation in one of first international nuclear power projects. He asserted that French and Americans were contesting hotly over Tarapur and implied we were fortunate to have clear chance at Rana Pratap. Bhabha said that upon his return to Bombay today he would send Gray further information on scheme.

5. Bhabha referred to estimates for external costs at Rana Pratap site and assumed I was familiar with AECL's report and estimates. I did not repeat not wish to admit that one year after AECL's survey we had still no repeat no notion of team's findings. Bhabha's round figures gave impression that dollar costs had been calculated by AECL at around thirty million but it was not repeat not clear whether this covered only the nuclear component or included generating equipment also. Once again I must repeat that our discussions on atomic energy with Indian officials would be greatly assisted if we received reports from Canadian sources giving salient points of any projects being considered for possible joint development.

[ARTHUR] CAMPBELL

400.

PCO

*Note du président, Comité de la recherche scientifique  
et industrielle du Conseil privé,  
pour le Cabinet*

*Memorandum from Chairman, Committee of the Privy Council  
on Scientific and Industrial Research,  
to Cabinet*

CABINET DOCUMENT NO. 283-62

[Ottawa], September 5, 1962

CONFIDENTIAL

ATOMIC ENERGY OF CANADA LIMITED ENCOURAGEMENT OF EXPORTS  
OF CANADIAN NUCLEAR POWER STATIONS

In recent months AECL has encountered growing interest by other countries in the possible adoption of Canadian-designed nuclear power stations in their own national programs. Many of these countries will find it difficult or impossible to purchase any nuclear power station without financial assistance such as long-term loans. The purpose of this Memorandum is to point out the benefits that could accrue to Canadian industry and to Canadian export trade as a result of an initial installation of a Canadian nuclear power plant in India.

*Background*

2. In a Memorandum to the Cabinet of March 22, 1961, it was pointed out that the type of nuclear power station pioneered by AECL was likely to be suitable for application in the electric power systems of many other countries because of two especially attractive features:

- (a) it will produce electricity at relatively low cost, and
- (b) it uses an exceptionally simple fuel cycle.

3. The cost of electricity from a fairly large station using a CANDU reactor (like the one now being built at Douglas Point, Ontario) is expected, in many areas, to be competitive with medium-cost conventional fuels, especially if the capital charge rate is low. If conventional fuel costs are high, then even a small nuclear station may be competitive. Examples of both of these situations will be given below.

4. Some countries have been reluctant to buy the early types of atomic power station already being offered for sale by the U.S., the U.K. and France because of the complicated fuel cycle involved. With a British or French natural uranium Calder Hall type reactor, the used fuel cannot be simply stored as waste material but must, for economic and technical reasons, be returned to a chemical processing plant for treatment involving many problems, including the construction of significant capital facilities. With an American enriched reactor, not only must the used fuel be reprocessed but the new fuel is available from only a single source, the U.S. The Canadian design avoids both of these problems: natural uranium fuel is widely available on the world market and the used fuel has yielded sufficient energy that it may be considered as a waste product. This spent fuel is in such a form that it can be stored cheaply and safely without special treatment.

5. Purchasers of atomic power stations will only consider stations that have been built and proved in operation. Now that the NPD reactor at Rolphton, Ontario, has started operation and as experience is gained over the next year there are certain to be an increasing number of serious inquiries from abroad that could well lead to major export sales of Canadian-manufactured equipment and Canadian uranium. It was in anticipation of this interest that Cabinet approval was requested and granted in March, 1961, for a commercial policy under which AECL could charge licence fees and royalties to non-Canadian agencies or commercial companies for use of the Canadian nuclear power station design. Negotiations are already under way with authorities in the United Kingdom as a result of their interest in using the Canadian design, and it is hoped that an agreement will shortly be presented to Cabinet for approval.

6. It seems clear, however, that the most effective single stimulus for sales of Canadian nuclear power stations will be the first actual installation of such a station abroad. Not only would this increase the chances of further units in the same country (perhaps on a straight commercial basis) but knowledge that a purchaser in one country has seen fit to order a Canadian design would be bound to influence decisions in other countries. The most immediate and promising prospect for the initial Canadian unit is India. India is recognized amongst the under-developed countries as a leader in atomic energy developments with Dr. H.J. Bhabha the recognized scientific expert from such countries. World attention in the atomic energy field is also focussed on India by virtue of the international competition that has arisen as a result of an invitation to submit firm price bids for a contract to build a nuclear power station at Tarapur. At the time bids were invited for Tarapur, Canadian firms were unable to do more than submit an informal proposal as a result of which India is expected to accept either a U.S. or a French tender despite their stated preference for the Canadian design.

7. However, India's favourable view of the Canadian design led to a joint study carried out in 1961 by AECL and the Indian Atomic Energy Commission. The results of the study are such that a 200-megawatt nuclear power station of a design almost identical to the Douglas Point



Station has been found to suit Indian conditions extremely well. The total cost of such a station is estimated at \$70 million, of which about \$30 million would be spent in Canada. The Government of India has announced its intention "to proceed with a CANDU type power station at Rana Pratap Sagar, provided foreign exchange can be found outside the normal assistance given annually by Canada to India." The above quote is from a cable received by J.L. Gray (AECL) from Dr. H.J. Bhabha, Chairman of the Indian Atomic Energy Commission, dated August 21, 1962.†

8. Another promising prospect, though less immediate, is Pakistan. According to surveys by two separate groups of independent foreign consultants, a small-to-medium-sized nuclear power station could fill a serious need for electricity in the Karachi area of Pakistan where conventional fuel costs are high. AECL is arranging for a study to be carried out, starting in October, by a small joint Canadian-Pakistan group of engineers to assess the applicability of a larger version of NPD to this situation. If the study is favourable, it is hoped that Canadian General Electric Company will be able to offer Pakistan a complete 80-megawatt station on a straight commercial basis for about \$40 million. About half of this amount would be supplied from Canadian sources.

9. Both Argentina and Israel have recently approached AECL informally to request joint studies similar to those mentioned above, and there is interest also from Spain and Finland in the Canadian system. Efforts are being made by AECL to promote the Canadian nuclear power design in Japan as well.

10. There is thus the clear possibility of generating export sales from Canadian industry to the extent of several tens of millions of dollars in the near future, plus a further several million dollars per year if Canadian uranium is used as fuel in these stations. In the opinion of AECL, the chances of such sales would be greatly enhanced by a successful initial installation in India, where world attention is now focussed so sharply.

11. It is therefore recommended that:

- (a) approval in principle be given for the use of Canadian long-term loan funds to encourage the sale of Canadian-designed nuclear power stations abroad, such loans to cover the cost of Canadian-supplied equipment, materials and consultation;
- (b) a sum of \$30 million additional loan funds be made available to the Government of India for the proposed Indian nuclear power station modelled after the Douglas Point Station;
- (c) the Department of External Affairs, assisted as required by Atomic Energy of Canada Limited and other government departments, initiate discussions with the Government of India to negotiate agreed terms on the supply of a nuclear power station and the uranium to fuel it.

GORDON CHURCHILL

401.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], September 6, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (Mr. Fleming),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),

The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 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 Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

PROPOSED ENCOURAGEMENT OF EXPORTS OF  
 CANADIAN NUCLEAR POWER STATIONS

41. *Mr. Churchill, as Chairman of the Privy Council Committee on Scientific and Industrial Research*, said that consideration should be given to the policy on the encouragement of exports of Canadian nuclear power stations. Mr. Nehru might raise this question during his forthcoming visit to London, and Canada should not miss its chance to sell such a station to India.

An explanatory memorandum had been circulated (Minister's memorandum, Sept. 5 – Cab. Doc. 283-62).

42. *During the brief discussion* some said that general approval should not be given at this time for the use of Canadian long-term loan funds for such transactions, but that authority should be given for the undertaking of negotiations with India.

43. *The Cabinet* agreed,

(a) that the Department of External Affairs, assisted as required by Atomic Energy of Canada Limited and other government departments, should initiate discussions with the government of India to negotiate agreed terms on the supply of a Canadian nuclear power station to that country and for the supply of uranium to fuel it; and,

(b) that approval should not be given at this time to proposals,

(i) that long-term loan funds be made available for the encouragement of the sale of Canadian-designed nuclear power stations abroad; or,

(ii) that a sum of \$30 million be made available as a loan to the government of India for the proposed Indian nuclear power station.

...

402.

DEA/14003-J-2-3-40

*Note de la Direction économique*  
*Memorandum by Economic Division*

CONFIDENTIAL

[Ottawa], December 14, 1962

PROPOSED CANDU REACTOR FOR INDIA:  
SUMMARY OF PRESENT POSITION

*Status of Negotiations*

The Cabinet on September 6 agreed as follows:

(a) that the Department of External Affairs, assisted as required by Atomic Energy of Canada Limited and other government departments, should initiate discussions with the Government of India to negotiate agreed terms on the supply of a Canadian nuclear power station to that country and for the supply of uranium to fuel it; and,

(b) that approval should not be given at this time to proposals –

(i) that long-term loan funds be made available for the encouragement of the sale of Canadian-designed nuclear power stations abroad; or,

(ii) that a sum of \$30 million be made available as a loan to the Government of India for the proposed Indian nuclear power station.

2. In early November, when Mr. J.L. Gray was in India, discussions in which Mr. Ronning, Mr. Arthur Campbell and Mr. G.A. Newman participated were held with Dr. Bhabha, Chairman of the Indian Atomic Energy Commission; Mr. Desai, the Minister of Finance; Mr. L.K. Jha, Secretary of the Economic Affairs Branch of the Indian Government; and later with Mr. S.S. Kehra, Secretary to the Cabinet. During the discussions the Minister of Finance stated that the Indian Cabinet had decided to give the CANDU project priority in the Fourth Plan, which begins April 1966. Mr. Gray stated that AECL would probably not be able to undertake the project unless it were to begin early in 1963. The target for a final decision is the end of 1962 or, at the latest, April 1, 1963. In this connection, it should be borne in mind that there will probably be a meeting of the Indian Consortium sometime in April.

*Summary of Financial Considerations*

3. The cost of building a CANDU reactor at Rana Pratap Sagar has been estimated at \$70 million, exclusive of interest during construction. In addition, the cost of a first fuel charge installed would be about \$4 million. Of this \$70 million, something in the neighbourhood of \$30 million or less would require external financing. The cost of the turbo-generators, which might be obtained from Canada or Britain or possibly manufactured in India, is not included in this \$30 million estimate, nor is the cost of the heavy water. Both of these costs are, however, included in the overall estimate of \$70 million.

4. About half of this external financing of \$30 million, i.e., something between \$15 million and \$20 million, would have to be made available before the beginning of the Fourth Plan in April 1966. Indian officials have stated that foreign exchange financing for CANDU would have to be “over and above the present (or ‘normal’) aid to India programme.” At the present time, commitments through the Consortium for the two fiscal years, April 1961-April 1963, total about \$2,365,000,000, of which Canada has committed \$61 million (\$25 million being a special credit through the Export Credits Insurance Corporation and \$36 million grants under the Colombo Plan). It is not entirely clear whether, in speaking of the present or normal aid to India programme, the Indian authorities have in mind the total of all aid offered through the Consortium, or the total of Canadian aid so offered, or merely our Colombo Plan grants.

Moreover, in whatever way they define the aid to India programme, it is also unclear whether they mean simply that the \$30 million for CANDU must be additional to commitments for 1961-63 or whether they assume a continued flow of aid at the present level after 1963 and consider that the \$30 million should be over and above it. This is obviously a point which we should clarify as soon as possible.

5. The principal considerations to be taken into account appear to be:

(a) whether the CANDU project should be financed by grants under the Colombo Plan, by credits through the Export Credits Insurance Corporation mechanism or possibly by a combination of these;

(b) whether, if it were decided to continue Canadian aid to India at about the present level, financing for the CANDU project should be incorporated or should be regarded as additional (entirely or partly);

(c) whether we are prepared to begin the CANDU financing in 1963, with or without a final decision on (b);

(d) whether Canada should devote such a large share of its total aid to India to a single project, especially one which the Consortium may or may not consider deserves a high priority in the Fourth Five-Year Plan;

(e) what other financing arrangements might have to be made for the fuel and the turbo-generators;

(f) how and when we might wish to make known to the Consortium our intention of financing the CANDU project and whether we should seek advance assurances from the other members that this financing would be counted to our credit with the Consortium.

### *Safeguards*

6. Dr. Bhabha has stated that India is prepared to accept a CIR type of arrangement which in effect means safeguards on the Canadian fuel (not on the reactor) carried out through agreed joint inspections and audits. There is a further provision that only Canadian or Indian-produced uranium will be used. It has been suggested that an additional safeguard precaution could be imposed for CANDU by requiring that the reactor maintain the high rate of burn-up for which it is designed. The plutonium then produced would be Pu 240 and not Pu 239 (the material now used in atomic bombs). India is building an extraction plant which would presumably process the fuel from CANDU as well as Tarapur.

7. Dr. G.C. Laurence, when he was recently in Washington, was allowed to see the draft agreement on the Tarapur reactor which the United States intends to propose to India. He got the impression that it is almost certain the United States will require bilateral and not IAEA safeguards. Under the agreement, the United States would have the right to account for *all fuel* from whatever source going into the reactor, to maintain this accounting system in the processing plant and also in any reactors in which the reprocessed fuel is being used. This is, of course, equivalent to saying that there would be safeguards on the reactor. The United States Atomic Energy Commission estimates that four or five inspectors would have to be permanently stationed out in India to carry out the above programme if the fuel were processed in an Indian plant. Dr. Laurence also asked the United States Atomic Energy Commission whether, in their view, a bomb using the plutonium taken from the fuel which had been subjected to a very high burn-up in a Canadian type reactor would be so inefficient that we could dispense with safeguards. The answer to this question is highly classified and they could not give it. It would be open to us to seek to find out through defence channels, though Dr. Laurence himself doubts whether we should be successful in doing so.

8. The Tarapur reactor and the CANDU are not altogether on the same footing. The United States reactor will be a package deal and the only source of the enriched uranium fuel is, at

least at present, the United States. Thus the Indians could accept the United States terms, in effect imposing safeguards on the reactor, without losing too much face. CANDU, on the other hand, will be very largely built by the Indians themselves with the help of Canadian designs and know-how out of components most of which, though imported, would not be specific to nuclear energy. Moreover, the Indians can supply at least part of the natural uranium for the fuel elements from domestic resources and eventually could probably also manufacture the elements in India, provided they could get the necessary zircaloy. Dr. Bhabha has therefore consistently maintained that India will not accept safeguards on the reactor but only on the Canadian fuel. Mr. J.L. Gray has indicated to him on a personal basis that he sees some force in the Indian arguments.

9. So far as Canada is concerned, there are broadly three objectives to be sought in taking a decision on safeguards for an Indian CANDU. That is to say, the solution we hope to find should be consistent with and reinforce our general policy of supporting all practical steps towards peace and disarmament; it should be of a nature not to create any undue difficulties in our relations with the United States, either in the atomic energy field or in general; and, within the framework of these requirements, it should give due encouragement to the Canadian nuclear and uranium industries in their search for export outlets.

10. The following are some of the considerations that have to be taken into account:

(a) United States officials have repeatedly stressed in their talks with us that nuclear safeguards are essentially a delaying action, intended to postpone the acquisition of nuclear weapons by countries not now possessing them, but in no sense a permanent or even complete prohibition. There are widely different estimates of the length of time that India could be prevented by safeguards from making its own bomb. Some United States Atomic Energy Commission officials consider that the kind of safeguards they have in mind could delay an Indian bomb by 10-15 years. Dr. G.C. Laurence considers this an overestimate and suggests that a delay of four or five years is more likely if India were really determined to make the bomb. Even if India had to build a reactor entirely by itself, he thinks that the delay would probably not exceed seven to eight years. These estimates are of course very tentative and subject to modification by political events, since a strong and continuing threat from China might lead the Indian Government to inaugurate or expedite plans to make an atomic bomb.

(b) the period of grace may seem short, but if we are to be consistent with Canadian policy on general disarmament questions, we should probably argue that any delay that can reasonably be achieved is worth gaining. Moreover, the control system developed could make a small but useful contribution to the general disarmament machinery. We could also argue that as long as India does not have the means to make the atomic bomb now, political events could turn in such a way that the Indian Government would be less, rather than more, likely to aim at acquiring independent nuclear weapons;

(c) our general and specific relations with the United States would undoubtedly suffer if we did not require effective safeguards as a condition of supplying the CANDU reactor. Our example in this case could also put an end to all hope of maintaining a common front among Western suppliers;

(d) on the other hand, there is the argument (which has probably persuaded the United States to propose bilateral rather than IAEA safeguards) that if we propose terms so severe as to drive India to seek help elsewhere (France and the Soviet Union are of course the obvious possibilities), we shall have sacrificed an export opportunity for Canadian industry without any corresponding gain in the field of general policy;

(e) a further consideration is that, owing to the important differences between the Tarapur and CANDU projects, as set out in paragraph 8 above, it is not open to us to require as strict conditions as the United States;

(f) from the straight tactical point of view, however, it is probably advisable to make our initial proposals severe in order to leave room for the bargaining to which Dr. Bhabha and the Indian Government are apt to attach exaggerated importance.

*Recommendations on Safeguards*

(a) *The Reactor*

11. There does not seem to be any real possibility that we could impose safeguards on the reactor as such, since this would in fact amount to requiring safeguards on designs and know-how. Even the United States, which has a much stronger case than we have, appears to have avoided specifically imposing safeguards on the reactor and to have achieved the purpose indirectly by requiring safeguards on all fuel going into it. This requirement could become a significant safeguard measure when France has completed its isotopic diffusion plant and might be in a position to offer enriched fuel to India without safeguards.

(b) *Fuel and Other Components*

12. Since Dr. Bhabha has assured us that India would be prepared to accept safeguards on the fuel, we should probably concentrate on this and set as effective safeguards as possible. For technical reasons alone, the first charge of  $UO_2$  - zircaloy (which would be going into the reactor in 1966-67) would have to be entirely Canadian. We could seek to extend this period by further delaying the introduction of Indian-manufactured elements and limiting their number. We should have a means of enforcing these requirements because the sole source of zirconium for the zircaloy cladding is the United States. Perhaps we might start out with the proposal that the first two fuel charges would have to be entirely Canadian and thus make room for concessions on the above lines. Dr. Bhabha has also agreed in principle to maintain maximum burn-up and to furnish quarterly reports. Even though this may not be the complete answer, it certainly would strongly reinforce our safeguards requirements.

13. India has a small heavy water plant at present capable of producing about 15 tons a year. The CANDU survey (March 1962) noted that if the capacity of the plant were quadrupled at the beginning of the construction period, it would probably be possible to produce all the heavy water required (180 metric tons). At present prices this would save India \$11 million - \$12 million foreign exchange costs. If the plant is not stepped up, it will be necessary to buy about half the charge from abroad. The United States is at present the only other source of heavy water, though it is possible that a plant will soon be built in Canada. The supply of heavy water whether from Canada or the United States might also serve as a lever therefore in getting the safeguards we want, especially if we could offer some price advantage on the Canadian manufactured product.

403.

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 35

New Delhi, January 10, 1963

CONFIDENTIAL. PRIORITY.

Reference: My Tel 823 Nov 7.†

Repeat for Information: Washington, Paris (Priority) from Ottawa.

By Bag Vienna from London.

## CANDU REACTOR FOR INDIA

Final paragraph my reference telegram indicated we should have begun discussion of draft agreement by end of November if AECL was to be able to participate. I reached that conclusion after discussion with Gray regarding future employment of key personnel involved rather than on basis of considerations related to India. As I understood situation, at some stage, which might be quite soon, it would become increasingly difficult to take affirmative decision to provide CANDU reactor because of dispersal of design team.

2. Canadian participation is being taken for granted by Indian authorities and members of press. Editorial in *Hindustan Times* January 5 follows by air and illustrates point. I am therefore most anxious for information on state of consideration of this proposal. Indeed, if Canada is to attain competitive position in extensive future nuclear power market in India I believe early decision is advisable.

3. Regarding safeguards (reference your telegram E-7 January 2†) conversation I had with Bhabha last week gave impression that he considered negotiations with USA would have outcome satisfactory to him. He appeared to think arrangements for Tarapur would show that something like CIR agreement should be acceptable for CANDU type reactor.

[CHESTER] RONNING

404.

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. 26-63

[Ottawa], January 11, 1963

## FINANCING OF THE PROPOSED CANDU REACTOR FOR INDIA AND RELATED ISSUES

1. Cabinet in its decision of September 6, 1962, instructed that discussions be initiated with the Government of India to negotiate agreed terms of supply of a Canadian nuclear power station to that country and for the supply of uranium to fuel it. In this connection preliminary discussions have been held in Ottawa and in New Delhi with Mr. Desai, Indian Minister of Finance, and other Indian officials. On the Canadian side there is general interdepartmental agreement that a transaction with India would be the most effective single stimulus for sales of Canadian nuclear power stations and that Canadian financing of the CANDU Reactor on credit terms up to \$30 million should be given high priority. There is also some urgency from the Canadian point of view to get the project under way in 1963 in order to maintain intact the most highly trained group of nuclear power plant designers in Canada. On the Indian side, they wish to begin construction of a CANDU reactor as soon as possible and would like Canada to provide credit facilities, but there are several hurdles to overcome. These include the fact that the CANDU project has not been included in India's current Five-Year Development Plan, India's reluctance to apply generally acceptable safeguards against diversion of nuclear materials to military use, the need to ensure that India is prepared to undertake to procure in Canada any uranium for the reactor which it cannot supply from its own natural resources and India's initial position that Canadian financing of the reactor must be over and above current financial assistance to India.

2. With reference to the inclusion of the CANDU project in Indian development plans, difficulties would arise if this were not done. Efforts should therefore be made to have India regularize the CANDU project in its development program either by including it in the Third Plan or by seeking Consortium concurrence to it being partially financed prior to the commencement of the Fourth Plan.

#### *Safeguards and Fuel Supply*

3. Preparations are proceeding for negotiations on safeguards. In this connection it is intended that negotiations on safeguards proceed separately but concurrently with those on financing. The question of fuel supply will also be taken up with Indian authorities to get Indian agreement to procure in Canada any uranium for the reactor which cannot be supplied from Indian natural resources. Final agreement on the project will depend on mutually satisfactory arrangements being reached on safeguards and fuel supply. Proposals on safeguards will be brought to Cabinet as soon as possible.

#### *Financing*

4. India appears to have taken an initial position that the CANDU Reactor must be financed over and above Canada's current financial assistance to India. This position must be considered against the background of overall demand for long term financing in India. Apart from Colombo Plan grants, Canada has already made available through the Consortium "special credits" totalling \$25 million in the first two years of the Third Five-Year Plan which has been committed for approved projects. "Special credits" are amounts of Section 21A funds earmarked by the Canadian Government which are committed under the Consortium arrangement to finance the export of Canadian capital equipment and services for Indian economic development. In addition to this, and excluding the CANDU Reactor, Canadian exporters have initiated discussions on projects in India, which could involve substantial amounts of Section 21A financing in the near future. In total these potential claims for long term financing would, if realized, represent a disproportionately high amount of total Section 21A resources of \$300 million. Such a commitment of credit to India over a short period of time is considered to be unrealistic, not only in relation to the distribution of Section 21A resources but also in relation to India's general ability to absorb external debts.

5. Officials of all Departments concerned have concluded that this problem can best be met by planned phasing of the higher priority projects over the next few years, financed by an annual increment in credits as they are committed through the Indian Consortium. In the first two years of the current Plan, Canada has committed "special credits" at the annual rate of \$12.5 million. It is proposed for planning purposes that an annual increment of this amount be continued over the next several years. The regular flow of \$12.5 million credit annually would appear to constitute an appropriate allocation of Section 21A export financing to India. An annual increment of this amount would permit the proposed financing of the CANDU Reactor over the proposed construction period, 1963-1969, and in addition permit the financing during this period of a reasonable number of other capital exports, totalling around \$45 million (not including the \$25 million already committed in 1961-63). The selection and phasing of these additional capital exports would be a matter for mutual agreement between Canada and India.

6. The financing arrangements for CANDU and the other aspects of Canada's long term financing program in India, along the lines outlined above, will require detailed discussions with Indian officials in New Delhi and would warrant sending a small government mission to India. In view of the urgency to get the CANDU reactor project under way early in 1963 it would be desirable for the mission to proceed to India as soon as possible.

7. Canada is also a member of the Consortium on Pakistan's Economic Development Program and has made available "special credits" totalling \$15 million over a two year period



(1961-63). Considerations outlined above in respect of India apply in general to Canada's long term financing program in Pakistan. If Cabinet approves for planning purposes an annual increment in the special credits for India, it would appear appropriate that the same should be done for Pakistan. The comparable annual amount for Pakistan would be \$7.5 million.

8. It is recommended:

(1) That a mission headed by C.L. Read of the Department of Finance, and including V.L. Chapin of the Department of Trade and Commerce and D.C. Taylor of Export Credits Insurance Corporation proceed to India as soon as possible to discuss financing arrangements for the CANDU Reactor and to discuss selection and phasing of other proposals for long term financing. The mission's discussions with Indian authorities will be undertaken in consultation with the Canadian High Commissioner to India and members of his staff as required.

(2) That discussion proceed on the understanding that, subject to satisfactory agreement on safeguards and fuel supply, the Canadian Government would be prepared in principle to finance under Section 21A of the Export Credits Insurance Act the export of Canadian goods and services related to the CANDU Reactor project up to \$30 million, and on the understanding that export credit financing of the CANDU Reactor and other non-military capital exports to India will be based for planning purposes on an annual increment of \$12.5 million in "special credits" committed under Consortium arrangements.

(3) That export credit financing of capital exports to Pakistan be based for planning purposes on an annual increment of \$7.5 million in "special credits" to be committed under Consortium arrangements.<sup>51</sup>

[H.C. GREEN]  
[GEORGE NOWLAN]  
[GEORGE HEES]

405.

DEA/14003-J-2-3-40

*Projet de note du secrétaire d'État aux Affaires extérieures  
pour le Cabinet*

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

SECRET

[Ottawa], February 11, 1963

CANDU REACTOR – SAFEGUARDS

On September 6, 1962, Cabinet agreed that discussions should be started with India to negotiate terms for the supply of a Canadian nuclear power station to that country and for the supply of uranium to fuel it.

2. During discussions with the Indian authorities in November, 1962, it became clear that India was interested in a CANDU reactor and that the project might begin early in 1963. Cabinet has approved that a Canadian mission should visit India to discuss the financial aspects of the project. This mission has already left Ottawa and is due to arrive in India on February 23. It is desirable, therefore, that agreement be reached with India on the question of safeguards as soon as possible. A firm decision would be desirable in April, 1963.

3. India has refused consistently to accept a system of safeguards as established by the International Atomic Energy Agency. It is necessary, therefore, to conclude with India a

<sup>51</sup> Approuvé par le Cabinet le 24 janvier 1963./Approved by Cabinet on January 24, 1963.

bilateral agreement for construction of the reactor which would provide another acceptable system of safeguards.

4. Dr. Bhabha has indicated that India would accept for a CANDU reactor the same conditions agreed upon for the Canada-India Reactor (CIR), i.e., no safeguards on the reactor itself and merely a pledge on the part of India that the reactor, and any products resulting from it, would be used exclusively for peaceful purposes. India also agreed to use only Indian or Canadian natural uranium for fuel and that the Canadian fuel and any plutonium produced therefrom (or an assessed equivalent quantity) would be subject to joint audits, both physical and record, to be made by mutual consent.

5. In the Canadian view, CIR safeguards would not be adequate for a CANDU reactor which is more powerful and has more potential military significance. Also, it appears that even at the very high burn-up for which the CANDU reactor was designed, the produced plutonium could be of a quality sufficient for some military purpose.

6. At a meeting of the Atomic Energy Advisory Panel on January 10, Dr. G.C. Laurence suggested a draft section of the agreement on safeguards which he thought might be acceptable to the Indian authorities. The Panel agreed that this draft should be studied by a working group and then sent to Mr. Ronning in New Delhi for his personal comments. Accordingly, on January 17, the following text was sent to Mr. Ronning:

“The two parties affirm their determination:

(a) to ensure that the said reactor, its equipment, its fuel, its heavy water and all fissionable material produced by it will be used for peaceful purposes only; (b) to discover and reveal any attempt to use them for military purposes or clandestinely to remove them from the territory of India; and (c) to cooperate in their efforts to these ends.

The two parties shall in cooperation carry out whatever inspection is deemed necessary by either, at times proposed by either, of the said reactor, its equipment, its fuel, and all fissionable material produced by it for the purpose only of discovering any use of it that is not for a peaceful purpose, or any removal from the premises of its equipment, its fuel or any fissionable material produced from it without the consent of both parties.

The Government of India affirms that it will not permit the removal of nuclear fuel or fissionable material from the premises of the said reactor without prior approval by both parties of the safeguard measures that would be applied to this fuel or fissionable material during and following its removal, and will not permit this fuel or fissionable material to come into the possession of or under the control of any other government, or the nationals of any other country without the consent of both parties.

The two parties agree that:

(a) Adequate records to assist in ensuring accountability for heavy water, fuel and fissionable material that are on the premises of the said reactor shall be maintained and produced when required by either party;

(b) Reports based on such records shall be made available at the request of either party;

(c) Both parties shall have the right to designate representatives to account for the fuel and fissionable material and to determine that the fuel and fissionable material are being used for peaceful purposes only. Such representatives shall be designated after consultation between the parties and, without being delayed or otherwise impeded in the exercise of their functions, shall be accompanied by the representatives of the other party if the latter so requests. They shall at all times have access to the premises, equipment and facilities of the said reactor and to all data relating thereto and to all persons who by reason of their occupation deal with such fuel or fissionable material or with such data.”

Mr. Ronning replied that in his view it would be most unlikely that the Indian authorities would accept the wording suggested.

7. In a later telegram on February 6,† Mr. Ronning asserted his view that India “will never sign a contract for a CANDU reactor unless we agree to ‘better’ (from the Indian point of view) safeguards than the CIR type.” Mr. Ronning expressed his belief that “unless we can be sufficiently flexible to meet India’s sensitivities on safeguards we would be well advised to drop the whole idea of Canadian participation in a power reactor for India.”

8. It is possible that a solution to the problem might be found in the context of the agreement which the United States hopes to conclude with India on the Tarapur reactor. The latest information from Washington indicates that the United States will endeavour to obtain Indian agreement on Agency safeguards or at least bilateral safeguards no less effective than Agency safeguards. If the Indians accepted either of these alternatives, there would appear to be an opportunity to reach agreement on acceptable safeguards for the CANDU reactor. It is also possible that if India refused to agree to any of the United States requirements and if, as a result, negotiations were terminated, the Indians might be more inclined to accept Canadian requirements if these seemed slightly less demanding than the United States ones.

9. There are, however, two differences between the Tarapur reactor and the CANDU reactor which appear very significant in Indian eyes. The Tarapur reactor will burn enriched uranium which is available, for the present at least, only in the United States; the CANDU reactor will burn natural uranium which is found in many places, including India. Secondly, the Tarapur reactor will be built entirely by the United States; the CANDU reactor will be built largely by the Indians themselves. For these reasons the Indians might feel able to accept United States control of the Tarapur reactor without a damaging loss of prestige, which would probably not be so easy with regard to the CANDU reactor.

10. The Indian authorities appear to attach great importance to the question of sovereign control of the CANDU reactor because it is built partly with Indian labour and technology and will be paid for entirely by Indian funds. In discussing the question of safeguards, it would be desirable, therefore, to make clear to the Indians that we regard the question of safeguards as important because of international considerations and because of the requirements of our own atomic energy legislation and not because of any financial or aid aspects of the transaction. In the circumstances the Panel might well conclude that our High Commissioner should now put Dr. Laurence’s original proposals to the Indian authorities with whatever modifications the Panel may think appropriate.

406.

DEA/14003-J-2-3-40

*Le secrétaire d’État aux Affaires extérieures  
à l’ambassadeur en Autriche*

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

TELEGRAM E-343

Ottawa, February 19, 1963

SECRET. OPIMMEDIATE.

Repeat for Information: Delhi (Priority), London, Washington, Trade and Commerce (Routine).

SAFEGUARDS: CANDU REACTOR

Following for Dr. G.C. Laurence. Advisory Panel on Atomic Energy discussed question of safeguards for Indian CANDU Reactor on February 15 and concluded that ministers probably

would not be in a position to take firm decisions until after general elections April 8. Nevertheless it was decided that you should obtain Dr. Bhabha's reaction to your original proposal on safeguards minus, however, the inclusion of heavy water.

2. Proposal would now read as follows: Begins. The two parties affirm their determination: (a) to ensure that the said reactor, its equipment, its fuel and all fissionable material produced by it will be used for peaceful purposes only; (b) to discover and reveal any attempt to use them for military purposes or clandestinely to remove them from the territory of India; and (c) to cooperate in their efforts to these ends. The two parties shall in cooperation carry out whatever inspection is deemed necessary by either, at times proposed by either, of the said reactor, its equipment, its fuel and all fissionable material produced by it for the purpose only of discovering any use of it that is not, repeat not, for a peaceful purpose, or any removal from the premises of its equipment, its fuel or any fissionable material produced from it without the consent of both parties.

The Government of India affirms that it will not, repeat not, permit the removal of nuclear fuel or fissionable material from the premises of the said reactor without prior approval by both parties of the safeguard measures that would be applied to this fuel or fissionable material during and following its removal, and will not, repeat not, permit this fuel or fissionable material to come into the possession of or under the control of any other government, or the nationals of any other country without the consent of both parties. The two parties agree that: (a) adequate records to assist in ensuring accountability for fuel and fissionable material that are on the premises of the said reactor shall be maintained and produced when required by either party; (b) reports based on such records shall be made available at the request of either party; (c) both parties shall have the right to designate representatives to account for the fuel and fissionable material and to determine that the fuel and fissionable material are being used for peaceful purposes only. Such representatives shall be designated after consultation between the parties and, without being delayed or otherwise impeded in the exercise of their functions, shall be accompanied by the representatives of the other party if the latter so requests. They shall at all times have access to the premises, equipment and facilities of the said reactor and to all data relating thereto and to all persons who by reason of their occupation deal with such fuel or fissionable material or with such data. Ends.

3. You should tell Dr. Bhabha that if the above proposal is not acceptable to India, Canada would be prepared to consider accepting whatever relevant safeguards arrangements are agreed upon with respect to Tarapur reactor if the USA is the supplier. (For your own information only, there is some inclination here to accept for Canada the level of safeguards applied to Tarapur whoever may be the supplier (even France or the USSR). It is argued that if Tarapur were to be supplied under lax safeguards the damage would be done and the provision of a CANDU reactor on similar terms would not make a great deal of difference.)

4. As you are aware our COCOM commitments would require India to guarantee that any nuclear reactors, components thereof and other specified materials received from Canada will not find their way to Communist Bloc countries. India is not a participant in COCOM arrangements and for this reason among others therefore Dr. Bhabha is likely to object specifically to the "removal from the premises" provisions of our draft proposal. For your information, the panel felt that India should not be excepted from the COCOM requirements.

5. In presenting your proposal to Dr. Bhabha, you should make it clear that we regard safeguards on Indian CANDU as unrelated to the manner in which the transaction will be financed. The main reasons for seeking such safeguards are requirements of the Canadian Atomic Energy and Export-Import Control Legislation, the important commitments to our allies regarding strategic controls and general international considerations. You should stress the importance that nations like Canada and India should do everything possible to encourage

the application of nuclear science and technology to peaceful purposes. An agreed formula now between Canada and India could well pave the way for similar agreements among other countries and could make a very significant contribution to the development of nuclear energy for peaceful purposes throughout the world. Indeed, by their cooperation now Canada and India could set an example and could lead the world in this field. Toward this end Canadian officials would be prepared to recommend that Canada reciprocate by making all AECL reactors, including NRU, NPD and Douglas Point, open to inspection by India or IAEA. (For your information, NRU reactor will not be involved in military production after end of this year.) We would hope very much, therefore, that India could join us in a concerted effort to achieve an agreement that would serve as an example to all other countries.

[N.A.] ROBERTSON

407.

DEA/14003-J-2-3-40

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

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

TELEGRAM 37

Vienna, February 25, 1963

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Your Tel E-343 Feb 19.

Repeat for Information: London, AECL, AECB, Washington, Delhi, Trade and Commerce Ottawa from Ottawa.

#### INDIA-CANDU REACTOR SAFEGUARDS

Last Friday I gave Bhabha a text which I described as unofficial and which attempted to state what I believed might be safeguard terms that would be acceptable to Canadian Government on India-CANDU Reactor as basis for discussion. This text was practically identical with that contained in your reference telegram except for addition of following paragraph at end. The two parties agree that "(d) when safeguard provisions that are applicable to the said reactor have been established by the IAEA, arrangements shall be made with IAEA for the application of the said safeguard provisions to the said reactor and the fuel and fissionable materials that are on its premises, whereupon the said provisions shall replace the safeguard provisions specified in this agreement."

2. Today I had a very friendly conversation with Bhabha. He reiterated his former argument regarding the philosophy and temporary effectiveness of any safeguards. I put the problem in the perspective recommended at end of your reference telegram.

3. Bhabha told me for Canadian ears only that in negotiating with Americans, he had indicated that India might accept agency safeguards on Tarapur if USA maintained a similar position on all projects in which USA gives substantial assistance to other nations. This was a reference to American contracts with Euratom group where USA has been content with much less.

4. India particularly dislikes agency safeguards because it might result in inspection by nationals of unfriendly countries.<sup>52</sup> I expressed feeling that there was very little margin for

<sup>52</sup> Note marginale :/Marginal note:  
Pakistan? [Auteur inconnu/Author unknown]

change in Canadian Government's position on most of safeguards provisions described in text which I gave him. However I told him I thought we might be prepared to give further consideration to the possibility of making provision at end of text which I quoted above permissive instead of mandatory.

5. I felt at end of conversation that no repeat no doors had been closed. Bhabha said that he is visiting USA shortly and could visit Canada thereby revealing apparently a desire to keep discussion open.

[G.C.] LAURENCE

408.

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 TC-240

New Delhi, March 1, 1963

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Finance (Plumptre), Trade and Commerce (Roberts), ECIC (Aitken), Atomic Energy of Canada Limited (Gray), Bank of Canada (Watts) Ottawa from Ottawa.

FROM (3 GROUPS MISSING) MISSION TO INDIA

Following courtesy call on Minister of Finance Desai, mission completed discussions today with L.K. Jha, Secretary, Economic Affairs Department and K.S. Sundara Rajan, Joint Secretary, Ministry of Finance. Following is the text of an agreed minute concerning the financing of a 200 MW CANDU type nuclear power station and other projects, signed by Head of Finance Mission and Sundara Rajan: "Canadian and Indian officials meeting in Delhi on February 25-28, to discuss long term Canadian government financing of the CANDU power station and other projects have agreed as follows:

(1) Canadian goods and services for the CANDU project up to \$30 million will be financed under section 21A of the Canadian Export Credits Insurance Act within an annual allocation of \$12.5 million in special credits which the Canadian government is prepared to undertake to make available under Consortium arrangements over the estimated six year construction period of the project beginning in 1963-64.

Indian officials advised that the latest estimate of foreign exchange cost in Canadian dollars, including the transfer to Canadian supply of turbine generators and auxiliaries and one half initial fuel costs, amounts to \$36.9 million. A copy of this estimate is attached.† It was agreed that planning should proceed on the assumption that if the turbine generators and auxiliaries and one half the fuel supply are transferred to Canadian supply, full consideration would be given to financing the estimated additional foreign exchange costs of the CANDU project from the above annual allocation of special credits.

(2) Views will be exchanged between the two governments prior to the Consortium meeting in 1963 on whether, in the context of the above understanding, the full amount of the credit commitment in respect of the CANDU project should be declared by Canada as a Consortium commitment for 1963-64, or declared annually in accordance with estimated disbursements as part of the annual allocation of Canadian credits of \$12.5 million.

(3) The Canadian credit in respect of the CANDU project will bear interest at the rate of six percent per annum, with a minimum grace period of five years and an overall term of twenty years from the date of contract.

(4) An overall agreement and contract on the CANDU reactor will be subject to mutually acceptable arrangements on safeguards, design, organization and other aspects to be discussed between the appropriate Canadian authorities and the Indian Atomic Energy Commission.

(5) Canadian officials asked for confirmation that uranium fuel for the CANDU nuclear power station which is not repeat not supplied from Indian indigenous natural resources, will be procured from Canada, subject to competitive prices, quality and delivery. The Indian officials were inclined to view this request with favour, but indicated that a final answer could only be given after consulting the Chairman of the Indian Atomic Energy Commission who is presently away from India. Canadian High Commission in India will be advised by Indian authorities of the final decision as soon as possible.

(6) Indian and Canadian authorities agree that the CANDU project should be given top priority in the use of Canadian special credits. Indian authorities confirmed that the CANDU power project was being given high priority in the Third Plan.

(7) Every effort will be made to reach early agreement on the order of priority and the time phasing of other projects to be financed from the balance of funds to be made available under the special credits. Indian officials have requested that consideration be given to the following new projects for such financing:

Estimated foreign exchange cost (1) Hindustan aluminium thermal power plant \$14-16 million; (2) Kotah hydroelectric project (subject to international tendering) \$ 8 million; (5) Copper mining equipment (Indian Copper Corporation) \$4 million.

(8) In respect of the special credit of \$25 million covering the first two years of the Third Five Year Plan, it was agreed that expeditious action should be taken with regard to the following projects:

(1) Rana Pratap Sagar hydro electric project \$8 million; (2) Indaluco \$1 million; (3) Cominco Binani zinc smelter \$1.6 million; (4) Wind tunnel (National Aeronautical Laboratory) \$4 million; (5) Diesel locomotives \$4.9 million; (6) Paper mill \$5.5 million. Total \$25 million.

Read and Chapin returning to Ottawa and Taylor proceeding to Dacca and Japan in accordance with original itinerary.

Mission appreciates having been kept informed on developments concerning Iraq.

409.

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 334

New Delhi, March 26, 1963

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Your Tel to Vienna E-343 Feb 19 and Vienna Tel 37 Feb 25.

Repeat for Information: London, Washington, Paris, Trade and Commerce Ottawa from Ottawa.

By Bag Vienna from London.

## INDIA-CANDU REACTOR SAFEGUARDS

I had lengthy discussion yesterday with H. Bhabha and Cabinet Secretary S.S. Khera on safeguards. Khera had participated in financial agreement of Rana Pratap Sagar CANDU type nuclear power station. He is also familiar with safeguards problems and with safeguards negotiations on Tarapur.

2. I said that since financial agreement had now been reached on Rana Pratap Sagar I hoped that Bhabha would be more flexible on safeguards than he had indicated in Vienna to Laurence so that we could reach decision on project without further delay. Bhabha replied that position outlined in Canadian instructions to Laurence were unacceptable to India and whole project might have to be dropped unless Canada could be more flexible. He still hoped we could reach agreement similar to CIR. I said this was impossible in present circumstances and asked about progress he was making with USA on Tarapur, adding that agreement with USA could be a model for an agreement on Rana Pratap Sagar. Bhabha then repeated all old arguments based on contention that two projects were different in financial responsibility and also in type of fuel to be used. I said we did not repeat not agree that these differences had relation to safeguard requirements. Bhabha said that Americans understood difference and he would consider letting me have wording of clause in proposed Tarapur draft which would indicate relationship of these factors to safeguards.

3. I asked him if proposed Tarapur draft provided for agency inspection. He replied that India was prepared to consider acceptance of agency inspection after completion of project if during that time agency inspection was provided for in agreements reached between USA and any other country in joint development of nuclear power projects.

4. When I asked what should be next step in our negotiations Bhabha suggested that Gray should come to India. I suggested it would be preferable for Bhabha to go to Ottawa. Bhabha then said that if Canadian authorities agree he and Khera would come to Ottawa about mid-April to finalize an agreement on safeguards for Rana Pratap Sagar. They would not repeat not like to come merely for another round of discussions but would be prepared to conclude an agreement within course of four or five days. Khera would draw up a draft agreement along lines acceptable to India which he will give me within course of next few days for onward transmission to you so that you may study it before negotiations in Ottawa if you agree that Bhabha and Khera should come to finalize agreement on safeguards. You may also wish to prepare draft agreement.

5. You have recent general views on safeguards problem in my telegrams 94 January 24<sup>†</sup> and 141 February 6.<sup>†</sup> I shall comment further when Khera gives me draft. Meantime I should observe that Bhabha appears to have reached point of turning elsewhere if Canadian position remains rigid. Whether we agree or not repeat not I think we must accept unpalatable fact that since in final analysis Indians will pay for project and will use unenriched fuel they will insist on less favourable (from our point of view) safeguard provisions than for Tarapur.

6. You may wish to send draft agreement here for study prior to Bhabha's departure for Ottawa. If two drafts are not repeat not too far apart we could possibly narrow gap and finalize agreement here making trip to Ottawa unnecessary.

7. May I have your comments as soon as possible?

[CHESTER] RONNING



SECTION C  
PAKISTAN

SUBDIVISION I/SUB-SECTION I

VISITE À OTTAWA DU PRÉSIDENT DU PAKISTAN,  
21 AU 24 SEPTEMBRE 1962  
VISIT TO OTTAWA OF PRESIDENT OF PAKISTAN,  
SEPTEMBER 21-24, 1962

410.

DEA/12850-P-2-2-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures, pour le sous-secrétaire d'État suppléant aux Affaires extérieures, le sous-secrétaire d'État adjoint aux Affaires extérieures, et la Direction du Commonwealth*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs, to Deputy Under-Secretary of State for External Affairs, Assistant Under-Secretary of State for External Affairs, and Commonwealth Division*

SECRET

[Ottawa], July 31, 1962

POSSIBLE VISIT TO CANADA BY PRESIDENT AYUB OF PAKISTAN

After reading Telegram No. 255 of July 27 from Karachi,† the Prime Minister sent the following Memorandum to the Minister:

“I visited in Pakistan four days or so after he became President and we have had the most friendly relations at all times since.

“If he desires to visit here, whatever the difficulties may be, I feel that he should be welcomed.

“Before the invitation is extended, however, I think you should get in touch with the Governor-General as he (and rightly so) wants to be consulted as State Visits fall primarily under him.”

The Minister wishes a telegram to Karachi implementing the Prime Minister's instructions to be prepared.

M.N. B[ow]

411.

DEA/12850-P-2-2-40

*Note du chef du Protocole  
pour la direction du Commonwealth  
Memorandum from Chief of Protocol  
to Commonwealth Division*

SECRET

[Ottawa], September 28, 1962

THE PRIME MINISTER'S CONVERSATION WITH PRESIDENT AYUB,  
FRIDAY, SEPTEMBER 21

You might like to have a note of what was said when the President of Pakistan called on the Prime Minister last Friday.

2. After an exchange of courtesies the Prime Minister asked the President whether there were any points he wished to raise. President Ayub said there were three. He stated them factually and without polemic.

(1) He hoped for Canadian support at the January Consortium meeting in Washington.<sup>53</sup>

(2) He asked for Canadian support when the World Bank is considering the financial arrangements for financing the Indus basin replacement costs. He said the increase in cost was not the fault of Pakistan. On the other hand Pakistani agriculture depended on irrigation. His Government would therefore agree to any sacrifices that the World Bank wanted. He mentioned a reduction in industrial loans by \$104 million and a reduction by one half of the \$160 million item provided as a counter to inflation. The President said that the total cost would be \$1700 million over ten years. It was important to have the work completed in that period "because after ten years India would take the water away."

(3) Pakistan was having difficulty in completing the arrangements for the desired purchase of commercial aircraft in Canada because of the seven-year limit on aircraft loans under which the Export Credit Insurance Corporation operates. The President wondered whether this difficulty could be circumvented by either

(a) a \$12 million loan without specifying the purpose, or

(b) a loan for two periods of seven years.

The Prime Minister speculated on what might be done and said this would have to be studied since he would not like to propose an arrangement to circumvent the regulation.

3. The conversation then turned to more general topics, the President thanking the Prime Minister for all the assistance Pakistan has received from Canada and the Prime Minister mentioning Canadian pride in the Warsak dam. Mr. Diefenbaker described Pakistan as an Asian bastion of the free world.

4. The President took this up and described the problems his Government faces in developing the country. He said the development programme is under great pressure because everyone expects more quickly. Moreover the people do deserve better conditions and one must remember that they are "surrounded" by Communists.

5. The President mentioned that his country had accepted one loan from the U.S.S.R. of \$25 million for oil exploration. In reply to the Prime Minister's question the President said he thought that the Soviet Union made this loan because it wanted to soften the attitude of Pakistan and to gain some influence in the country. He said that the Russians are suspicious and worried [about] CENTO "although it has no military life in it." The Russians are still trying to gain influence in the country and hence Pakistan needs more assistance from its friends "although (I know) Canada has its own problems."

6. The President then referred bluntly to Nehru's hostility to Pakistan which he said "bedevils the situation." The Prime Minister recalled the strong feelings on the Kashmir question which he had encountered when he visited India and asked if these were in any way diminishing. The President did not think so and went on to say that it has not dawned on Nehru that the pressure of communism in the sub-continent will grow and that the Indian and Pakistani armies should not face inwards towards each other but outwards.

<sup>53</sup> Les réunions du Consortium pour le Pakistan ont eu lieu les 28 et 29 mars à Paris, ainsi que les 2 et 3 mai à Washington.

The Pakistan Consortium meetings took place on March 28-29 in Paris and on May 2-3 in Washington. Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XIX (Washington: United States Government Printing Office, 1996), documents 282, 287.

7. In reply to another question from the Prime Minister the President mentioned the great pressure of the 2.3% annual population increase in Pakistan and referred again to the two main problems in agricultural development – water logging and salinity.

8. In closing the conversation the Prime Minister said that the attitude of the Canadian Government is to do everything it can to help Pakistan. He stressed that this is a definite policy not merely an expression of goodwill.

HENRY F. DAVIS

SECTION D

GHANA ET NIGÉRIA  
GHANA AND NIGERIA

SUBDIVISION I/SUB-SECTION I

AIDE À LA FORMATION MILITAIRE  
AU GHANA ET AU NIGÉRIA  
MILITARY TRAINING ASSISTANCE TO GHANA AND NIGERIA

412.

DEA/11384-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. CANADIAN EYES ONLY.

[Ottawa], April 10, 1962

AID TO NIGERIAN ARMED FORCES – AIR FORCE

Attached is a copy of telegram 1280 of April 9, 1962, from London,† in which Mr. Drew suggests that we may wish to reconsider our previous decision against the provision of assistance to the Nigerian Air Force. As you will see Mr. Drew's attitude is based on the following considerations:

(a) Nigeria is much the most powerful and at the same time the most hopeful of the emerging African members of the Commonwealth;

(b) Great Britain and the members of the Common Market have recognized the necessity of providing assistance to the amount of £550,000,000 to English and French-speaking countries of Africa in the next five years in order to safeguard Western positions in the area; at the same time Nigeria does not wish for obvious political reasons to accept substantial military assistance direct from these countries;

(c) The Nigerians are keen to receive this assistance from a country like Canada; if they cannot receive it from that source however there is a real possibility that they will turn to the U.S.S.R. in spite of their strong anti-communist sentiments.

In order to reduce the strain on our highly-trained military personnel, Mr. Drew suggests therefore that we consider the possibility of recruiting instructors from the pool of retired or retiring RCAF personnel.

You will recall that the possibility of providing assistance in setting up the Nigeria Air Force was first raised last September during the visit to Canada of the Nigerian Minister of Defence, the Honourable Muhammadu Ribadu. From his interviews with the Minister of

National Defence and high officials of that Department, Mr. Ribadu clearly drew the impression that Canada would be prepared to consider assistance to his country in that field. When the general subject of military assistance to Nigeria was considered by the Cabinet Defence Committee on January 31, however, we had not yet received any formal request for assistance to the Nigerian Air Force, although the Canadian High Commissioner in Lagos had informed us that such a request was forthcoming. No decision was therefore taken by the Committee concerning assistance to the Air Force in Nigeria; on the other hand, the Committee agreed to the training of Nigerian air cadets in Canada, and the sending of two Army and six Navy instructors.

In February and March the Nigerian authorities officially indicated that they wished a single country to take on the task of establishing, organizing and training the first elements of their Air Force; they also indicated to the Canadian High Commissioner that, although the request for such help had been addressed to several other countries (now reduced to Great Britain and India) they would be pleased if Canada were prepared to accept the responsibility. There seems little likelihood that India would be able to provide this assistance, while Nigerian Ministers may see some political disadvantages in obtaining assistance in this vital field of defence from their former colonial power.

While in Geneva I approved the text of a letter from the Under-Secretary of State for External Affairs to the Minister of National Defence† bringing the Nigerian request to his attention and asking that it be given favourable consideration. The letter pointed out that Nigeria was an increasingly important African country of the Commonwealth and that it would be most unfortunate if the Nigerians were to gain the impression that we would be less willing to assist them than the Ghanaians. It was also stressed that assistance to the Nigerian Air Force would bolster the prospect of Nigerian purchases of Canadian aircraft. Mr. Harkness replied however that his officials had reached the conclusion that in order to perform this task efficiently fifty officers and one hundred men would be required and that such an undertaking would involve a commitment considerably beyond the scale of assistance which could be envisaged. He pointed out that the costs of our programmes in Ghana and of the offers already made to Nigeria (including the high cost air cadet training for Nigerians in Canada) would each amount to approximately \$250,000 annually. In view of the position taken by Mr. Harkness, our High Commissioner in Lagos was asked to inform the Nigerians that it would not be possible for us to provide the assistance to the Nigerian Air Force.

I consider however that Mr. Drew's appeal deserves full consideration. I believe that in addition to the points which he raised in his telegram, a number of reasons would militate in favour of providing as much assistance as we possibly can to the setting up of a Nigerian Air Force:

(a) Although the Cabinet Defence Committee has already agreed to provide substantial military assistance to Nigeria, the Nigerian authorities have made it clear that they are more interested in assistance in building up their Air Force than in any other schemes;

(b) We have agreed to despatch a military training team of up to thirty Canadian officers to Ghana;<sup>54</sup> although the Nigerian cadet training scheme in Canada would no doubt be comparable to the Ghanaian programme in terms of cost and efforts, the presence of a Canadian team in their country would be more tangible for the Nigerians and would bring us more favourable acknowledgement for our efforts and expenses. The Nigerians are apt to resent our refusal to provide instructors to their country when Canadian instructors are serving in neighbouring Ghana even if the total amount of military assistance to Nigeria is equal;

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<sup>54</sup> Voir/See Volume 28, document 582.

(c) When the Cabinet agreed on June 1st, 1961, to provide military assistance to Commonwealth countries, one of the conditions specified in the memorandum approved by the Cabinet was that “first consideration in meeting such requests would be given to the provision of Canadian military instructors to the forces of the country seeking assistance”,<sup>55</sup>

(d) Even if it does not prove possible to recruit from the pool of retired or retiring RCAF officers all the instructors for this task, we may be able to set up an efficient training team by drawing from the active and the retired list simultaneously.<sup>56</sup>

You will note that on London’s request a copy of Mr. Drew’s telegram was referred directly to the Minister of National Defence. If you agree that the request for assistance in establishing the Nigerian Air Force should be re-examined, you may wish to indicate your views directly to Mr. Harkness.<sup>57</sup>

H.C. G[REEN]

413.

DEA/11384-B-40

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

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

SECRET

[Ottawa], April 27, 1962

AID TO NIGERIAN ARMED FORCES – AIR FORCE

As you will recall, on receipt of telegram 1280 of April 9 from Mr. Drew, you raised the question of Canadian assistance to the Nigerian Air Force with the Prime Minister in a memo dated April 10 and suggested that this matter again be taken up with Mr. Harkness. The Prime Minister agreed.

2. In a letter to Mr. Harkness dated April 16, † you again reviewed the arguments in favour of Canadian assistance to the Nigerian Air Force. You directed Mr. Harkness’ attention to the points raised by Mr. Drew in his telegram, you expressed support for the idea of extending aid to the Nigerian Air Force and you said that you hoped Mr. Harkness would have another look at the way Canadian military assistance might be extended most effectively to Nigeria.

3. In his reply of April 24, † Mr. Harkness said that, due to the size of the commitment and its political implications, the Department of National Defence could not undertake the proposed assistance to the Nigerian Air Force. In the second paragraph of his letter Mr. Harkness said that the Nigerians have not yet replied to the offers in other fields which we already have extended. This is not quite the case as the Nigerians have expressed interest and asked for more information about our offers. Nor have the Nigerians refused our offer of a Commandant and Director of Studies for their military academy. Our offer was made on the condition that Britain did not offer to supply these officers; since then the British have made such an offer.

<sup>55</sup> Voir/See Cabinet Conclusions, June 1, 1961, PCO.

<sup>56</sup> Note marginale :Marginal note:

P.M. thought Mr. Harkness had said this was not possible. H.B. R[obinson]

<sup>57</sup> Note marginale :/Marginal note:

P.M. agrees that this be taken up again with Minister of National Defence in the light of the reports from London and Lagos. P.M. did not imply that he would indicate his views directly to Mr. Harkness. H.B. R[obinson] 13/4/62

4. Even before Mr. Drew's intervention, we had more or less reconciled ourselves to Mr. Harkness' decision in this matter, i.e. that assistance in establishing an air force was beyond the scope of aid which the Department of National Defence was prepared to contemplate for Nigeria. Indeed, this reply already been conveyed by our High Commissioner. As a result there seems to be no alternative but to accept Mr. Harkness' position.

5. Enclosed for your signature if you agree, is a telegram to Lagos† informing our High Commissioner, Mr. Carter, of this decision<sup>58</sup> and letters† to Mr. Drew and Mr. Carter telling them of your letter to Mr. Harkness<sup>59</sup> and enclosing copies of Mr. Harkness' reply.<sup>60</sup>

N.A. R[OBERTSON]

414.

DEA/12304-40

*Note du sous-secrétaire d'État aux Affaires extérieures  
pour le président du Comité des chefs d'état-major*

*Memorandum from Under-Secretary of State for External Affairs  
to Chairman, Chiefs of Staff*

RESTRICTED

[Ottawa], May 2, 1962

Attached is a copy of telegram 161 of April 25, 1962 from the Canadian High Commissioner in Accra, transmitting a request from the Ghanaian authorities to train selected officers and other ranks of the Ghanaian Army in Canada.

2. You will recall that we raised this subject with you in our letter of March 23, 1962.† As we mentioned in that letter, it is natural for Ghanaian officers who have undergone military training under Canadian instructors to think in terms of the further military training courses that may be given in Canada. Furthermore, we know that the Soviet Bloc is anxious to train Ghanaian officers in their own countries and it would be useful if we could assist in providing training facilities in a Western area. As Mr. Williams has pointed out, the training of the Ghanaian Armed Forces is mostly being done by Commonwealth countries.

3. We would be grateful, therefore, if you would consider this request in conjunction with the one referred to in our letter of March 23, with a view to finding out how many vacancies in Canadian defense training establishments could be made available to Ghanaian military personnel. You may wish to consult the Military Adviser in Accra concerning the particular fields in which Canada would best be suited to provide training assistance in Canada.

4. You will note that the Ghanaian authorities would be grateful to receive an early indication of your reaction.

A. DE W. MATHEWSON  
for Under-Secretary of State  
for External Affairs

<sup>58</sup> Note marginale :/Marginal note:

Tel. DL-765 dated Apr. 28. Signed by SSEA 27/4. Sent 28/4/62 12:00 hours. [Ross Campbell]

<sup>59</sup> Note marginale :/Marginal note:

Not signed. [Ross Campbell]

<sup>60</sup> Note marginale :/Marginal note:

SSEA has no objection to our repeating the gist of Mr. Harkness' reply but does not want a copy of [a] Ministerial letter sent abroad.

[PIÈCE JOINTE/ENCLOSURE]

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

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

TELEGRAM 161

Accra, April 25, 1962

RESTRICTED. PRIORITY.

Reference: Our Tel 72 Mar 3.†

Repeat for Information: CCOS Ottawa from Ottawa.

## TECHNICAL ASSISTANCE – MILITARY TRAINING

Ghana Ministry of Defence has requested that arrangements be made for the training of selected officer and other ranks of Ghana army in Canada. Vacancies are needed for technical and other training in armour (including reconnaissance), field engineering, infantry, signals, supplies and transport, electrical and mechanical engineering, ordnance services and provost. Certain other courses may be useful. When asked about numbers envisaged, Ministry of Defence stated that this would depend on the vacancies available. In other words they need all the vacancies they can get.

2. It is our opinion that this request should be examined as part of our technical assistance programme in military training in Ghana or an extension of it. At the present time Britain, Pakistan and India have accepted or have agreed to accept students from Ghana army at their various military schools and both Britain and Pakistan are contributing personnel in Ghana to assist in the training of Ghana armed forces. Viewed on a Commonwealth basis there is good argument that [we] should accept students from Ghana army on courses in Canada if at all possible.

3. As the Ministry of Defence is anxious to complete plans for the overseas training of selected personnel from the army as quickly as possible, early indication of your initial reaction to this request would be most useful.

[B.M.] WILLIAMS

415.

DEA/10282-A-3-40

*Note du chef de la 1<sup>ère</sup> Direction de liaison avec la Défense  
pour la direction de l'Afrique et du Moyen-Orient*

*Memorandum from Head, Defence Liaison (1) Division,  
to African and Middle Eastern Division*

CONFIDENTIAL

[Ottawa], May 25, 1962

## TRAINING IN CANADA OF GHANAIAN MILITARY PERSONNEL

You will have noted the circulation copy of the attached telegram 201 of May 19 from Accra,† concerning a Ghanaian request for places on Canadian Army and RCAF courses. We have not been made aware yet of National Defence's reactions to this request, but we suspect that they will balk at its size. We hope, however, that they would agree eventually to providing a number of vacancies to the Ghanaians. Before approaching officially the Chairman, Chiefs of Staff, however, we would appreciate receiving your comments on the relative importance

which should be given to Ghana versus Nigeria as receivers of Canadian military training assistance.

2. As you know, Canada has agreed to despatch a training team of not more than 30 persons to Ghana. We have also agreed to train a number of Nigerian cadets in Canada and to assist Nigeria in some other less important ways. In a letter to Mr. Green, dated March 30, 1962, the Minister of National Defence estimated that the cost of our programmes in Ghana and of the offers already made to Nigeria would each amount to approximately \$250,000. Since that time however, the Canadian offer to provide a Commandant and a Director of Studies to the proposed Nigerian Military Academy has been cancelled because a similar offer had been made by the British. Canada subsequently declined an important Nigerian request to assist in the training of the Nigerian Air Force. The question arises therefore whether by agreeing to the current Ghanaian request we would not expose ourselves to raising feelings among the Nigerians that we are more forthcoming to Ghanaian requests.

3. On a more general plan, we are somewhat concerned by the possibility that if we continue to provide military assistance to these two countries only or primarily in the light of our ability to meet each particular request, the outcome might be that the balance which will be achieved will bear little relation to the political considerations involved. This could have important implications in view of the natural rivalry between these two Commonwealth members. We should like to know therefore which of the following courses you would recommend in the allocation of Canadian military training assistance to Ghana and Nigeria:

(a) To give priority to Nigeria, as the most important of the two and the one which follows a more moderate foreign policy.

(b) To give priority to Ghana as the country which is more tempted by Soviet blandishments and therefore the more in need of Western assistance as a counterpoise to Soviet offers.

(c) To strive to maintain an equal balance in provision of military assistance.

4. Any other comments you may wish to offer would be welcome.

A.R. MENZIES

416.

DEA/12304-40

*Note du chef de la direction de l'Afrique et du Moyen-Orient  
pour la 1<sup>ère</sup> Direction de liaison avec la Défense*

*Memorandum from Head, African and Middle Eastern Division,  
to Defence Liaison (1) Division*

CONFIDENTIAL

[Ottawa], June 20, 1962

TRAINING IN CANADA OF GHANAIAN MILITARY PERSONNEL

I apologize for not having replied sooner to your memorandum of May 25 concerning the allocation of military training assistance between Ghana and Nigeria.

2. We agree with Commonwealth Division that it would be the wisest course to try to maintain an equal balance between the two countries in the provision of Canadian military assistance.

3. The programme for Ghana has been important in providing a very welcome alternative in Ghanaian eyes to British military assistance and in demonstrating the practical usefulness of the Commonwealth association. It has been helpful to Western interests in preventing Ghana from becoming entirely dependent on the Soviet bloc for such aid. As you know, there is



considerable rivalry between Ghana and Nigeria for influence in Africa and if we were to give marked preference to Nigeria this would destroy the good effects which our military assistance to Ghana has produced so far.

4. On the other hand, the Nigerians, who have been following a pro-Western foreign policy, will be resentful if they find that we are giving greater military training assistance to Ghana, apparently because of our fear that the latter might turn to the Soviet bloc for help. The Nigerians might also reason that, as a more populous and potentially a more important African country, they deserve at least equal treatment with Ghana. They might also claim that their economic need for outside help is greater than Ghana's.

5. We appreciate the reasons given in Accra's telegram 201 of May 19 for considering favourably the Ghanaian request for training places in the Army and Air Force in Canada and hope that the Department of National Defence will be able to respond to some extent. At the same time we would have to be prepared to give similar assistance to Nigeria if asked in order to maintain a reasonable balance.

6. If granting the request for training places to Ghana would produce a large imbalance in relation to the military aid given to Nigeria, this would be a valid reason for refusing the Ghanaian request. If, on the other hand, it would be possible to answer the Ghanaian request and at the same time to provide some assistance for the Nigerian Air Force, if this project is still alive, this might be the most desirable solution.

R.E. COLLINS

417.

DEA/11384-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], June 21, 1962

MILITARY TRAINING ASSISTANCE TO NIGERIA

Since Nigeria achieved independence, Canada has received a large number of requests for the provision of military training assistance to that country. These proposals were considered in a general way during the visit to Canada in September 1961 of the Honourable Muhammadu Ribadu, the Nigerian Minister of Defence. From his interviews with the Minister of National Defence and high officials of that Department, Mr. Ribadu apparently drew the impression that Canada would be prepared to provide substantial assistance in that field. Nigerian requests however were rather vague and it was only toward the end of January 1962 that specific proposals could be considered by the Canadian Government. Since then we have indicated that we would be prepared to try to meet a number of these requests. The Department of National Defence has stated however that because of the size of the proposed commitment they could not assume responsibility for the training of the Nigerian Air Force, although this appeared to be the request to which the Nigerians attached greatest importance. Moreover, those requests which we have indicated we would be prepared to try to meet have yet to be implemented because of minor administrative problems which remain to be resolved. The Nigerians therefore may well be disappointed with the present state of our military assistance programme

to their country and Mr. Wachuku may refer to this matter during his conversations in Ottawa.<sup>61</sup>

2. The Canadian Government has agreed to accept a total of 32 cadets from Nigeria (6 navy, 10 army and 10 air force) for training in Canadian defence establishments. This Nigerians have asked various questions concerning the academic background required for candidates, the apportionment of expenses between Canada and Nigeria and the conditions of service. We have provided the information requested on the air cadet training schemes. The Department of National Defence is still considering the other two. It is to be noted that the Nigerians have not stated formally that they wished to take advantage of the Canadian offer, although they have expressed great interest. However, they have asked whether we would be able to provide training facilities for ratings of the Royal Nigerian Navy; this request is under consideration also.

3. The Canadian Government has also agreed to the provision of up to 6 naval officers for employment in administrative staff and training appointments at Nigerian naval shore establishments. Following a Nigerian request you signed a memorandum to the Cabinet† a few days ago suggesting that the Canadian naval officers be authorized to serve on board Nigerian ships in certain circumstances.

4. A Canadian offer to provide a Commandant and a Director of Studies for the proposed new Nigerian Military Academy was made subject to information being obtained that Great Britain did not also plan to meet the same request for assistance. The proposal was dropped when we learned that the British had in fact agreed to provide the directing staff at the Academy.

5. In February and March 1962, the Nigerian authorities officially indicated that they wish a single country to take on the task of establishing, organizing and training the first elements of their Air Force; they also indicated to the Canadian High Commissioner that, although the request for such help had been addressed to other countries, they would be pleased if Canada were prepared to accept the responsibility. You will recall that the Minister of National Defence informed us that such an undertaking would involve a commitment considerably beyond the scale of assistance which could be envisaged. In view of this, our High Commissioner in Lagos was instructed to inform the Nigerians that it would not be possible to provide assistance to the Nigerian Air Force. Mr. Drew asked from London whether this decision could be reconsidered in view of Nigeria's increasing importance in Commonwealth and African affairs. The decision was confirmed however after further consultation with the Minister of National Defence.

6. In a recent telegram (No. 171 of June 13†) the High Commissioner in Nigeria has reviewed our military assistance programme to that country. He pointed out that our funds would provide a greater impact if restricted to a particular field in which we would be particularly well equipped to help. He suggested therefore that we should consider the possibility of concentrating our efforts either on the Nigerian Air Force or on their Navy. He proposed that we should consider the possibility of acting in conjunction with the RAF or the Royal Navy.

7. In your letters to Mr. Harkness on this subject you have stressed repeatedly that it would be useful to have in Nigeria a service officer who could assess the military requirements on the spot and would submit concrete proposals as to the best way of assisting the Nigerians. You have also pointed out that the air training scheme in Nigeria seemed to provide a promising field for Canadian assistance in view of our considerable experience in air training and the

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<sup>61</sup> Les 22 et 23 juin, Ottawa a accueilli le ministre nigérian des Affaires étrangères, M. Jaja Wachuku. Ottawa received a visit from Nigerian Foreign Minister Jaja Wachuku on June 22 and 23.

possibility of thus promoting indirectly the sale of Canadian aircraft to that country. Mr. Harkness replied however that he feared that the despatch of an officer to Nigeria would encourage the Nigerians to expect to receive more help than we could actually provide. Under the circumstances, Nigerian requests for military assistance have been considered on a piecemeal basis; we have agreed to those requests which National Defence considered that they were in a good position to meet. It is therefore difficult to determine whether the best use has been made of the funds that might be available for military training assistance to Nigeria and Mr. Carter's suggestions are worth careful consideration. We are informed that the Department of National Defence is studying them. Meanwhile, we have some reservations concerning the advisability of assisting the Nigerian Air Force or Navy in conjunction with the RAF or the RN as suggested by Mr. Carter. There would be some obvious danger in tying up too closely the Canadian to the British military assistance in an African country and last fall you informed our missions in Accra and London that you would not agree to a similar proposal concerning Ghana.

8. As Mr. Carter has pointed out, Nigerian feelings in regard to military training assistance are sharpened by the existence of a Canadian Armed Forces Training Team in neighbouring Ghana. The relations between the two African countries are strained and Nigerians are apt to resent our providing assistance to Dr. Nkrumah in a form which is more easily noticed by the local population. The basic reason why a training team has been sent to Ghana rather than Nigeria is that the Ghanaians requested this military assistance earlier. It may be worth pointing out to Mr. Wachuku that Canadian military training personnel and finances are limited. The cost of sending 6 naval officers to Nigeria and training 32 cadets in Canada would be about equal to the cost of our 30 officer military training mission to Ghana – each about \$250,000. We should like the Nigerians to either accept or reject our responses to their requests. If they are not accepted any new requests would have to be considered in the light of Canadian capabilities and further delay in initiating a programme of cooperation would inevitably result.

G[EOERGE] I[GNATIEFF]  
for Under-Secretary of State  
for External Affairs

418.

DEA/11384-B-40

*Le haut-commissariat au Nigeria  
au secrétaire d'État aux Affaires extérieures*

*High Commission in Nigeria  
to Secretary of State for External Affairs*

TELEGRAM 186

Lagos, July 11, 1962

PRIORITY FROM LONDON.

Reference: Our Tels 171 Jun 13 and 179 Jul 4.†

Repeat for Information: London.

AID TO NIGERIAN ARMED FORCES

In view of my recent conversations [on] this matter with his permanent secretaries, Alhaji Ribadu, Defence Minister, asked me to call yesterday and the main results were to confirm what we reported in our telegram 179.

2. However the Minister went even farther in giving assurances of Nigeria assuming costs of the officers and men that we might spare from our regular force plus recruits from our reserve.

He assured me that not repeat not only did Nigeria expect to pay all the men's customary scales of allowances but also their base pay and their transportation costs from Canada and furthermore a hardship allowance adequate to compensate for adjustment to life here with different climate and fewer amenities, which could be negotiated later, plus more frequent vacations than in Canada. (It occurs to me that from a disciplinary viewpoint this financial willingness of Nigeria to assume all these costs might prove too generous and we might well reserve for our account some share of their pay in order to improve our disciplinary control over them but we would be under absolutely no repeat no pressure to do so by Nigeria.)

3. The above was discussed with reference only to Nigeria's previous request to us for the necessary personnel for setting up Air Force training establishments here. Although no repeat no other service arm was mentioned by Minister, who incidentally apologized for not repeat not being more explicit in his notes to us on an Air Force training group, it is now clear that Nigerians wish help in the form of skills and prefer to pay for all (or most of) the cost of such men rather than accept financial help for their armed forces. This would affect similarly the six naval officers requested whose detailed qualifications were transmitted our letter 324 June 30. †

4. Minister confirmed Indian officers arriving for Air Force survey, mentioning fourteenth, nevertheless stated he would be grateful for any future Canadian examination of his Air Force training needs, especially since he might well fail to reach agreement with India. He did not repeat not mention any restriction that might result from the present Indian examination of the subject; accordingly I stated that if Ottawa should later decide to offer to examine the project it would be understood that we would not repeat not wish to enter the situation while Indians were actively engaged in it. Minister then brought up possible difficulty finding all the necessary men in Canada which Air Force once estimated at fifty officers and one hundred ORs and which was given as main problem by Defence Department last April when considering Minister's original request. He now enquires whether a joint Canadian-Indian training group would be feasible since he suspects same problem with Indians, and I answered merely that I would pass on to Ottawa this enquiry. I then asked whether the Minister had any present intention of referring the project to British if agreement with India should prove impossible and he replied definitely negative even though he repeated that government strongly prefers a Commonwealth link, adding "You Canadians have always seemed to us the best people for this job." Incidentally Minister has been Acting Prime Minister for the past month during absence in the North of Prime Minister.

5. In view of above matters pending and because no repeat no Air Force cadets likely to be ready for training in Canada until well into next year we are holding your DL-161 May 15 † for subsequent transmission to Nigerians since it would have more impact as part of a larger Air Force proposal than standing by itself.

[H.W.?] RICHARDSON

419.

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 DL-128

Ottawa, January 25, 1963

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 499 Dec 31/62.†

Repeat for Information: London (Routine), CCOS, DM/DND.

By Bag Lagos.

## TRAINING OF MILITARY PERSONNEL IN CANADA

You may inform appropriate Ghanaian authorities that Canada is prepared to consider request for training in three courses outlined in your reference telegram but that additional information is required before military personnel can be accepted. Details of information required by bag.

2. We would envisage financial conditions as follows: Canada would be prepared to pay for operational costs, rations and accommodation, miscellaneous equipment and travel within Canada. Ghanaian Government would be responsible for pays and allowances and travel to and from Canada. We would propose to conclude eventually formal agreement incorporating cost sharing arrangements and other problems such as jurisdiction, claims, etc.

## SECTION E

JAMAÏQUE

JAMAICA

## SUBDIVISION I/SUB-SECTION I

FORMATION POUR LES DIPLOMATES JAMAÏCAINS  
TRAINING FOR JAMAICAN DIPLOMATS

420.

DEA/10824-P-2-40

*Le sous-secrétaire d'État aux Affaires extérieures  
au commissaire aux Antilles*

*Under-Secretary of State for External Affairs  
to Commissioner to West Indies*

LETTER NO. K-88

Ottawa, May 3, 1962

UNCLASSIFIED

Reference: Mr. John Holmes' Visit in April 1962.

## PROPOSED CANADIAN ASSISTANCE FOR JAMAICA'S FOREIGN SERVICE

As you no doubt know, last month Mr. John Holmes who was formerly an Assistant Under-Secretary in the Department and now is President of the Canadian Institute of International Affairs lectured in Jamaica for eight days taking part in a "crash programme" which that

island's Government organized as training for members of its civil service who will be forming the core of its foreign service personnel. On his return from Kingston, Mr. Holmes wrote a realistic and constructive letter† to the Department suggesting specific ways in which we could help the Jamaican Foreign Ministry. The Under-Secretary has said we should follow up all the suggestions made by Mr. Holmes.

2. We realize, of course, that a number of the suggestions Mr. Holmes made were illustrative of the types of help we might offer the Jamaicans who according to Mr. Holmes "are desperate for guidance and would be most grateful for anything you could do." While in Jamaica, Mr. Holmes was very careful to avoid any commitments and was also very careful to make it clear that he in no way represented the Canadian Government; nevertheless the Jamaicans pressed him to find out what further help they might get from us.

3. Mr. Holmes has told us that the fifteen civil servants who took part in the lectures he gave were all university graduates, all with very high standing and a good deal of sophistication politically and socially. Mr. Holmes also mentioned that among their potential diplomats and civil servants generally there was a very considerable group of graduates from McGill and Toronto whose orientation was strongly Canadian. Among the interesting comments John Holmes made is that "the Jamaicans see their role in the world as that of a country which does not label itself neutralist or uncommitted but which uses its independence and its small but rather well-hinged role for useful purposes. Here again they like the Canadian model. They are a little concerned that Busta might, in one of his florid speeches, commit them to an alignment which they think it would be wise to approach cautiously at this stage. The seriousness with which they take Ottawa is to be shown by the fact that they have already arranged for office space for a High Commissioner's office."

4. Mr. Holmes made a number of constructive suggestions concerning the specific areas in which we might offer the Jamaicans some help. Among these suggestions are:

(1) Having one of our senior officers, preferably the Canadian Ambassador to Cuba, chat with some of their people about Cuba. Mr. Holmes told us that the Jamaicans do not like Castro and are worried about Cuba but they would much rather follow the Canadian policy of pursuing correct relations with that country than the U.S. policy of treating Castro as a pariah.

(2) Having one or two Jamaican officials who will eventually hold senior responsible positions in their Ministry come to Ottawa for attachment, possibly of three weeks' or a month's duration, to our Department's administrative divisions (Personnel, Administrative Services, Finance, Supplies and Properties). It is possible that one or both of these Jamaicans might wish to spend some of their time in Ottawa with one or more of our functional divisions (Consular, Information, Inspection Service, Legal, Protocol).

(3) Having one Jamaican official who will eventually hold a senior responsible position in the United Nations Division of their Ministry come to Ottawa for attachment possibly of a week or more to our United Nations Division followed by an attachment of a week or two to our Permanent Mission at United Nations headquarters in New York.

5. We are now in the process of making tentative arrangements for the above three kinds of assistance to the Jamaican foreign service and will be writing you again in a few days' time with proposals for helping the soon-to-be-independent country. We are sending a copy of this letter, and will also send a copy of our follow up letter, to the Trade Commissioner in Jamaica. It may be that your forthcoming trip to Jamaica (our telegram K-72 of May 3†) will be an opportune time for you to discuss these matters with Jamaicans. Incidentally, the person with whom you should go over our offers of assistance is the Hon. Egerton Richardson, C.M.G., Financial Secretary, who knows much of the background of this letter. However, should it happen that the timing of your Jamaican visit makes it inconvenient for you to discuss these

matters with Mr. Richardson (who according to Mr. Holmes is “the Bob Bryce of Kingston and a very pleasant and able man”) then we would ask you to write to Mr. Blake requesting him to follow up this matter with Mr. Richardson.

L.A.D. STEPHENS  
for Under-Secretary of State for External Affairs

P.S. You will realize that while we have sent this letter by airmail, with no classification, in order to ensure early delivery to you in Port of Spain, a number of John Holmes’ comments noted above are of a sensitive nature and we know that you will treat them accordingly.

421.

DEA/10824-P-2-40

*Le délégué commercial en Jamaïque  
au secrétaire en chef de la Jamaïque*

*Trade Commissioner in Jamaica  
to Chief Secretary of Jamaica*

Kingston, May 24, 1962

Dear Mr. Lindo,

TRAINING JAMAICAN DIPLOMATS

After signing the attached letter for Guy Smith, a document came in from Canada stating that it would be useful if you were sending an officer to visit the Canadian United Nations Division in New York, that he be there at the time of the resumed Sixteenth Session of the General Assembly which opens in New York on June 7th, and will continue for a few weeks, possibly until the end of June.

It is pointed out that your officer would benefit far more by going to New York during the resumed Session in June than by going in July when there are few U.N. meetings and when many of the people he could usefully meet would be away on holiday.

The Canadian delegation in New York would be pleased to give whatever assistance they can through discussions with him and by showing him the General Assembly in motion. Then your officer could continue on to Ottawa for a period of a week or so with the Canadian United Nations Division if he so desired.

Mr. Smith will not be back in the office today, so I thought I would add this information to his letter.

Yours truly,  
ROY W. BLAKE

[PIÈCE JOINTE/ENCLOSURE]

*Le commissaire aux Antilles  
au secrétaire en chef de la Jamaïque*

*Commissioner to West Indies  
to Chief Secretary de la Jamaica*

Kingston, May 24, 1962

Dear Mr. Lindo,

TRAINING JAMAICAN DIPLOMATS

Following our conversation of yesterday, I have been asked by the Canadian Government to offer to provide you with help in the training of your Foreign Service officers along the following lines:

(1) If your Government feels that it would be helpful we would be prepared to have a number of your Foreign Service officers in training visit the Department of External Affairs in Ottawa in the course of the coming months before your Independence. Perhaps you might wish to send two officers to Ottawa for three or four weeks on attachment to the Administrative Division of the Department of External Affairs – that is to say, Personnel, Administrative Service, Finance, Supplies & Properties, and Inspection Service. We would also suggest that they might visit the Functional Division of the Department in order to observe their operations and discuss their problems and conduct of their business with the officers of this Division, i.e. Consular, Information, Legal and Protocol.

In connection with this proposal we would like to suggest that the officers whom you wish to send forward (if you so wish and can spare them at this time) would not be your beginners, but rather civil servants of some experience whom you would be sending out to your various Foreign Missions in relatively senior positions. In suggesting three or four weeks I would like you to feel that this is a very broad suggestion only, and we would be prepared to change it or to change the timing of the visits in any way that would meet your own convenience. Indeed we would be only too glad to make whatever arrangements fit in best with your own requirements.

(2) In addition to this sort of “training,” we would also be glad to arrange for one of your senior officers to visit our United Nations Division for possibly a week or two in order to go into the methods of preparing for a United Nations General Assembly session, the organization of work, and for general discussions of United Nations problems with particular reference to those facing the next session of the Assembly. This period in Ottawa might be followed by a week or so on attachment with our Permanent Mission to the United Nations in New York.

In general these visits, if you find them desirable and possible, would probably suit us best if they were to take place between mid-June and mid-July, but we would try to re-arrange our schedules for an earlier or later period should that fit in with your own requirements.

I am attaching a number of copies of pamphlets etc., that describe the operations of the Administrative Division of the Department of External Affairs. We also enclose copies of the Department of External Affairs Telephone Directory, which lists the main segments of each Division of the Department. This informative material might be of help to your officers who are to be connected with the administration of your own Ministry. It might also serve as a useful background for any of your officers that you wish to send to Canada in accordance with the proposals which I have mentioned herein.



If you find that you can or wish to take advantage of these proposals, will you let Mr. Blake, the Canadian Trade Commissioner in Kingston, know of what you propose to do, and he will be glad to pass the word to Ottawa and make whatever arrangements are necessary to see that your officers are sent forward and received in Canada at the times that you consider to be most satisfactory.

Yours truly,  
R.G.C. SMITH

5<sup>e</sup> PARTIE/PART 5  
AIDE AUX TERRITOIRES DU COMMONWEALTH  
DANS LES CARAÏBES  
AID TO COMMONWEALTH TERRITORIES  
IN THE CARIBBEAN

422.

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. 384-62  
CONFIDENTIAL

[Ottawa], November 23, 1962

AID TO COMMONWEALTH TERRITORIES IN THE CARIBBEAN

Canada's original undertaking of a five-year programme of assistance to the West Indies expires next March 31st. In present circumstances it is not possible to respond to enquiries about new aid projects from Trinidad, Jamaica or the smaller West Indian islands because it is uncertain what funds are to be available for the area after next April 1st. For this, among other reasons, it would be desirable to have a decision, at least in principle, on the future of Canadian aid to the area.

It will be recalled that prior to the meeting of Commonwealth Economic and Finance Ministers at Accra in September 1961, Cabinet considered the question of a possible aid programme for Commonwealth territories in the Caribbean area on the lines of the Colombo Plan. My memorandum to Cabinet dated August 28th, 1961 suggested that Canadian ministers might sound out the representatives of other Commonwealth countries on the idea of instituting a joint programme of aid for former British territories in the Caribbean, with possible later participation by the United States.<sup>62</sup> This proposal was put forward after discussion in the External Aid Board by representatives of the Departments of External Affairs, Finance, Trade and Commerce and the Bank of Canada.

Cabinet decided at its meeting of September 7th, 1961 that Ministers representing Canada at the Accra meeting should avoid taking any position at that time on a possible future plan of Commonwealth aid to former British territories in the Caribbean. While Cabinet felt the matter should not be raised at Accra, it was agreed that the question would receive future considerations in the light of the developing situation in that area.

<sup>62</sup> Voir/See Volume 28, document 612.

The major development since that time is the granting of independence to Trinidad and Jamaica. Both countries are now looking to Canada, as a friendly neighbour and Commonwealth partner, for advice and assistance. The smaller West Indian islands are endeavouring to form an eight unit federation with very meagre resources. British Guiana is pressing for early independence and British Honduras is still struggling to overcome the severe setback to its economic development caused by the hurricane in October 1961.

As pointed out in my memorandum of August 28th, 1961, Canadian aid to the British territories in the Caribbean has been applied so far almost entirely to the West Indies. The only Canadian aid available to British Honduras and British Guiana amounts to about \$100,000 for technical assistance under the Commonwealth technical assistance programme. The following considerations were set forth at that time in relation to Canadian participation in a joint Commonwealth aid programme for the area:

(a) Canada has a definite political interest in the stability of Commonwealth territories in the Western Hemisphere.

(b) Canada also has a very substantial trade and investment interest in the area. The West Indies are traditionally an important market for Canadian goods particularly for a number of small firms in Eastern Canada. Canadian banks, manufacturing firms, insurance companies and other enterprises have branches and considerable investments in the West Indies. Jamaica and British Guiana are the chief sources of supply of bauxite to the Canadian aluminum industry and ALCAN has more than \$100 million invested in the area.

(c) Recent constitutional developments in the area lend even greater urgency to the question of economic aid. It will be important that the islands which had previously been expected to form the Federation obtain sufficient economic assistance to become viable members of the Commonwealth and substantially increased aid to these territories from various available sources will be necessary as they gain independence.

(d) An expanded aid programme would be important in creating employment opportunities in the British territories in the Caribbean and reducing the pressure for immigration to Canada and elsewhere.

(e) Aid from Canada and other Commonwealth countries could be a factor in encouraging these territories to remain in the Commonwealth as they gain independence.

These considerations are no less relevant today. Indeed, the march of events in the Caribbean in the past year increases the importance of a continuing Canadian aid programme in that region.

Accordingly, I recommend that for 1963-64, Canadian aid to the Commonwealth countries and territories of the Caribbean area be maintained at the same level as Canadian aid to the area has averaged in recent years. Specifically this would mean that funds, additional to those which Canada has already committed under the five-year programme of assistance to the West Indies, be sought for the Caribbean area in the amount of \$2.1 million.<sup>63</sup>

H.C. GREEN

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<sup>63</sup> Approuvé par le Cabinet le 27 novembre./Approved by Cabinet on November 27.

423.

DEA/12882-WI-40

*Le sous-ministre adjoint du ministère des Finances  
au directeur général, Bureau de l'aide extérieure*

*Assistant Deputy Minister, Department of Finance  
to Director General, External Aid Office*

Ottawa, November 23, 1962

Dear Mr. Moran:

Thank you for sending me a copy of your memorandum dated November 2, 1962<sup>†</sup> recording your discussions with Mr. Tannis of the St. Vincent Government.

As you know, Canadian aid to the British Territories in the Caribbean over the past five years was conceived to a considerable extent in terms of encouraging and cementing an independent West Indies Federation. Aid was concentrated on Jamaica, Trinidad and the Little Eight and in so far as possible in a form most likely to help cement the Federation (e.g., the provision of inter-island ships). Those territories outside the proposed federation (British Guiana and British Honduras) received only small amounts of technical assistance. An independent West Indies Federation has failed to materialize, leaving in the area Jamaica, Trinidad and British Guiana as individual independent or about-to-be independent countries, and eight small islands and British Honduras which will continue as individual British colonies.

It has occurred to us that our future policy on aid to the area should continue in a manner most likely to help induce a desire in the area to work together. I have in mind in the first instance the smaller islands, and tend to conclude for the reasons outlined below that future *capital* aid to the area should exclude the smaller islands and be concentrated on the newly, or about-to-be, independent countries (Jamaica, Trinidad and British Guiana):

(a) Some form of federation of the smaller islands remains an objective of the British Government. This will be a difficult task and it is possible that bits and pieces of Canadian aid scattered throughout these islands might be more of a disturbing influence than good. Indications from us that we would have difficulties in dealing with each island individually might in fact serve to promote the concept of federation of the Little Eight, or at least the need to organize for the purpose of dealing externally as a group. This kind of an approach now would help, should we eventually come to organizing a Commonwealth or some other overall general approach to aid in the Caribbean area, [to] pave the way for dealing with the smaller islands as a group.

(b) We are not really equipped financially or otherwise to search out and administer effective capital assistance to so many individual territories. We would presumably have to rely to a large extent on the British in whatever we do, and in any event have to clear most everything in advance with them. As you well know, some of our policies (e.g., reluctance to pay local costs) have already raised problems with the British.

We could, of course, continue to extend technical assistance to the small islands and British Honduras, along with the technical assistance we currently extend to Commonwealth countries and territories not covered by our capital aid programs.

It may, of course, prove that something can eventually be salvaged from the broader concept of the Federation. There has been talk of a possible federation of the Little Eight and Trinidad, and central machinery may some day be developed to bring about closer cooperation (even a Confederation) between Jamaica, Trinidad and the Little Eight. Over the long term, External Aid generally might be provided to the area in ways which further these objectives,

for example, if the Commonwealth were eventually to sponsor coordinated aid to the area, it could be stipulated that countries and territories in the area establish central machinery, perhaps on the foundation of the existing Commission on Common Services, to deal with and coordinate aid flows at the recipient end. In the meantime, you might like to consider the policy suggested above in respect of the smaller islands.

Yours sincerely,

A.F.W. PLUMPTRE

424.

DEA/12882-WI-40

*Le directeur général, Bureau de l'aide extérieure,  
au sous-ministre adjoint du ministère des Finances*

*Director General, External Aid Office,  
to Assistant Deputy Minister, Department of Finance*

Ottawa, November 29, 1962

Dear Mr. Plumptre:

I am writing to acknowledge receipt of your letter of November 23, which has just arrived, and to record my general agreement with the views you have expressed on future Canadian assistance to the Caribbean area. As a result of the survey carried out by the Interim Aid Mission more than a year ago, certain projects in the smaller islands were approved for Canadian financing by both the External Aid Board and by Cabinet. When it later developed that neither the Americans nor the British intended to proceed in the smaller islands with projects which had arisen directly from the visit of the Interim Mission, it was decided by the Board, you will recall, that there would nevertheless be advantages for Canada if we did carry through to conclusion some of the projects which we had inspected. These consisted of warehouses, schools, and fresh water systems. Some of these are now under way.

As for the future, I was pleased to learn of your conclusion that Canadian aid should be concentrated in the "new, or about-to-be, independent territories." It will probably be desirable for political reasons to have some Canadian aid activity in the eight little islands, which I understand will be called the West Indies Federation, but we can perhaps confine our participation to technical assistance. For the reasons you have given, capital aid would create complications and administrative entanglements which we in this Office would certainly wish to avoid.

For one thing, it is clear that any capital projects in the "Little Eight" will be subjected to close scrutiny and perhaps even a measure of control by the British. You may have had an opportunity to read my memorandum of June 26<sup>†</sup> reporting my discussion in London concerning economic assistance to the West Indies area. On that occasion I was informed that in the case of the eight smaller islands we should deal direct with the Colonial Office on all financial questions, including the payment of local costs. This channel would probably have to be followed, I was told, even when a central government for the West Indies Federation came into being. It was made clear that the British Treasury would be the authoritative voice on questions of finance, but the Colonial Office would be our point of contact, and that office would in turn deal with the Treasury. It is unnecessary for me to refer to the delays which would inevitably result.

A further consideration is that the British, as they made clear in a note delivered through Earncliffe last year, are critical of our policy which requires local costs to be met by the receiving government. It is almost certain that London would insist on Canada meeting both

foreign exchange and local costs on any project we might undertake. Such a departure from policy on behalf of the eight smaller islands might conceivably force us to a similar concession in Trinidad, Jamaica and the other independent units, leading to undesirable consequences.

An example of the experience which might become a regular occurrence in our assistance programme in the West Indies Federation is the recent submission to the British of a typical project agreement which is entered into with the receiving countries. This standard agreement in its present form has the approval of all interested Canadian Government departments, including the Department of Justice. It has similarly been accepted by all of the Asian and African countries. The British have come back with a series of comments and some requests for amendment. They have also suggested that such documents might be registered at the United Nations as an international agreement. As you know, these memoranda of understanding are in no sense formal treaties, but are intended simply to reduce to writing the understandings we have reached about the respective responsibilities of the two participating countries. Also, this suggestion of the British might well be regarded as a form of gratuitous advice.

This experience also illustrates the period of delay we would probably have to anticipate. It was October 4 that we sent our draft to Canada House, the normal channel of communication to the Colonial Office and the Department of Technical Cooperation, but it was not until November 26 that we received the British reply.

I should think we may wish to continue assistance to British Honduras on a reasonable scale, in part because Mr. Price and some of his colleagues have made such a favourable impression on Canadian authorities during visits to Ottawa, but also because we have carried out a fairly successful project in establishing a Department of Survey in that country and there is an enthusiastic awareness of Canadian assistance in British Honduras. During the past two years we seem to have developed a direct link with the administration in British Honduras, due in large measure to the personal contacts with Mr. Price, and it may be that we will be able to work out a special arrangement which would permit direct bilateral dealings rather than through the circuitous route of Ottawa to Canada House, to the Colonial Office, to British Honduras. Also, if the plans for double accreditation of Canadian diplomatic representation in the Caribbean area are carried out, the visits to British Honduras of Canadian representatives will probably be more frequent and more effective than in the past.

In any event, future Canadian assistance to the Caribbean area is a subject we will wish to discuss in the External Aid Board as soon as Cabinet has taken some action on the memorandum which is now before it. In the meantime, I wanted you to know that I am in accord with your views that our aid to the "Little Eight" should be primarily in the form of technical assistance and that our capital aid should be concentrated in the independent territories, where direct negotiation is possible and a speedier and more effective programme is probable.

Yours sincerely,

H.O. MORAN

6<sup>e</sup> PARTIE/PART 6  
 PLAN COLOMBO  
 COLOMBO PLAN

SECTION A  
 SCHÉMA DE L' AIDE  
 PATTERN OF AID

425.

PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], November 8, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (Mr. Fleming),  
 The Minister of Transport (Mr. Balcer),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O' Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

. . .

COLOMBO PLAN ALLOCATIONS;  
 1962-63 PROGRAMME

30. *The Secretary of State for External Affairs* said that the allocations for the Colombo Plan 1962-63 programme reflected Cabinet's earlier decision to reduce by \$8.5 million the amount

Parliament would be asked to appropriate for this purpose.<sup>64</sup> The result was to reduce the total amount to \$41.5 million, of which \$4 million would be for wheat and flour. In arriving at the proposed allocations, several important factors had been kept in mind, such as the desirability to keep flour shipments as undisturbed as possible and to have at least two non-Commonwealth countries assume part of the reduction. The fact that Canada had committed itself to maintain aid to Pakistan and India at the levels recorded in the World Bank Consortia was also remembered. Other considerations were the present emphasis on technical assistance and pressure of needs in the various recipient countries.

An explanatory memorandum had been circulated (Minister's memorandum, Nov. 1 – Cab. Doc. 361-62†).

31. *The Minister of Agriculture* said he was prepared to support the reduction in these expenditures falling on wheat transfers, but there would be a blast at the government over it.

32. *The Cabinet* agreed,

(a) that the funds Parliament had been asked to vote for the Colombo Plan in 1962-63 be allocated as follows:

India	\$19.5 million	(\$1.5 wheat)
Pakistan	12.1	(.75 wheat)
Ceylon	2.0	(1.0 flour)
Malaya	2.0	----
Burma	.325	(all wheat)
Indonesia	.325	(all flour)
Vietnam	.1	(all flour)
Technical assistance	2.0	
Indus Fund	3.0	
Contingency	.15	

(b) that officials be authorized to discuss with the authorities 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.

...

<sup>64</sup> Le 4 octobre, le Cabinet a autorisé le ministre des Finances, George Nowlan, à déposer à la Chambre des Communes le budget principal des dépenses modifié pour 1962-1963. Au moment du dépôt, le 18 octobre, il a déclaré qu'une réduction de 8,5 millions de dollars des ressources consacrées au Plan Colombo avait été prise en compte dans le budget. Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, p. 691. On October 4, Cabinet gave Minister of Finance George Nowlan permission to submit the revised main estimates for 1962-1963 to the House of Commons. When he did so on October 18, he stated that an \$8.5 million reduction in Colombo Plan spending had been incorporated into the estimates. See Canada, House of Commons, *Debates*, 1962-63, Vol. I, p. 649.

## SECTION B

RÉUNION DU COMITÉ CONSULTATIF DU PLAN COLOMBO,  
MELBOURNE, 30 OCTOBRE AU 16 NOVEMBRE 1962  
MEETING OF THE COLOMBO PLAN CONSULTATIVE COMMITTEE,  
MELBOURNE, OCTOBER 30 TO NOVEMBER 16, 1962

426.

DF/8055-04-1(62)

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

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

TELEGRAM 336  
UNCLASSIFIED

Canberra, November 15, 1962

## COLOMBO PLAN MEETING

Following are key paragraphs my statement Colombo Plan Meeting November 14 begins.

2. Members of Consultative Committee will be aware that Canada has this year been experiencing certain short term financial problems having implications from both budgetary and balance of payments standpoint. I will not repeat not take your time this morning to repeat outline which has been given in other international forums of comprehensive program which Canadian Government introduced in June this year to meet these current economic problems.<sup>65</sup> After careful scrutiny of all forms of government spending measures were undertaken to reduce in current fiscal year expenditures in every area of government activity both domestic and external in order to reduce Canada's prospective heavy budget deficit and relieve pressures on balance of payments position. Decreases in government expenditures are reflected in new estimates tabled last month in House of Commons. Under these estimates Canadian Parliament is being asked to vote \$41.5 million for participation in Colombo Plan for current fiscal year. While this is less than amount which has been voted annually in recent years appropriation will be administratively handled in such a way that there will be no repeat no effect on capital projects program and no repeat no reduction in flow of industrial equipment and raw materials including base metals.

3. Finally I can report there is wide measure of support in Canada for Colombo Plan and its objectives. Canadians who have observed the accomplishments under it are satisfied that through Colombo Plan invaluable contribution is being made to economic progress and human welfare in one of most important regions of world. At this time when we have before us review of another year's progress in cooperative economic development in South and Southeast Asia I should like to take opportunity to assure other members of Consultative Committee that my country will continue as it has done since 1950 to support this program to full extent of Canadian capabilities.

[H.O.] MORAN

<sup>65</sup> Voir/See document 761.



427.

DF/8055-04-1(62)

*Rapport de la délégation canadienne*  
*Report of the Canadian Delegation*

CONFIDENTIAL

[Ottawa], November 16, 1962

## INTRODUCTION

The 14th Annual Meeting of the Consultative Committee of the Colombo Plan was held in Melbourne, Australia. As usual, the Ministerial Meeting, which was held from November 12th to 16th, was preceded by a meeting of Officials, who met from October 30th to November 9th. Both the Officials' and the Ministerial Meeting followed much the same pattern as they have in other recent years. The Officials drew up an Annual Report reviewing progress in economic development in the Colombo Plan area in the past year and the Ministers approved this Report. The only really new development which took place at this Meeting was the decision to admit the Republic of South Korea and the Kingdom of Bhutan to full membership in the Colombo Plan.

The text of the Communiqué issued at the end of the Melbourne Meeting is attached to this report as Appendix A. It includes most of Chapters I and II of the Annual Report, entitled respectively: "Review of Economic Progress" and "The Task Ahead."<sup>66</sup>

## PART I

## OFFICIALS MEETING

The Canadian Delegation to the Officials' Meeting was headed by Mr. C.E. McGaughey, Canadian High Commissioner to Malaya and included Mr. A.S. McGill and Mr. J.D. Miller of the External Aid Office and Mr. L.P. Tardif, Third Secretary of the Canadian High Commissioner's Office in Canberra. This was a smaller delegation than Canada has sent to the Colombo Plan meetings in recent years and therefore Canada was a less active participant in the various committees in which most of the work of the Officials' Meeting was carried out. However, Canada was represented on the Drafting Committee, the Sub-Committee on Technical Assistance, on three Country Working Groups and on the Business Committee, which consists of the heads of all delegations. The activities of these committees are described below, along with a summary of the work of the Information Sub-Committee and the Sub-Committee on the Special Topic, on both of which members of the Canadian Delegation sat as observers to the extent that other committee work permitted. The various committee reports referred to in the following paragraphs are available in the External Aid Office but are too bulky to attach to this report.

*Drafting Committee*

This year the Drafting Committee worked with more despatch and perception than last year. Credit for the improvement must in large part attach to its British chairman, Mr. L.B. Walsh Atkins of the Commonwealth Relations Office, who, although not an economist by training, was experienced in conference work and had served in the Colombo Plan area. He had an extraordinary capacity to prevent, without bruising feelings, discussions from leading nowhere and to compromise differences through facile phrases.

The Australian contribution was also important but more behind the scenes than in Committee. It consisted largely of drafts prepared competently and speedily by members of its delegation. Since Australia was the host country, its officer resources far exceeded those of any other delegation.

<sup>66</sup> Voir/See Colombo Plan Consultative Committee, *The Colombo Plan: 14th Meeting of the Consultative Committee* (Colombo, Ceylon: Colombo Plan Bureau, 1962).

There was a notable change of outlook and a strengthening of participation on the part of the United States Delegation. Last year, for example, it was headed by a good-natured State Department official and seemed happy to have semi-observer status. This year the United States official leader was Dr. Byron L. Johnson, a trained and experienced economist, who led his team to a leading role not only in the Drafting Committee but in all those other areas of the Conference which dealt with matters of substance. The Delegation emphasized the importance the United States attached to the Colombo Plan as a banner under which to participate in aid programmes within the region of the Plan.

Mention must also be made of the Indian Delegation, which was staffed by competent officers with a thorough knowledge of those subjects of particular concern to the Conference. Throughout the drafting proceedings the Indians usefully played the role of bridge builders and thereby contributed considerably to the harmony of the proceedings. The Pakistan Delegation did not have comparable strength in numbers, although its leader also made a positive contribution to the Committee proceedings.

While the Canadian Delegation played an active part in the drafting operation, it not unnaturally concentrated on those subjects of particular concern to Canada. Thus it was instrumental in strengthening the reference in Chapter I to grants as an important element of aid programmes, and it was also influential in having the recipient countries except for the Report, an assessment of the pros and cons relating to tied aid programmes considerably more balanced than the one they originally proposed.

#### *Sub-Committee on Technical Co-operation*

The Sub-Committee on Technical Co-operation had a total of 11 members, including Canada, and was chaired by Mr. Mohamad Sopiee from the Federation of Malaya. Mr. A.S. McGill was the Canadian Representative. As usual, the Sub-Committee had two major tasks: preparing a draft chapter on technical co-operation for the Annual Report and reviewing technical co-operation under the Colombo Plan in general, on the basis of the Annual Report of the Council for Technical Co-operation. In addition, the Sub-Committee had this year to consider the results of the recommendation made at the Thirteenth Meeting of the Consultative Committee concerning surveys of technical assistance needs. To accomplish these tasks the Sub-Committee divided into three Working Groups.

Since Canada had done the work of drafting the chapter on Technical Co-operation for the Annual Report in each of the two past years, the Canadian Representative excused himself from this Working Group and the job was given to the Indian representative, with the assistance of the representative of New Zealand. The usual unexceptionable paragraphs were prepared and there was no particular difficulty in this Working Group.

Canada participated in the second Working Group, chaired by the U.K. Representative, which prepared a review of technical assistance based on the report of the Council. The only point in this review which seemed to cause any particular concern was a reference to co-ordination among donor countries and co-operation with other aid-giving agencies. The first draft of the relevant paragraph was objected to by the Indian Representative on the ground that it implied that donor governments and agencies should club together apart from the recipient governments. He was assured that no such suggestion was intended and the offending paragraph was re-worded to make it clear that the Sub-Committee was simply endorsing the idea of consultation among recipient governments, representatives of donor countries and multilateral aid-giving agencies, preferably in the capitals of developing countries.

The third Working Group of the Sub-Committee on Technical Co-operation was entrusted with preparing some comments on the results of the surveys of technical assistance needs recommended by the 1961 Consultative Committee meeting in Kuala Lumpur. Fortunately, it emerged in the course of discussion that the countries which had previously urged a regional

survey of technical assistance needs, mainly Malaya, Thailand and the Philippines, were coming to realize that their idea presented serious difficulties and was not likely to gain general acceptance. In the intervening year all countries in the area had been invited to submit reports on their individual technical assistance needs to the Colombo Plan Bureau, but in fact only two had responded – India and Pakistan. The problem before the Working Group therefore resolved itself into a face-saving exercise for those countries which had been advocating a survey of the whole region. The formula eventually worked out was to invite member countries to append to the “country chapter” which they present for the 1963 Colombo Plan Meeting, a survey of their individual technical assistance requirements, based on the Indian model already circulated. It will then be for the Consultative Committee to decide at its Fifteenth Meeting whether the individual reports can be grouped together in some way to form a special section in the next Annual Report. In fact, the likeliest outcome is that few, if any, of the other countries will be able to produce a survey on anything like the detailed scale of the Indian effort and the whole scheme is likely to peter out.

The Australian Delegation apparently felt it incumbent upon itself as host government to stimulate new thinking about technical co-operation at this meeting, and it chose the subject of training within the region on which to take its initiative. At the 1961 meeting in Kuala Lumpur a quite useful discussion of training facilities within the region had taken place on the basis of the survey and report by Mr. H.R. Mills. The Australians circulated a paper at Melbourne suggesting that, as a follow-up to the Mills Report, a number of steps might be taken to promote intra-regional training. These steps included making use of the Colombo Plan Bureau as a clearing house for the placement of trainees within the region, the establishment of a new programme of grants for training within the region, and the appointment of “field representatives” operating under the Bureau. Finally, the Australians suggested that a standing committee be appointed to look into these matters and to report to the Fifteenth Session of the Consultative Committee.

The Australian proposals, which were not circulated until the Conference was in full session, raised some quite fundamental questions for member governments. The British Delegation, in particular, was disturbed by the abrupt way in which these radical suggestions were put forward. It also appeared that some of the Asian countries were not particularly receptive. The Canadian Delegation sympathized with the Australian objective of stirring up interest in training within the region, which might well lapse into inactivity once the effect of the Mills Report had worn off. However, the Canadian Representative pointed out to the Australians that such things as a new programme of grants and an enlarged and active role for the Colombo Plan Bureau would require careful consideration by the Canadian Government. In addition, the Canadians pointed out that the Colombo Plan Council was established for the purpose of reviewing and guiding the technical co-operation aspect of the Colombo Plan and this was surely an appropriate topic for the Council to discuss.

The Australians realized that their ideas were not going to get very serious consideration at this meeting of the Consultative Committee, and they acquiesced in the Canadian suggestion that the whole question might be referred to the Council in Colombo. The report of the Sub-Committee on Technical Co-operation contains an explicit recommendation to the Council for an early discussion of the recommendation of the Mills Report on increased training within the region at the technician level.

#### *Sub-Committee on Information*

There was no Canadian representative this year on the Sub-Committee on Information. However, Mr. Tardif attended some of its meetings as an observer. The Sub-Committee was chaired, rather ineffectually, by U Hpe Aung of Burma.

The "Report on Colombo Plan information activities in 1961-62 and Programme for 1962-63," and certain "new proposals" prepared by the former Information Officer of the Colombo Plan Bureau formed the substance of the Sub-Committee's discussions. In brief, apart from taking note of and approving the report, the Sub-Committee discussed three main topics: the possibility of holding a conference of national Information Officers in Tokyo in May 1963; a proposal to invite a team of well-known journalists from recipient and donor countries to tour the Colombo Plan region; and the advisability of including the report of the Sub-Committee on Information in the Colombo Plan Annual Report.

The first subject arose from the recommendation of the Tokyo Meeting in 1960 that future delegations to the Consultative Committee should as far as possible include a specialist in information matters, and to the failure of most countries to implement it. The proposal for an Information Officers' Conference in Tokyo in 1963 obtained limited support, although it was especially advocated by Mr. Jose, the new Information Officer of the Colombo Plan Bureau. The United States and the United Kingdom indicated that they did not object to the proposal in principle but, should it be adopted, it would be most likely that their Information Officers stationed in Tokyo would be sent as representatives. The proposal would present a greater problem to the smaller countries, who would most probably not have qualified Information Officers on their staff in Tokyo and who would be faced with the cost of sending Information Officers directly from home.

The discussion of this matter dragged on for some time. In view of the weak support the proposal had and the problems it raised, alternatives were successively proposed and finally it was agreed that the Sub-Committee would recommend that a conference of national Information Officers should be held either (a) in May next year; or (b) immediately before; or (c) in conjunction with the next Consultative Committee Conference. The Business Committee considered the report of the Information Sub-Committee and recommended that next year every member country should include an Information Officer in its delegation and that the Sub-Committee on Information should be made a committee of the whole, thus combining the work of the regular Sub-Committee with the role of a conference of information officers. It is understood that in fact most countries will at best have an officer from one of their missions in the Colombo Plan area who is familiar with information work cover this committee. This was approved by the Consultative Committee.

The second proposal relating to the "invitation to a team of well-known journalists to tour the Colombo Plan area," drew a great deal of discussion. One delegate felt that it would be somewhat presumptuous to initiate this practice with invitations to "teams" of journalists. Another delegate from a donor country said he assumed that the expenses involved would be paid by the host country, as had always been the practice in his country. These and similar remarks had the effect of cooling enthusiasm for the proposal. The Sub-Committee finally agreed simply to recommend that member countries should encourage and facilitate information media representatives visiting their countries to observe and give favourable coverage to Colombo Plan activities.

The conviction of the new Information Officer that the success of the Colombo Plan depends to a great extent on the publicity which is given to it, led him to propose that the report of the Sub-Committee on Information should be included in the Annual Report. This suggestion did not obtain much support. It was felt that, important as Colombo Plan publicity may be, it was not appropriate to include in the same report the achievements of the Colombo Plan in fostering economic development and the activities of the Information Bureau. The Sub-Committee, however, agreed that the importance of Colombo Plan publicity should be recognized and recommended that a special paragraph on this subject should be submitted to the Drafting Committee for insertion in chapter 2 of the Annual Report. This was done.

*Sub-Committee on the Special Topic*

For the past three years a special topic relating to economic development has been selected for discussion at the annual Colombo Plan meeting. This year a Sub-Committee under the chairmanship of Dr. Byron L. Johnson, leader of the U.S. Delegation, and including representatives from eleven other countries, was appointed to study and submit a report to the Consultative Committee on the special topic: "Techniques and Institutions for the Mobilization of Domestic Savings for Economic Development." Canada was not a member of the Sub-Committee but endeavoured to have an observer present at its sessions.

At the first meeting of the Sub-Committee, convened immediately following the opening plenary session on October 30, members had obviously not had an opportunity to familiarize themselves with the papers which had been submitted by nearly every member country or the summary paper prepared by the Australian Secretariat. The Chairman, before adjourning the meeting, requested all members to come to the next meeting prepared to recommend the form that the final report should take. He suggested as alternatives:

- (a) a report which would highlight specific country problems and propose solutions; or
- (b) a general report which would be confined to financial measures successfully adopted by various member countries and therefore worthy of consideration by other countries.

The Chairman also suggested that members of the Sub-Committee should give some thought to topics that might be submitted for special consideration at the next Colombo Plan Consultative Meeting.

At the second meeting it was agreed that the Sub-Committee report should be of a general nature and that the committee should not endeavour to review the problems and suggest corrective measures for each country. A working group under the leadership of Mr. S.S. Marathe of the Indian Delegation, drafted a report on the special topic which seeks to highlight the main problems and questions in the field of mobilization of savings but does not attempt to provide answers.

The Sub-Committee also had the responsibility of recommending a special topic for the 1963 meeting and suggested the following, in order of preference:

- (1) Man-power planning for economic development
- (2) Practical techniques for improving agricultural productivity
- (3) Administration for development
- (4) Government policies for the stimulation of domestic private investment and attraction of foreign private investment
- (5) The balance of direct and financial control.

The Business Committee decided with no apparent disagreement to recommend the first topic: "Man-power Planning for Economic Development" for discussion at the 1963 Consultative Committee Meeting. Members will be expected to submit a paper on this topic in advance of next year's meeting.

There was considerable discussion in the Business Committee about possible publication of the papers submitted on the special topic and of the Sub-Committee's report. Proposals ranged from issuing a special publication, through including a special chapter in the Annual Report to merely mentioning the subject briefly at appropriate places in the Annual Report. The U.S. Delegation appeared to favour wider publication but some Asian countries were not so keen, on the grounds that they had not written their papers with a view to publication. In the end it was agreed that suitable references to the topic in the introductory chapters of the Annual Report would be sufficient.

### 1963 Meeting

It will be noted from the Communiqué that the 1963 Meeting will be held in Bangkok at a date to be notified by the Thai Government but which will be approximately the same as in 1962. The Australian Government succeeded in reducing the number of working days occupied by the Officials' Meeting this year and on the basis of their experience the Business Committee has recommended that next year's Officials' Meeting should be convened on a Thursday and should be completed by the Friday or Saturday of the following week. If the Ministerial Meeting met from the Monday to Thursday following, the whole Colombo Plan Meeting would be completed in two weeks and one day, compared with the three weeks which has been the rule in recent years. It remains to be seen, of course, whether Thailand can provide the secretarial and other services required to follow this shorter time-table.

The composition of the Country Chapter Working Groups was reviewed at this year's meeting and as a result Canada will next year be a member of the Working Groups on Burma and Laos and will be required to provide the Chairman of the Working Group on India. Member governments have been asked to send copies of their draft chapters of the annual report to the members of the Working Group responsible for their chapter at least a month in advance of the next Colombo Plan Meeting.

#### PART II MINISTERIAL MEETING

The general discussion in the Colombo Plan Consultative Committee is ostensibly directed to the Annual Report which has been drafted by the officials but, as usual, at this year's meeting the Ministerial representatives ranged widely in their statements and commented on whatever subjects they felt to be of most immediate concern to their country in the whole field of trade and aid. What very evidently concerned most of the representatives of countries in the Colombo Plan area at this meeting was trade problems: in particular the need for stable and fair prices for primary products and of easier access for the exports of developing countries to markets in the highly developed countries.

There was ample evidence in the draft report that trade imbalance is something that is indeed of concern to all members of the Colombo Plan. The report notes, for example, that only four countries in the area succeeded in improving their trade balance in 1961 and there is a pattern of deteriorating balance of payments situations almost throughout the region. In general, the review of economic and financial development in the Colombo Plan area in 1961-62 does not present a very encouraging picture although there are a number of instances which can be cited of increasing agricultural, mineral and industrial production.

The Prime Minister of Australia, Mr. Menzies, made a vigorous and forthright opening address to the delegates, in which he referred to the problem which was obviously uppermost in the minds of most of his listeners – that the less-developed countries must be able to earn what they need by the export of their goods to the rest of the world.

The U.S. representative, Mr. Frank Coffin, Deputy Administrator of A.I.D., gave a thoughtful address in which he discussed what he called the "counter revolution" of effective response to the needs and aspirations of the less-developed countries. He discussed world-wide efforts to meet the needs of developing countries, mentioning the U.N., DAC, the Alliance for Progress and various other aid activities of the United States, as well as the Colombo Plan. Mr. Coffin's speech was well delivered, although what he had to say might have read better as an article in some quarterly such as *Foreign Affairs*.

A point of interest was Mr. Coffin's mention of the United States intention in future to attribute its aid programmes in South and South East Asia as "Colombo Plan assistance." This is evidently part of a deliberate U.S. policy to take a more active part in the Colombo Plan.

Although the U.S. has been officially a member of the Colombo Plan for some years it has conducted its bilateral aid programmes in the area without much recognition of the existence of the Colombo Plan. The U.S. has now apparently concluded that the Colombo Plan should receive considerably more attention as a regional aid organization.

The British Delegate, Mr. Vosper, Minister of Technical Cooperation, made a rather routine speech. He found it necessary to defend the U.K.'s efforts to enter the Common Market. The fears of the less-developed members of the Colombo Plan about the consequences of this move had been expressed earlier in the meeting, particularly by India and Pakistan, and were reflected to some extent in the opening chapters of the Annual Report. Mr. Vosper contended that the Common Market, especially with U.K. participation, would provide an expanding market for the exports of developing countries.

In their statements, the delegates from countries within the region described their particular economic problems and their efforts to solve them. India made only a passing reference to her difficulty with China. The Indonesian representative assured the other members of the Consultative Committee that now that the West Iran question was on the way to solution, Indonesia could concentrate more effort on her economic development problems. The representative of South Vietnam spoke of the difficulty its Government faced in putting down Communist rebellion, and he was the only country to speak of Communism. As mentioned above, there was much emphasis in almost every statement on the need to ensure stable prices and markets for primary commodities and the necessity of removing barriers imposed by industrialized countries to the export of the products of less-developed countries.

The statement made by the Canadian representative, Mr. H.O. Moran, is attached as Appendix B.<sup>67</sup> It contained a brief reference to the reduction in this year's Canadian Colombo Plan appropriation and an effort was made to reassure the recipient countries that this reduction would not have any serious effect on continuing Canadian projects and programmes. There was no direct public comment in the course of the Meeting on the Canadian decision, but there were private expressions of concern that Canada, which had been one of the leaders in Colombo Plan aid, had found it necessary to reduce its contribution at this time.

There was a short discussion about the special topic "Mobilization of Domestic Savings," but most delegates were really only repeating in brief form what they had said in papers that had been circulated. There was a similar short discussion on technical assistance, in which the U.S. representative commended the Australian proposals on intra-regional training which had been put before the Sub-Committee on Technical Cooperation. The Australian Delegate indicated that these proposals would be actively pursued in the meetings of the Colombo Plan Council in Colombo.

The Consultative Committee decided to welcome South Korea as a member of the Colombo Plan and also the Kingdom of Bhutan, both of which had observers present. Bhutan sent as its representatives two charming ladies, who are apparently the wife and sister, respectively, of the Prime Minister. The South Koreans were very assiduous in lobbying amongst the delegates for support of their entry, and while they were not sure of Indonesian and Ceylonese assent until the last moment, these two countries evidently decided that they would not wish to be conspicuous by withholding agreement. The Malayan Representative at the final meeting of the Business Committee, when Korean membership was discussed, asked to have it noted on the record that the decision to admit South Korea had been taken without any discussion of the geographical limits of the Colombo Plan.

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<sup>67</sup> Voir le document précédent./See previous document.

CHAPITRE V/CHAPTER V  
RÉUNION DE NASSAU  
NASSAU MEETING

428.

DEA/50391-A-40

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

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

PERSONAL AND SECRET

[Ottawa], December 13, 1962

RELATIONS BETWEEN BRITAIN AND THE UNITED STATES

It seems to me that any attempt to assess the present state of Anglo-American relations should begin by examining the effect on the U.S. administration of the recent crisis over Cuba. If my judgment is correct, the result of President Kennedy's handling of the Cuban crisis has been:

(a) to increase very greatly the self-confidence of himself and of other key members of his administration (e.g. Rusk, McNamara and Bobby Kennedy);

(b) to convince the Kennedy team that they were able to act effectively without any help from their Western allies. In particular it seems to me that a result of the past two months has been to dispel any lingering notion in the minds of Kennedy and his team that Britain could and should play some "special role" as adviser to the United States in regard to Western relations with the Soviet Union.

2. I am sure that the feeling now uppermost in the consciousness of Kennedy and his advisers is that they handled the Cuba crisis without any assistance from their Allies; and that they handled it successfully. Their frame of mind must obviously be very different from what it was a year ago. When the Kennedy administration took office its members were apparently very conscious of their inexperience in foreign affairs. The Bay of Pigs fiasco certainly did nothing to improve their self-confidence; nor did the meeting between Kennedy and Khrushchev later in 1961. A year ago, therefore, they were looking for diplomatic aid and comfort from their more experienced friends and, in particular, the British. The situation prevailing today is altogether different.

3. I get the impression that Kennedy's people are predominantly cool, intelligent and tough. Some observers have commented on the Boston antecedents of Kennedy and many of his advisers in an effort to establish that they are anti-British. I think this is a mistake. On the other hand, the opposite is not true. Very few of these relatively young men appear to have such cultural or emotional attachments to Britain as seem to be present in older men such as Adlai Stevenson. The most characteristic quality of Kennedy and his men seems to be a cold determination to make an accurate judgment of the present division of power in the world. While they may have felt some temporary dependence on British experience during the early days of the administration I don't think they ever really accepted the viewpoint of Macmillan and other British statesmen to the effect that Britain had a "special role" to play in regard to relations between the Soviet Union and the West. And certainly, as mentioned above, I think the Cuba business nailed down the coffin lid on this. In this context it seems to me significant both that Acheson made his recent rather insulting speech about Britain's role being "played



out,” and that Rusk reacted so blandly, and apparently unconcernedly, to press questions on Acheson’s speech.<sup>1</sup> Rusk made no real effort to salve injured British feelings at a time when his press interrogators clearly expected him to do so.

4. If the foregoing is true than it would seem to follow that Kennedy will be in no particular mood to make concessions to Macmillan when they meet later this month. Most observers seem to believe that the two principal subjects which will be discussed will be Anglo-American defence arrangements (particularly the decision as to whether or not the “Skybolt” project should be terminated), and the question of Britain’s entry into the Common Market. On the face of it there would not seem to be too much likelihood of Macmillan getting real satisfaction on either of these subjects. It appears that the Americans regard the Skybolt project as both expensive and inefficient. On the other hand, they are no doubt aware that to brusquely terminate this project would be very harmful to the Macmillan Government in terms of the internal political situation in Britain. As to the Common Market business it seems to me that many influential members of the U.S. administration consider that the United States has gone about as far as it can go in pressuring the European powers to ease the terms for Britain joining the Market. It should be remembered that most Americans have simply never liked our system of Commonwealth preferences and they are thus not particularly disposed to cushion the effects of abandoning this preferential system. The present administration is clearly aware of the problems facing Britain and the Commonwealth but, at least in Congressional circles, antipathy to the Commonwealth preference system remains very strong. There is also the fact that the success of Kennedy’s reciprocal trade programme depends heavily on cooperation from France and Germany. In view of this there are obviously limits to how far the American planners can go in asking these countries to make concessions to Britain, even though there is no doubt that the U.S. administration wants Britain to be a member of the Market.

5. The defence and Common Market questions will presumably be the main ones discussed between Kennedy and Macmillan, but there is one other series of problems, seldom mentioned in press speculation, which I think might be discussed. This is the anxiety felt by the British (and others) at the tendencies of the present United States administration to “export” its jurisdiction. In the past year the British have reacted to several examples of this tendency in very much the same fashion as has our own Government (which is even more directly concerned). Like us, the British have made sharp protests to the U.S. administration against some of the proposed taxation “disclosure” regulations of the Internal Revenue Department in regard to U.S. residents abroad and to foreign residents of the United States. Like us, the British Government has also filed briefs with the U.S. Supreme Court concerning the series of cases now being heard by the Court relating to the jurisdiction of the National Labour Relations Board in regard to foreign-registered ships plying to U.S. ports. There are no doubt other examples in the same field. I would not think it at all improbable that Macmillan might refer to some of these matters in his discussions with Kennedy.

<sup>1</sup> Voir/See “Full Text of Mr. Dean Acheson’s West Point Speech: Western Alliance Weakened by Lack of Agreement on Policy,” *Times* (London), December 11, 1962, p. 8; “Secretary Rusk’s News Conference of December 10,” *Department of State Bulletin*, Vol. 47, No. 1227 (December 31, 1962), p. 1000.

6. In summary, my own opinion would be that, for the reasons given above, the U.S. administration will probably not be in any particular mood to make concessions to Britain. However, I am convinced that the Kennedy administration is aware of the fact that, if they act in a manner which leads to Macmillan's overthrow, they will almost certainly get a government in power in Britain which is much less sympathetic to U.S. economic and political objectives. For this reason I am sure Kennedy will try to do everything possible to avoid hurting Macmillan politically in England. However, Kennedy's and Macmillan's estimate as to what will hurt Macmillan may differ widely, and this difference may well be the hard core of their discussions.

H.H. CARTER

429.

J.G.D./MG01/XII/C291

*Note du premier ministre*  
*Memorandum by Prime Minister*

SECRET

Nassau, December 23, 1962

DISCUSSIONS WITH PRESIDENT KENNEDY,  
NASSAU, BAHAMAS – DECEMBER 21, 1962

(1) *The Question of Trade with Cuba.*

They have no objection at all to our trade in non-strategic materials, and no objections have been raised. He also stated that our Ambassador in Cuba has been particularly helpful, and the fact that our Embassy is open has provided services for the United States for which they were indebted to Canada.

(2) *The Question of Trade with China in Wheat.*

No objection had been made by the United States and I asked him directly whether there was any objection to this trade and the answer was in the negative. He was under the impression that as a result of our sales to China our wheat surpluses had been reduced to a point where there was in fact no surplus. I informed him that that was not so, that we had some 700 million bushels on hand at the present time, and that there had been a falling away in wheat marketing generally in the last few months. He was under the impression (and understandably so in view of the Minister of Agriculture's statement in the House) that the last sale announced was a new sale rather than one of the instalments of the original agreement.<sup>2</sup> He asked whether Australia was selling more wheat to China than we were.

(3) *India and Pakistan.*

There was some reference to India and Pakistan of a general nature and as I recall it the figures which I gave to the press of \$120 million were not referred to. My recollection is that they came to me for the first time when talking to Prime Minister Macmillan at Government House at the afternoon discussions immediately after the President's departure for Miami.<sup>3</sup>

(4) *Defence.*

I informed the President when I first arrived that there were a number of matters I hoped we would have an opportunity to discuss soon in connection with the defence of North America

<sup>2</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. III, p. 2899.

See Canada, House of Commons, *Debates*, 1962-63, Vol. III, p. 2763.

<sup>3</sup> Voir/See Charles Lynch, "PM Leaks India Aid Plan," *Ottawa Citizen*, December 22, 1962, pp. 1, 31.

and the provision of nuclear armed missiles for Canada. (I did not go into the question of storage in the United States or the joint training there of United States and Canadian squadrons, although on Saturday in talking with the Prime Minister, Lord Home, Lord Amory and the British civil servant it was brought out that something along this line was being planned for under the agreement now being considered by the two countries.) I informed them that the plan I had in mind would provide the Canadian Air Force with the necessary defensive weapons but would not thereby be extending the nuclear family of nations which I believed should be kept strictly under control.

During the course of the conversation at luncheon the President asked one of the scientific men [for] his explanation of the radio which the President found difficult to understand. He was informed that the waves separated going through the air. He asked whether they were also around us. He said he was now certain that he could never understand the radio with the knowledge that had been given him.

He spoke of the fact that a man would be on the moon in 1967, and that there would be two sections to the rocket to the moon and one portion would revolve around the moon and the other, occupied by an astronaut, would land on the moon and when necessary would be connected with the portion remaining in the air and the two portions would join together to come back. I suggested the cost would be \$5 billion and he said \$5 billion for five years.

J.G. D[IEFENBAKER]

430.

J.G.D./MG01/XII/C/291

*Note du premier ministre*  
*Memorandum by Prime Minister*

SECRET

Nassau, December 23, 1962

ENDING NUCLEAR TESTING.  
 NASSAU MEETING – DECEMBER 21 & 22, 1962

While the U.S.S.R., the United States and the United Kingdom were agreed that there was no need for inspection of explosi[on]s in the air and under the water, no agreement was possible even to this extent because the U.S.S.R. insisted that they would not enter into a partial agreement to this extent, and would sign no agreement until it included as well underground tests.

I asked about the black boxes and was informed by Lord Home that they can be tampered with, that an explosion a few feet away could upset the mechanism and give the impression that there had been a seismic explosion.

He believes that there is little hope of early agreement and believes that the Russians are about ready to start another series of tests.

J.G. D[IEFENBAKER]

431.

J.G.D./MG01/XII/C291

*Note du premier ministre*  
*Memorandum by Prime Minister*

SECRET

Nassau, December 23, 1962

NUCLEAR ARMS.  
DISCUSSIONS WITH PRIME MINISTER MACMILLAN  
NASSAU – DECEMBER 21 AND 22, 1962

Mr. Macmillan stated that possession of the Polaris would carry the British people forward for twenty years. To accept the Hound Dog would mean that the aircraft of 72 or 75 of the first-line bombers in Britain would have the Hound Dog attached to the bottom of the aircraft and there would only be a space of 2 feet between this missile and the ground and it would create a most dangerous hazard for the aircraft and crew.

Having submarines armed with Polaris with a range of 1000 miles makes it possible to have a moving launching-pad close enough to the U.S.S.R. for Britain to be able to say that any time she was threatened she could launch an offensive against the U.S.S.R. Indeed, the communiqué as to the control of the Polaris missiles<sup>4</sup> indicates that the British Government alone will decide their use. This will place the British in a strong position if at some time in the future Britain has to invade countries such as Kuwait or Brunei or elsewhere, and the Russians say if you do that you will bring war on yourself, the British will be in the position of being able to reply: "We are strong enough in our own right to smash you and will not be subject to such blackmail as would otherwise be the case."

J.G. D[IEFENBAKER]

432.

J.G.D./MG01/XII/C/291

*Note du premier ministre*  
*Memorandum by Prime Minister*

SECRET

Nassau, December 23, 1962

THE COMMON MARKET.  
DISCUSSIONS WITH PRIME MINISTER MACMILLAN  
NASSAU – DECEMBER 21 AND 22, 1962

Mr. Cadieux and Mr. Warren informed me that at the meeting in Paris the story had been leaked and appeared in the Western press that some alternative plan for free trade in industrial products would be submitted as an alternative.<sup>5</sup>

When I told Mr. Macmillan this he said all he knew about it was that some low level of government officials had so stated. (This conversation took place on Friday.)

On Saturday I informed him that in the meantime I had found out that it came from Cabinet Ministers. He said he believed this was so because only one ruled as king and no one can offer an opinion to him.

<sup>4</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 633-637.

<sup>5</sup> Voir/See Waverley Root and Robert H. Estabrook, "Choice of Going with Europe or U.S. Indicated," *Washington Post*, December 16, 1962, pp. A1, A19.

While General de Gaulle talked freely he gave no indication of relenting in his demand that the Treaty of Rome should not be diminished in any way even though failure to do so might prevent Britain's entry.

Mr. Macmillan told me that there has been no sign of any progress in recent weeks. There were meetings to be held on the 13th and 14th of January and the first few days in February. He did not intend to have the negotiations continue indefinitely. He is not going to have the negotiations protracted into a Council of Trent which took twenty years, and so far as he was concerned the target date was close enough so when I am in the United Kingdom for the Freedom of the City of London a firm determination one way or the other should be accepted at that time.

J.G. D[IEFENBAKER]

433.

J.G.D./MG01/XII/C/291

*Note du premier ministre*  
*Memorandum by Prime Minister*

SECRET

Nassau, December 23, 1962

WEST GERMANY.

NASSAU MEETING – DECEMBER 21 & 22, 1962

Khrushchev having now established himself as the Man of Peace may not be expected to allow any troubles to arise in West Berlin for the time being.

De Gaulle's view was that he would not have been surprised if on the Tuesday following the President's declaration as to Cuba, Khrushchev had launched an attack on Berlin. Having not done so, however, would indicate that he realizes the might of the United States.

Besides the ICBMs and intercontinental ballistic missiles [sic], the United States has enough nuclear missiles for immediate use to equal 6,000 Hiroshimas, which would be launched within a few hours. If an attack was taken against the United States without notice there has been a further estimate made of those who would be killed in the first stage. It has now been reduced very considerably as to between 10 and 22 million in the first few hours.

Khrushchev knows this, and as the Russian people want peace he suddenly has become an exponent of peace, hence he makes public the speech that he made before the Supreme Soviet. Three pages of this appeared in the *Ottawa Journal*. The Russian Embassy paid \$60,000 for publishing this last week.<sup>6</sup>

Now the plan appears [to be] to wait and sooner or later Germany will change its position with the giving up of power by Adenauer. The prize that will be offered for Germany's withdrawal from NATO would be the reunification of Germany. Mr. Macmillan believes that

<sup>6</sup> Les recherches pour trouver ce discours dans le *Ottawa Journal* ont été infructueuses. Il a toutefois été trouvé dans un autre quotidien d'Ottawa.

No copy of this speech has been found in the *Ottawa Journal*. There is, however, a copy in another Ottawa daily.

Voir/See "The Present International Situation and Foreign Policy of the Soviet Union: Report of N.S. Khrushchov to the Second Session of the U.S.S.R. Supreme Soviet on December 12, 1962," *Ottawa Citizen*, December 20, 1962, pp. 11-14, and/et "Typographical Corrections on the Report of N.S. Khrushchov," *Ottawa Citizen*, December 22, 1962, p. 7.

if Britain does not enter the Common Market within 25 years Germany will have control over France and will be the most powerful country in Europe.

The entry of Britain in the Common Market will bring about a sense of direction for all the countries of Europe which cannot be assured in any other way than through membership in the E.C.M.

J.G. D[IEFENBAKER]

434.

J.G.D./MG01/XII/C/291

*Note du premier ministre*  
*Memorandum by Prime Minister*

SECRET

Nassau, December 23, 1962

HON. HOWARD GREEN,  
NASSAU MEETING – DECEMBER 21 & 22, 1962

Lord Home spoke in warm terms regarding Mr. Green. He talked about the first meeting when they had an argument. He said he was impressed by the tenacity displayed by Mr. Green in connection with disarmament in the face of continuing disappointment and disillusionment.

J.G. D[IEFENBAKER]

435.

DEA/50391-A-40

*Note du sous-secrétaire d'État suppléant 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*

CONFIDENTIAL

[Ottawa], December 26, 1962

NASSAU: CONVERSATION WITH LORD HOME

In the course of the dinner, at the Governor's Residence on Friday, December 21, I sat next to Lord Home and he gave me some impressions of his talks with the U.S. team.

2. On the multilateral agreement for a nuclear deterrent, Lord Home felt that it would be "stillborn." However, from the U.K. point of view the agreement is eminently satisfactory. "It provides what we want." I asked Lord Home whether he did not see direct implications for Canada. He thought that we might be involved in the operations of the NATO nuclear committee which, he expected, might play a more active role. It might be possible, through that Committee on which the Germans are represented, to disseminate information on nuclear matters and in particular to reach agreements on targeting for instance.<sup>7</sup>

3. Later on during the conversation, Lord Home said that it was vital for the U.K. to retain an independent nuclear deterrent if they were to continue to play a role of worldwide significance. The deterrent could become essential if, as in Kuwait or in Brunei, the U.K. were to intervene

<sup>7</sup> Note marginale :/Marginal note:  
This is an old Br[itish] theme. [Ross Campbell?]

with conventional forces. At that time, the Soviet Union might threaten to use nuclear weapons against the U.K. Unless the U.K. had power to inflict substantial damage through their nuclear force, they might find themselves open to blackmail and compelled to give up any prospect of intervening anywhere in the world to protect their interests.

4. De Gaulle, having achieved a most favourable arrangement for French agriculture in the Common Market at the expense of the Germans very largely, is reluctant to allow any change, according to Lord Home. De Gaulle is now trying to calculate whether he can let the U.K. in without upsetting unduly this arrangement. If the answer is yes, the U.K. will be allowed to join. If the answer is negative, he will remain inflexible. For the U.K., Lord Home is persuaded that the best course is to join: when investors are faced with a choice between a 50 million market in the U.K. and one involving 150 million people in Europe, they are bound to choose the latter. I explained to Lord Home that in preparation for the meetings, I had read papers prepared by economists: I thought that from the point of view of Canada, the situation was grave. The interests at stake were very substantial and yet, on each point of interest to us, there was either no provision, or a mere promise, or an interim arrangement which would leave us nowhere by 1970.

5. Lord Home is not optimistic as to the prospects of a settlement of the Kashmir issue. He thought that two strong leaders like Ayub Khan and Nehru could have reached agreement on a sensible arrangement and used their great influence to sell it to their respective countries. Nehru was, however, it seemed, incapable or unprepared to entertain any idea of concessions.

6. The Congo situation was very serious. The U.K. had felt it necessary to warn the United States that if the matter were brought up in the Security Council and there was any suggestion that force would be used, the U.K. would have to veto it. Lord Home felt that if there were any way of conveying the message to Tshombe, he would urge him to settle now for a reasonable arrangement. This would enable the U.N. force to leave and later he would be able to work out a better arrangement.

7. Lord Home expressed keen interest in Canadian proposals relating to collateral measures: they felt that these were hopeful and that a determined effort should be made along such lines.

8. On Indonesia, Lord Home told me – you may have had confirmation of this by now from other sources – that he had just authorized a message to the U.K. Ambassador in Indonesia, instructing him to give a serious warning to Sukarno as to intervention in Brunei.

M. C[ADIEUX]

436.

DEA/50219-AL-2-40

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

*Memorandum by Assistant Under-Secretary of State for External Affairs*

SECRET

Ottawa, January 3, 1963

TALKS IN NASSAU  
KENNEDY - MACMILLAN

Lord Amory called on the Under-Secretary today to give an account of some aspects of the USA/UK talks in Nassau and the subsequent Macmillan/Diefenbaker conversations.

*Skybolt*

President Kennedy clearly thought at the outset of the talks that the UK was determined to have Skybolts at any price and was evidently taken by surprise at the UK decision not to

accept the USA offer to complete development and production on a 50/50 basis. The main reason underlying the UK decision was a UK fear that if the USA lacked confidence in Skybolt to the point where they were not going to equip their own forces with it, there would be no incentive for the USA to perfect the development of the weapon or to produce it within any reasonable time scale.

Because of the vulnerability of fixed missiles in a small area such as the UK, Mr. Macmillan made it clear that the UK were not interested in that type of missile as an alternative to Skybolt but would be interested in the Polaris. As Kennedy had not come prepared to discuss Polaris, he had to send to Washington for special advisers and it was this that led to the extension of the Nassau meeting (and to the deferment of Mr. Diefenbaker's arrival).

Mr. Macmillan told Lord Amory that he was satisfied with the arrangement the UK had been able to make with the USA over Polaris. The cancellation of Skybolt was not, in Mr. Macmillan's view, likely to be a major embarrassment to his Government since he could argue that Polaris did preserve the independent British nuclear deterrent, so passionately supported by the majority of the Conservative Party. The Labour and Liberal Parties were not likely to make a major issue of Skybolt. The Government could also argue that while the Polaris would cost more in the immediate future than Skybolt would have done, in the long run there would be a saving since Polaris was a weapon which would remain effective well into the 1970s. Skybolt's effective life had never been calculated beyond the mid-1960s.

Lord Amory said that the position France had taken with respect to the retention of an independent deterrent was having the effect of forcing the UK to do likewise, although he conceded that UK policy since 1957 may have exerted a similar influence on French policy.

#### *USA – UK Relations*

Lord Amory admitted that there was a basic UK anxiety about USA over-confidence following the Cuban success – an over-confidence which was displayed less by Kennedy himself than by some of his senior advisers. Kennedy was relaxed and not domineering during the talks and, as usual, got on well with Macmillan.

Lord Amory added that, following Nassau, UK Ministers had been frankly shocked by the Kennedy performance at Miami on the occasion of the return of the Bay of Pigs prisoners. The UK Government was perplexed by a gesture which might have incalculable repercussions and where the political losses surely seemed to outweigh any possible gains.<sup>8</sup>

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#### MACMILLAN - DIEFENBAKER TALKS

Mr. Macmillan gave the Prime Minister a progress report on negotiations with the Six to date and frankly admitted that a difficult point in the negotiations had now been reached. The UK would try to bring the negotiations to a head in the very near future, but did not know what the outcome would be. Mr. Diefenbaker had not specifically raised the question of another collective conference of Commonwealth Prime Ministers before any UK decisions are taken but as he would be in London anyway on February 25 to be given "the Freedom of the City," there seemed to be general agreement amongst the three Ministers that this should be regarded as an opportunity to talk "Common Market." The UK Ministers, for their part, hoped that such

<sup>8</sup> Voir/See "Remarks in Miami at the Presentation of the Flag of the Cuban Invasion Brigade," December 29, 1962, in *Public Papers of the Presidents of the United States: John F. Kennedy, 1962* (Washington: United States Government Printing Office, 1963), pp. 911-913; Tom Wicker, "Kennedy's Speech Stirs Cuba Exiles: 'War! War!' Greets His Talk in Miami Orange Bowl," *New York Times*, December 31, 1962, p. 3.



bilateral talks at Prime Minister level will be accepted by Canada as a fulfilment of the undertaking to consult further before a UK decision is taken.

Asked by the Under-Secretary whether UK/Six talks would be at an appropriate stage by late February, Lord Amory replied in the affirmative. The UK Ministers were pressing ahead as they were worried about the political effects of delay. Still, the Macmillan meeting with de Gaulle had not been reassuring. At one point de Gaulle seemed to be against British entry in principle, but subsequently modified his position to one of willingness to have the UK in on the basis of the terms of the Rome Treaty. This was not particularly reassuring since the French must be aware that the UK cannot accept the full Treaty and for this reason has been seeking special arrangements through negotiations. It was not possible to say how far de Gaulle would go in resisting UK entry, but it was clear that he would press at best for minimal derogation from the Rome Treaty. Mr. Macmillan was frankly gloomy about the prospect but still not prepared to examine any new alternative to Common Market entry. Even the question of an industrial free trade area had not been carried any further.

Lord Amory noted that Schroeder would be coming to London shortly with a big team of advisers but the purpose was probably to discuss NATO and the Nassau talks, not Common Market. Heath will take the opportunity however to urge Germany to be more robust in support of the UK position if the negotiations with the Six are to reach a successful conclusion.

On the whole the outlook was not promising for the UK. Many important questions remained unsolved – agriculture, old Commonwealth trade interests and certain industrial raw materials, and there was a long way to go before agreement among the Six could be expected. The UK for its part had made its final concessions and Europe must now move or UK entry was not on.

The domestic political reaction to the Common Market negotiations was worrying the UK Government. A middle group of Conservatives whose influence in the end would be decisive, had begun to shift their positions away from support of entry. The danger was that there might be a tendency for the Conservative Party to take a majority decision to do nothing at this time. It was up to Edward Heath to produce the miracle that would restore confidence in the Government's policy. Another worrying feature was the effect of the current uncertainty on the investment climate. Industry in Britain was understandably holding its hand until the big decision had been taken. There was also the difficult position of the EFTA countries. The UK were demanding satisfactory arrangements for their entry but the Six were adamant that the UK should make their decision first. In any event, EFTA negotiations could scarcely be completed before the end of 1963. Finally there was the unknown factor of French opposition, who were not hesitating to throw up all sorts of obstacles including that the Treaty required a year's notice for the admission of new members.

Despite the manifold obstacles UK Ministers are determined to have the matter settled one way or the other by the end of April and hope to be at a point where some judgment can be made by late February. The prospects for entry are however bleaker than before – about 50/50 where formerly 60/40 might have been a fair estimate.

### *Congo*

Mr. Macmillan told the Prime Minister of his dislike of the use of force and tried to focus attention on the revenue-sharing proposals of Tshombe as the most promising avenue for a negotiated settlement. Mr. Diefenbaker agreed that force should not be used to seek a political solution and that no sanctions should be applied. Macmillan made it clear that the forceful prevention of the secession of a province simply to preserve the *status quo* was something that deeply worried the UK because of the possible precedent that might be set for similar action elsewhere.

Referring to the message of January 1 Lord Home had sent to Mr. Green, Lord Amory hoped that Canada would share the UK's concern about the use of force by the UN. In reply the Under-Secretary described the representations which Tremblay had made to U Thant yesterday on instructions from the Minister and the reassuring answer given by U Thant.<sup>9</sup> Lord Amory suggested that Mr. Green might wish to reply in due course to Lord Home along similar lines.<sup>10</sup>

R. C[AMPBELL]

437.

DEA/50391-A-40

*Note du sous-secrétaire d'État suppléant aux Affaires extérieures  
pour l'adjoint spécial au premier ministre*

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

SECRET

[Ottawa], December 27, 1962

Mr. Warren and I have prepared the attached account of the impressions which the Prime Minister gave us of his conversations with President Kennedy and Prime Minister Macmillan.

When the Prime Minister returns, I should be grateful if you would submit this account to him and mention that we will be available should there be additional material that he would wish to record.<sup>11</sup>

M. C[ADIEUX]

<sup>9</sup> Voir/See documents 4-6.

<sup>10</sup> Voir Green à Amory, 8 janvier 1963, ainsi que le message intégré de Green à Home, 7 janvier 1963, MAE/6386-40, partie 36.  
See Green to Amory, January 8, 1963, and enclosed message from Green to Home, January 7, 1963, DEA/6386-40, part 36.

<sup>11</sup> Notes marginales /Marginal notes:  
Original to P.M. 3/1/63. O.W. D[ier].  
Memo returned amended 8/1/63. [O.W. Dier]

[PIÈCE JOINTE/ENCLOSURE]

*Note**Memorandum*<sup>12</sup>

SECRET

BAHAMAS MEETINGS – DECEMBER 21-22, 1962

SPECIFIC POINTS DISCUSSED WITH PRESIDENT KENNEDY  
LUNCHEON MEETING DECEMBER 21ST*(i) Trade with Mainland China – United States Foreign Assets Control – Oil Bunkers for Grain Ships*

The fact that the United States Treasury has written to Standard Oil of New Jersey, the parent company of Imperial Oil, concerning violation of regulations under the Trading with the Enemy Act, was not raised specifically with President Kennedy. However, the Prime Minister asked in a general way whether there was any objection to our trade with China. The President replied in the negative. Mr. Diefenbaker recalled the difficulties which had earlier arisen concerning bunkering in Canada of ships carrying grain to China and the fact that, following the conversation which had taken place at that time, the difficulties had been overcome. President Kennedy indicated that no consideration was being given to any change in the present arrangements. This assurance will be important should the State Department be unsuccessful in its efforts to head off the action which the United States Treasury is taking vis-à-vis Standard Oil of New Jersey.

President Kennedy was under the impression that Canadian supplies of wheat had been substantially reduced as result of the lower 60/61 crop and increased overseas sales. The Prime Minister advised him that the supply position had greatly improved as a result of the record 61/62 crops. Canada had some 700 million bushels available. The President also had the impression that the December sale to Mainland China of an additional 34 million bushels of wheat represented new business. The Prime Minister explained that this sale was within the existing long-term undertaking announced in 1961.

The President was interested in the financing of Chinese grain purchases and speculated that the sterling was being earned by sales of potash to the USSR which in turn was selling gold. In the course of this discussion, President Kennedy asked whether there was anything which Canada could do to assist in securing the release of American prisoners of war held by China. The Prime Minister undertook to consider the question, but made no commitment. He pointed out that the release of American prisoners of war was far removed from the normal discussions between Canada and the grain purchasing agencies of the Chinese Government. Thus, it was unlikely that the Chinese representatives would be the right people with whom to discuss the matter.

<sup>12</sup> Diefenbaker a modifié cette note entre le 3 et le 8 janvier; la version modifiée figure dans ses documents personnels (J.G.D./MG01/XII/C/291). La version reproduite ici est la note rédigée à l'origine par Warren et Cadieux; les notes en bas de page décrivent les modifications principales apportées par Diefenbaker.

Diefenbaker revised this memo at some point between January 3 and January 8; the amended version appears in his personal papers (J.G.D./MG01/XII/C/291). The version printed here is the memo as originally composed by Warren and Cadieux; the footnotes describe the main changes made by Diefenbaker.

(ii) *Trade with Cuba*

The Prime Minister asked President Kennedy whether he had any objection to Canadian trade with Cuba. The President indicated that there was no U.S. objection to trade in the items Canada was selling to Cuba. He went on to mention specifically the very helpful role which had been played by the Canadian Embassy in Havana throughout the period of the Cuban crisis.

(iii) *Appointment of U.S. Ambassador to Canada*

There was a brief exchange between President Kennedy and the Prime Minister about the appointment of Mr. Butterworth. President Kennedy said that he had first known Mr. Butterworth when he was a member of the United States Embassy staff in London at the time his father was Ambassador. Mr. Butterworth had been highly regarded. The Prime Minister did not mention the unfavourable "big boss" impression which Mr. Butterworth had left with Mr. Green.<sup>13</sup>

CONVERSATIONS WITH PRIME MINISTER MACMILLAN  
P.M. FRIDAY, DECEMBER 21, 1962

(i) *U.K./U.S. Discussion on Nuclear Defence Systems and the Proposed Multilateral NATO Nuclear Force*

Mr. Macmillan discussed with the Prime Minister the result of the talks on Skybolt and Polaris to which reference was made in the joint United States/British Communiqué and Statement on nuclear defence systems.

The Macmillan/Kennedy conversation took place against the background that with more effective missiles available the end of the era of the manned bomber was in sight. In the light of the implications for Britain of discontinuance of the Skybolt missile, a number of alternative possibilities were discussed. The first of these was the further development of Skybolt on a joint basis with both the United States and United Kingdom putting up 100 million dollars. If this course were followed, there would be no certainty of eventual success and the end situation might be no different from that at the present time. The technical difficulties were very great. Success in accurately directing a missile to a long distance target from an aircraft travelling at more than 500 miles per hour was extremely problematic. It was agreed that this alternative would not be pursued.

The second alternative offered by President Kennedy was to equip the British V-Bombers with the Hound Dog air to ground missiles now carried by United States bombers and which had a range of about 200 miles. With Hound Dog affixed to the bottom of the V-Bombers, there would, however, be only 2 feet ground clearance. Adaptation of the V-Bombers to Hound Dog would in any event be very expensive and would leave Britain in the out-dated manned bomber stage. This alternative was therefore also rejected.

After further discussion, agreement was reached to provide the Polaris missiles to the United Kingdom. Mr. Macmillan was very pleased with this outcome and, mainly for political reasons, appeared to the Prime Minister rather like the cat which had swallowed the canary. Mr. Macmillan referred to Polaris as one of the three nuclear horses in the defence stable. Polaris, being carried by submarines, had the advantage of not being tied to a fixed base. Since

<sup>13</sup> Cette phrase a été omise dans la version modifiée du document trouvée dans les documents personnels de Diefenbaker.

This sentence was omitted from the amended version of the document found in Diefenbaker's personal papers.

the submarines returned to port only once every three months, they would form less of a political target for the elements in the United Kingdom represented by Lord Russell. Prime Minister Macmillan indicated that the submarines to be constructed by the United Kingdom to accommodate Polaris would be adapted to U.K. requirements, would be smaller than those in use by the United States Navy and would not carry so many missiles. Some six years would probably be required to achieve a Polaris force: two years in submarine development and four years in construction.

Mr. Macmillan emphasized that in the final analysis control of the British Polaris Nuclear Submarine Force would remain in the hands of the British Government. Although there was an obligation to move towards development of a multilateral NATO Nuclear Force, the Agreement made it clear that the final decision would rest with the British Government when, in the words of the communiqué, "supreme national interests are at stake." Mr. Macmillan stressed that the United Kingdom was determined to go ahead regardless of the attitude of each or any of the other NATO partners.

Mr. Macmillan was also very pleased with the inclusion of the words "on a world-wide basis" in paragraph 10 of the Agreement, concerning the importance of increasing the effectiveness of conventional forces. The United Kingdom would be allowed to strengthen their forces anywhere in the world. They felt that there was an urgent need in the free world for elasticity in military arrangements. It was important to have ability to move conventional forces quickly from one place to another. During the last few years the United Kingdom had had to move such forces to Kuwait and more recently to Brunei. Adequate reserves must be strategically placed so as to be available quickly where they were needed. As a result of this Agreement, the United Kingdom anticipated that the pressure on them to increase their forces in Germany would be reduced.

In his press interviews, the Prime Minister was asked, on a number of occasions, to interpret the passages in the joint U.S./U.K. Defence statement concerning Polaris and development of a multilateral NATO Nuclear Force. The Prime Minister pointed out that what was involved was a bilateral agreement between the United States and Britain. Their intentions with respect to the development of a NATO Nuclear Force would be discussed with other NATO countries, but could not bind such countries. It would be for individual NATO countries, when consulted, to decide whether or not they wished to take part or make a contribution. So far as Canada was concerned, there could be no direct implication, since Canada had not been consulted. Any question of Canadian participation through the assignment of Canadian forces now in Europe to a multilateral NATO Nuclear Force would be a matter which would have to be the subject of policy consideration by the Canadian Government. What was clear was that, irrespective of the reaction of other NATO countries, including France, Britain and the United States would go ahead to implement the Agreement.

Asked about the relationship of the Macmillan/Kennedy Agreement to questions of North American Defence, the Prime Minister said that so far as nuclear weapons were concerned, Canada's general approach was to avoid extension of the "nuclear family." This was the stand which the Canadian Government would take so long as there was any hope of making progress in disarmament; in the event, however, that the disarmament conversations failed and the situation might require it, it would be the Government's intention to arm Canadian forces in the way most suitable for modern warfare.

In the December 22nd conversations with Mr. Macmillan, the Prime Minister confirmed his understanding of the purport of the U.S./U.K. Agreement as regards any implications for other NATO countries.

In the talks on nuclear weapons systems, Mr. Macmillan gathered the impression that Secretary of Defence McNamara was the strongest and most effective member of President Kennedy's group of advisers.

(ii) *Common Market*

Mr. Macmillan told the Prime Minister that he had been unable to detect any obvious change in General de Gaulle's attitude towards British membership in the E.E.C. The General repeated that he would welcome Britain as a member, but gave little or no indication that this meant any change in the terms of the Treaty of Rome. In fact, there was no indication of French willingness to make any concessions to facilitate a successful outcome to the negotiations.

Mr. Macmillan said that his Government was not prepared to allow the discussion endlessly to drag on – there could be no question of a Council of Trent. Accordingly, it was Britain's intention to press forward with the negotiations during January and February, so that in February a final determination of the position could be made. Mr. Macmillan thought that the odds on success were now less than 50/50. It was Britain's intention to press forward and should there be a breakdown to fix the blame in a clear and specific way. Matters would be brought to a head; France would not be permitted to continue a policy of delay.

Mr. Macmillan remained convinced of the important political reasons for Britain's joining, particularly in order to hold the Germans within the Western family. While Defence Minister Strauss had left the Adenauer Government, he was none the less a strong force in Germany. There was always the danger that Strauss and those elements in Germany which thought like him would pay the price of another pact with the U.S.S.R. to obtain German reunification.

As regards agriculture, Prime Minister Macmillan referred to the concern about policies of self-sufficiency in the European Economic Community. In this connection, he pointed out that in Britain agricultural production had increased by more than 80% over the last ten years. Yet imports had remained more or less at the same level due to the increase in the standard of living in the United Kingdom. It was important that the agricultural policy of the Common Market should allow for a reasonable level of imports.

Mr. Macmillan commented that even more so as a result of the recent referendum and election, de Gaulle was the complete master in France. He was not at all receptive to suggestions from within or without. Sometimes de Gaulle gave the impression of being in orbit to the moon.<sup>14</sup> Whereas no inferences were drawn as to after-effects of possible failure of Britain to obtain entry to the E.E.C., Mr. Macmillan made the point that, in the period ahead, great changes were coming in any event.

As regards further consultation with Britain concerning the Brussels negotiations, the Prime Minister told the press that the question of another Prime Ministers' Conference was not discussed in his meetings with Mr. Macmillan. He recalled, however, the position he had taken during the Commonwealth Prime Ministers' Meeting in London, concerning the arrangements to be made for future consultations as and when the lines of a settlement for particular commodities had been established.

Mr. Macmillan indicated to the Prime Minister that, in the light of Britain's intention to bring the negotiations to the point of decision in mid-February, a number of matters should be ripe for consideration between the Canadian and British Governments at about the time the

<sup>14</sup> Cette phrase a été omise dans la version modifiée du document trouvée dans les documents personnels de Diefenbaker.

This sentence was omitted from the amended version of the document found in Diefenbaker's personal papers.

Prime Minister will be in London to accept the honour of being made a Freeman of the City of London on February 25.

There was no substantial discussion with Mr. Macmillan of the possibilities which might be open to Britain should the Brussels negotiations fail. However, the Prime Minister did learn that, during the period of the talks with General de Gaulle, one of the French Ministers had mentioned to one of the British Ministers an industrial free trade area as an alternative to British membership in the E.E.C. The Prime Minister understood from Mr. Macmillan that such an alternative would definitely be ruled out from the British point of view.

CONVERSATION WITH PRIME MINISTER MACMILLAN  
A.M. SATURDAY, DECEMBER 22, 1962

(i) *India*

Generally speaking, the situation is not encouraging. Nehru thinks there will be no further attacks but the people in India are greatly aroused particularly after the Chinese threat to Assam which is an area from which 80% of Indian exports are earned. Now that the danger is removed, Indian leaders are less concerned to remove the cause of conflict with Pakistan. In this regard, Mr. Nehru seems to be showing much less interest in reaching an agreement. While he has agreed in principle to a meeting with Ayub Khan, the United Kingdom are not hopeful as to the outcome.

In regard to possible solutions, Mr. Macmillan indicated that Pakistan wanted a plebiscite, which it was believed would favour them; on the other hand, a well-known Indian had stated that in the event of a plebiscite Kashmir might declare itself an independent state. Other possibilities envisaged were:

(a) partition with the Vale under international control; or

(b) leaving Kashmir under the Maharajah who could operate under joint Indian and Pakistani direction.

Mr. Macmillan believes that Krishna Menon could return to a position of influence. His enemies are trying to keep him out but they may not be successful. The only alternative to Nehru is Desai who, unfortunately, does not have the same world outlook. He has done little travelling abroad and was a nationalist.<sup>15</sup>

(ii) *Indonesia*

Mr. Macmillan said that the U.K. Ambassador had returned to Djakarta to cope with a very serious situation in regard to Brunei. President Sukarno has made a number of threatening statements and the Indonesian authorities have been encouraging people in Brunei to oppose Malaysia. Because the Netherlands had been willing to settle New Guinea without too much difficulty, the Indonesians have been encouraged to challenge the interests of other countries elsewhere. Mr. Macmillan felt that the situation could become serious. (The Prime Minister will have additional points to add on this subject.)

(iii) *The Congo*

Mr. Macmillan pointed out that by February the United Nations will be without adequate financial resources to continue operations. The United Nations is therefore under a compulsion to bring about a settlement or to get out. The latest offer made to Tshombe would involve a

<sup>15</sup> Cette phrase a été omise dans la version modifiée du document trouvée dans les documents personnels de Diefenbaker.  
This sentence was omitted from the amended version of the document found in Diefenbaker's personal papers.

division of revenues from Katanga along the following lines: 40% to Tshombe, 30% to Adoula and 30% for the Union Minière. While Mr. Macmillan thinks that this would be a fair arrangement, he does not think that Tshombe will accept. Mr. Macmillan stressed that the United Kingdom are opposed to sanctions as this would involve an intervention in the domestic affairs of a country. Mr. Macmillan thinks the United States might be prepared to intervene and to send to the Congo the necessary forces to compel Tshombe to come to an arrangement. The United Kingdom view is that while an enlarged U.N. force might be able to defeat Tshombe, it could not hold on. (The Prime Minister indicated that he had more to report on this subject.) Mr. Macmillan foresaw the danger of the U.S.S.R. stepping in after the United Nations forces has withdrawn.

(iv) *British Territories in Africa*

Mr. Macmillan does not feel that Nyasaland will be able to carry on by itself. It has insufficient resources. The hope had been to bring about a federation with Tanganyika and Uganda but now the situation was not hopeful. Welensky contends that at the time of the 1952 agreement an understanding had been reached that Nyasaland would not be allowed to secede and was now accusing the British of bad faith.<sup>16</sup> Mr. Macmillan acknowledges that there may have been representations on this point but he is very clear that there was no agreement. Without Nyasaland, and for other reasons, it will be almost impossible for Northern and Southern Rhodesia to continue together particularly as a result of the latest election in Southern Rhodesia. Looking to the future, Mr. Macmillan could see the possibility of some arrangement emerging between Southern Rhodesia and South Africa. This might not be as remote as some people think particularly if Southern Rhodesia were to follow policies close to apartheid.

Mr. Macmillan was opposed to imposing economic sanctions against South Africa.

(v) *Recognition of Yemen*

The United Kingdom do not agree with the United States. They see, however, little possibility of the Arab countries getting together. Mr. Macmillan said that Nasser has shown some signs lately of being slightly more reasonable than he has been in the past.

(vi) *Ghana*

According to Mr. Macmillan, Nkrumah is having a "lachrymose" time. Mr. Diefenbaker said that he had mentioned to Mr. Macmillan his own personal experience of Nkrumah's changeability. He is apparently sitting at home waiting and crying. Just before coming to Ottawa, Nkrumah had said in the Sudan that Ghana would become an independent republic. However, after a few days in Ottawa, he told Mr. Diefenbaker that he had been surprised as to how well he was being accepted and he could get along with other Commonwealth leaders. In view of the kindness of the Canadians, he had come to realize the value of the Commonwealth and he had given up his earlier plan to have Ghana leave it. Such an encouraging statement

<sup>16</sup> Des pourparlers qui ont eu lieu au printemps 1952 entre les représentants britanniques et les dirigeants des colonies britanniques de l'Afrique centrale ont abouti à un « projet de constitution provisoire », qui a contribué à la création, en 1953, de la Fédération de la Rhodésie et du Nyassaland.

Talks in the spring of 1952 between British officials and leaders from Britain's Central African colonies resulted in a "draft federal scheme," which contributed to the formation, in 1953, of the Federation of Rhodesia and Nyasaland.

Voir/See United Kingdom, Parliamentary Papers, Cmd. 8573, *Southern Rhodesia, Northern Rhodesia and Nyasaland: Draft Federal Scheme Prepared by a Conference Held in London in April and May, 1952* (London: Her Majesty's Stationery Office, 1952); J.R.T. Wood, *The Welensky Papers: A History of the Federation of Rhodesia and Nyasaland* (Durban: Graham Publishing, 1983), p. 266.



was, however, repudiated no more than eight days later in New York when Nkrumah had reverted to his earlier line that Ghana would become an independent republic. Apparently, Mr. Macmillan feels that Nkrumah is even more changeable now.<sup>17</sup> A stabilizing factor is that the cocoa market is very good and the people are accordingly better off and more content.

(vii) *Berlin*

(The Prime Minister will wish to add material on this subject.)<sup>18</sup>

(viii) *Latin America*

There was some discussion of the question of Canada's membership in the Organization of American States. Mr. Diefenbaker summarized our position. If we joined and were to side with the United States, we would be accused of being puppets. On the other hand, if we were to oppose the United States, this would create other problems. If hostilities were to break out in Latin America, the Canadian position could be very difficult.<sup>19</sup> The consensus of opinion among the British was that our position was a sound one. They could very well understand it as a logical stand in the situation. The Prime Minister indicated that this subject had not been discussed with Mr. Kennedy.<sup>20</sup>

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<sup>17</sup> Toutes sauf la première et les dernières phrases de ce paragraphe ont été rayées par Diefenbaker et ne sont pas dans la version modifiée.  
All but the first and last sentences of this paragraph were crossed out by Diefenbaker and are not in the amended version.

<sup>18</sup> <sup>19</sup> <sup>20</sup> Ces phrases ont été omises dans la version modifiée du document trouvée dans les documents personnels de Diefenbaker.  
These sentences were omitted from the amended version of the document found in Diefenbaker's personal papers.

CHAPITRE VI/CHAPTER VI  
UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES  
UNION OF SOVIET SOCIALIST REPUBLICS

PREMIÈRE PARTIE/PART I

RAPPORTS DE L'AMBASSADEUR EN UNION SOVIÉTIQUE  
REPORTS BY AMBASSADOR IN SOVIET UNION

438.

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*

TELEGRAM 815  
SECRET. DEFERRED.

Moscow, November 12, 1962

SOVIET CANADIAN RELATIONS – CONVERSATION WITH LAVROV

At Kremlin reception on November 7 I had a rather curious conversation with Lavrov, Head of Second European Division MFA. It was at Lavrov's initiative, and I think prompted by fact that following my conversation earlier in evening with Khrushchev, latter had mentioned to Chief of Protocol that he planned to see me before I returned to Canada. Lavrov said Protocol had mentioned this to him, and he thought it would be very good idea.

2. Lavrov began by saying that we should try to bring about some real improvement in Soviet-Canadian relations. We were neighbours and such improvement would be in interests of both our countries. I said I entirely agreed. I hoped speedy implementation of agreements on Cuba and resolution of Cuban crisis would pave way toward negotiations for more agreements between East and West, which would make possible much better relations between USSR and all Western countries including my own.

3. Lavrov said we should improve our bilateral relations without waiting for solution of difficult multilateral questions. We should draw correct lesson from recent crisis. Soviet Government had decided to withdraw its rockets from Cuba as conciliatory step in interests of peace. But in face of American provocations decision might well have been otherwise. Had I reflected what would have happened to Canada in that event? I asked whether he meant in event of major war, and he said yes, it was very close. I said in that event much of USSR would have been destroyed, and no repeat no doubt also much of North America. I was very glad Soviet Government had decided to withdraw strategic long range weapons from Cuba. They were serious threat to all countries in Western hemisphere.

4. Lavrov said danger to Canada came exclusively from our special military arrangements with USA. Without them Canada would be much safer. (Lavrov is an old reader of *Minifie* and has never given up hope.) I said most Canadians did not repeat not agree with theory that we would be safer if neutralist. Cohesion of free world had been response to Stalin's policies of expansion and threats to Western interests. But Canadians did feel that we would all be much safer if we could reach early agreement on genuine and reliable measures of disarmament. Policies of threatening each other, or attempting to upset strategic balance, whether in Central America or in Germany, seemed to me dangerous and lesson of recent events was that such efforts should be abandoned.

5. Lavrov then abandoned effort to sell advantages of neutralism by implied threats and talk of warnings of military dangers involved in association with USA. He took up new tack. This was that increasingly it would be necessary to solve problems through UN, and this would mean that UN would put into positions of prominence and leadership countries in which both sides, USA and USSR, had confidence and with which both sides had relations of easy friendship. If Canada took steps to improve its relations with USSR this would inevitably mean more important international influence and roles for Canada in UN.

6. Lavrov went on to make assertion that Canada's attitude to USSR was less friendly and normal than that of UK or Australia. Soviet relations with Britain were normal and fairly satisfactory, despite fact that there were much greater problems dividing USSR and Britain than any dividing USSR and Canada. I asked what problems he had in mind and he said Berlin and nuclear testing and disarmament. I said that freedom of West Berlin had been guaranteed by NATO and maintenance of that freedom was problem for all NATO members. In disarmament also Canada had direct interest. I expressed surprise however that he should suggest Canadian-Soviet relations were less "normal" than Britain-Soviet relations, or Australian-Soviet relations. I said I did not repeat not understand this suggestion, which seemed to me erroneous.

7. Lavrov said problem was one of anti-Soviet demonstrations in Canada, and of speeches by Canadian leaders. He insisted demonstrations could always be stopped by government if it so desired. I said we deplored demonstrations against embassies. I hoped there had no repeat not been any recurrence. He said he did not repeat not know, he had been apprehensive about what might happen on November 7 (so had I, though I did not repeat not admit this to him. I hope there was in fact no repeat no demonstration).

8. Lavrov said his main point was that Canadian leaders made violently anti-Soviet speeches, which neither British nor Australian leaders did. These speeches encouraged anti-Soviet demonstrations. Moreover they could not repeat not but worsen relations between our countries.

9. Lavrov referred particularly to charges of Soviet imperialism and Soviet colonialism. He said Canada took lead in this propaganda which seemed to him gratuitous and explicable only by anti-Soviet bias and desire on part of Canadian Government to appear more English than England, and more American than USA.

10. Lavrov referred particularly to statement of a few days previously by Prime Minister,<sup>1</sup> of which I have not repeat not seen text.

11. I told Lavrov that Soviet charges of imperialism against West inevitably seemed hypocritical to Westerners in light of record of Britain and other Western powers since World War Two in granting independence to so many nations formerly incorporated in colonial empires. Soviet charges of imperialism inevitably struck Westerners as propaganda contrasting

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<sup>1</sup> Non retrouvé./Not found.

strangely with Soviet expansion under Stalin after World War Two. I said I thought that if Soviet side stopped making propaganda and political warfare moves to undermine Western influence, it would be reasonable to expect that what he called anti-Soviet propaganda would likewise decrease from side of most Western countries. I thought we should both turn our attention to settling outstanding problems such as nuclear tests and disarmament, and reducing international tension.

12. I then told Lavrov that I could not repeat not understand his statement that Canadian-Soviet relations were less normal than those with other two countries (Australia and Britain) with which his division deals. In cultural relations there had been a considerable development during last couple of years. Our trade was not repeat not big but was larger (at least in 1961) than that between USSR and Australia, and I hoped ways could be found of expanding trade. I mentioned forthcoming trade consultations. I also mentioned exchanges of technicians and scientists, and said that here too our relations were much more extensive than those between USSR and Australia. In all these fields exchanges between USSR and Britain were admittedly very much greater. I thought there could be room for further developments in our own relations, and would welcome any proposals he might have.

13. Lavrov then admitted that in substantive questions, leaving speeches aside, Soviet-Canadian relations were much closer than Soviet-Australian relations. He said his ministry had also appreciated independence of Canadian policy towards Cuba during past couple of years. He said he genuinely wanted to try to develop closer good-neighbourly relations with Canada. But he found some Canadian speeches made things difficult in this regard. There were also he said certain problems about visas. However he was not repeat not specific about this, and as a new and rather attractive concert item was starting conversation wound up with mutual expressions of personal esteem and friendship, and of mutual desire to improve practical relations between our countries so far as we could.

14. Apart from further evidence of Soviet Government's sensitivity to the campaign against Soviet colonialism (I believe this sensitivity is very real), I do not repeat not think too much importance should be attached to this conversation. Lavrov's warning about military dangers to Canada inherent in our defence relations with our allies strikes me as a naïve, rather inept, and certainly ill-timed, parallel with threats against Turkey which I understand Soviet Ambassador [in] Ankara made at height of Cuban crisis last month, threatening imminent destruction unless Turkey got rid of American bases there. However I thought Lavrov's remarks sufficiently interesting to merit a report.

15. Incidentally I reminded Lavrov, as I had done ten days previously when he and Aroutunian lunched with me, that I was still hoping for a favourable reply to our request for support for 1967 world's fair in Montreal. As reported in my telegram 813,† on November 10 Lavrov phoned me to say that Soviet Government "probably" had no repeat no objections to Canadian proposal on this matter. He added that in his personal opinion despite this reservation in the official communication, he felt virtually certain that Soviet delegation would support our bid.

ARNOLD SMITH

439.

DEA/50170-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 878

Moscow, November 30, 1962

CONFIDENTIAL. DEFERRED.

Reference: My Tel 873 Nov 29.

Repeat for Information: London, Washington, NATO Paris, Bonn, Paris, Rome, Permis New York, Brussels, Hague, CCOS, DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

By Bag Vienna, Warsaw, Prague, Belgrade, Cairo from London, Berlin from Bonn.

## CONVERSATION WITH KHRUSHCHEV – INTERNAL AFFAIRS

In response to my opening remarks, reported in my reference telegram,<sup>2</sup> Khrushchev said he would comment first on what I had said about domestic situation. He did so at length and with many fascinating anecdotes. He said he planned big investments in agriculture, and more democratisation.

2. He acknowledged that he had been pleased with developments in general since Stalin's death. They had made a lot of progress in industry and technology. He said they had taken decisions of extraordinary importance at recent Central Committee plenum to improve planning and general direction of economic affairs, and to make a better deployment of key manpower at all levels in the party. How this would work out remained to be seen, but he thought it would prove good.

3. Khrushchev acknowledged that in agriculture there were serious problems. He blamed these squarely on Stalin and the heritage which he left. Stalin disliked peasants and did not repeat not understand them. Lenin's and Stalin's treatment of peasants had been utterly different. Though [a] dedicated Marxist Stalin was impatient and brutal and had done grave harm to USSR. He reiterated that Stalin's régime had created widespread fear, and said Lenin's forecast about what would happen if Stalin got central power had proved remarkably prescient and accurate.

4. Before Stalin's death Benediktov had warned Stalin accurately about real position of Soviet agriculture, and proposed setting up commission to re-examine whole question of agriculture structure. Stalin had proposed that Khrushchev be chairman. Khrushchev said he had at once realized that this put him in a dangerous position since in view of Stalin's fixed ideas he would not repeat not be able to help peasants or agricultural production, but could easily do himself grave personal harm. So he tried to persuade Stalin to make Malenkov Chairman. Stalin refused saying Malenkov understood nothing about subject. Nevertheless Stalin left Malenkov in effective charge of agricultural sector of economy. But Khrushchev had to chair this special commission.

5. Khrushchev realized that since Stalin disliked what Khrushchev wanted to propose, he could do no repeat no good to agriculture. If he recommended what would please Stalin it would hurt agriculture. Stalin had wanted to increase taxation on peasants to fantastic level higher than their total earnings. Since however he could not repeat not duck job he tried to

<sup>2</sup> Voir/See document 199.

spread responsibility by claiming that issues were too big for his little commission which should therefore be enlarged and strengthened. He recommended that all Politburo members except Stalin should participate. He said his real motive was to make all of them responsible, instead of himself alone. Nevertheless Stalin agreed that most Politburo members should participate, except for Bulganin and Kaganovich. Khrushchev had been particularly pleased to get Beria and Malenkov onto commission: "I felt it would be easier and safer to share responsibility with them."

6. After study Beria, Malenkov and other members had realized impracticability of Stalin's tax ideas. "We were then all in dangerous dilemma. But we reported to Stalin. He was angry, said report bad. I privately agreed with this assessment, but for opposite reason: Stalin thought report went too far: I thought it should have gone much farther. But we had reported on Saturday. He fell ill on Sunday, and died on Monday. A good day for Soviet agriculture." I asked whether this might have been act of God. Khrushchev looked startled, but replied "Yes on that occasion God was with us."

7. Khrushchev went on about his experiences cooperating with other Presidium members to correct Stalin's mistakes. They all had to feel their way and had made some mistakes of their own. It was impossible to cooperate with Beria since he was a rogue. "Perhaps you think all Communists are rogues but Beria was a special one."

8. There were a good many more fascinating anecdotes about Khrushchev's manoeuvres against Politburo colleagues to preserve himself and gradually improve agricultural situation without getting into too exposed position. There was some reminiscence about start of virgin lands project. Khrushchev said there had been many mistakes in this. It was inevitable that there should be some mistakes in any major project. But on whole project had already proved successful, heavy investment had now been recouped and country had started to make profit from virgin lands enterprise. In future they should begin getting good returns.

9. Khrushchev conceded that he himself, as well as his colleagues, had worked so long with Stalin that they had to some extent become influenced by Stalin's ways of thinking so it had taken considerable time for them to learn how effectively to improve situation and to release and harness initiative of agricultural population.

10. Khrushchev said that they had similar difficulty in industry. Their planners, educated under Stalinist techniques, still had excessively mechanical approach. This all had to be changed, and change took time. But Khrushchev felt confident they were now on right path.

11. They had been more successful in industry than in agriculture but in countryside too they were now he thought on right path. USSR would still overtake and surpass North American productivity. I might be sceptical but there was no repeat no real secret in our success. Only secret of North American success was money – they too had to invest in fertilizers, irrigation, and agricultural education. All this took money but they would provide it.

12. I agreed it took money, but suggested it also took incentive. I expressed scepticism about collectivization. Khrushchev said we had different understanding of best incentives. Capitalists thought profit was key incentive, whereas Communists thought good wages, scope for initiative coupled with education, and moral satisfaction provided soundest incentives. He illustrated this thesis by Soviet progress in development of missiles.

13. In response to my comment Khrushchev said he recognized capitalism had changed fundamentally since Marx's day. A century ago capitalism meant management both in industry and agriculture by owners. But now capitalist industry was essentially matter of big public corporations run by professional managers. Industrially therefore situation was essentially similar in West and in Socialist countries.

14. I agreed, and said I was interested that Khrushchev recognized this. I suggested real difference between Western and Communist societies was less in field of economic organization than in political field. Real difference was between democracy and dictatorship.

15. Khrushchev replied that I had already acknowledged that there had been considerable progress towards less dictatorship and more liberty in USSR. He considered conditions now right for further measures of liberalization in wide range of fields. He had thought it would be appropriate to propose new measures in this direction at last week's plenum. But many people had felt USSR would get indigestion if they tried to do too much at once. Many steps had therefore been left over for future decision and implementation. But Khrushchev insisted that they would introduce further measures of democratization soon.

16. I expressed interest in this, and Khrushchev said many Westerners claimed that if Socialists liberalized their society they would be digging their own graves. His answer was that if democratization was dangerous, it was a danger that they would quickly rush to embrace. "Democracy is our goal."

17. Khrushchev said he was tired of Western prophets who forecast Soviet society's doom, but he did not repeat not really mind these forecasts. "If one's enemies are fools that is perhaps all to good." It was at this point Khrushchev interpolated story that he had genuinely regretted Dulles' death. He had instructed Gromyko to express Soviet condolences but Gromyko had not repeat not wanted to attend Dulles' funeral because he really did not repeat not understand.

18. Reverting to theme that he envisaged considerable further measures of domestic democratization Khrushchev said it was inevitable that man must be man, and that as men developed they must come to govern themselves.

19. I said I agreed, but that if Khrushchev really thought this, then he should acknowledge that politically as well as economically Western democracies and Communist societies could become increasingly similar. Therefore we would be wise to drop idea of ideological rivalry and struggle, and instead should get on with organization of international cooperation.

20. Khrushchev hesitated at this, and said "Yes possibly so, but we understand things differently. West is copying us in certain regards. Kennedy's speeches are often full of social insight and increasingly hold out elements of genuine social vision. But this is because Kennedy wants to take into account popular social aspirations."

21. Khrushchev went on to claim that Kennedy was essentially a clever demagogue. He might be personally sincere in some of these aspirations but he would not repeat not be able to deliver on his social promises. Khrushchev said "Please don't tell press that I called Kennedy a demagogue. I will say it directly to him if we meet but I do not repeat not want him to hear through press that I insult him and doubt his ability to carry through on social promises."

22. Reverting to earlier theme Khrushchev said emphatically that genuine socialism and Communism would be possible only with development of democracy. He was determined to proceed in this direction.

23. Unfortunately at this point Malik reminded Khrushchev of time and Khrushchev said he must turn to discussion of certain international problems, particularly German question. I have reported our conversation on these topics in separate messages.<sup>3</sup>

ARNOLD SMITH

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<sup>3</sup> Voir/See documents 54, 197-199, 742.

440.

DEA/50170-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 226

Moscow, April 8, 1963

CONFIDENTIAL. DEFERRED.

Repeat for Information: London, Washington, NATO Paris, Paris, Bonn, Rome, Permis  
New York from Ottawa.

By Bag Hong Kong, Warsaw, Prague, Vienna, Belgrade, Cairo from London, DisarmDel  
(per Comcentre).

KHRUSHCHEV'S POLITICAL POSITION – DILEMMAS OF SOVIET POLICY

Since I returned to Moscow three weeks ago from Canada I have had hunch there must have developed within top Communist Party of the Soviet Union (CPSU) circles some domestic political threat to Khrushchev's leadership. Hypothesis that Khrushchev himself has considered it expedient to conciliate or yield to critics seems to me essential part of explanation for certain current tendencies in Soviet affairs, particularly for manner of domestic crack-down on Soviet intelligentsia. Since virtually all my diplomatic colleagues here have disagreed with my thesis, I have delayed reporting in effort to get evidence for firmer conclusions one way or the other. I still have no repeat no conclusive evidence, but view which most of my colleagues continue to hold that there has been no repeat no challenge seems to me increasingly unconvincing. I am therefore now submitting this message which I regret I did not repeat not send ten days ago when first dictated. But I must warn that my views are still tentative.

2. This telegram is not repeat not intended to predict Khrushchev's downfall. Although I suspect there has been or still is real challenge to his leadership, my guess is that Khrushchev will win out. He is politician of extraordinary nimbleness, flexibility and flair. Moreover his domestic prestige and image is probably an important asset to the party, even to those who have grave misgivings about some of his policies. Given extent of intellectual and perhaps general party and public ferment in this country it could seem risky to dispense with it.

3. Main reasons I have concluded that Khrushchev must have considered himself in serious domestic political trouble are related to current campaign against intellectuals and freedom of expression, and apparent attempt to delimit or even call halt to destalinization process. There are certainly good reasons for profound misgivings or dissatisfaction by conservative elements in Party here about several of Khrushchev's policies. Furthermore, Khrushchev has trod on many influential toes. I suspect also that some army leaders may be dissatisfied and concerned at certain of Khrushchev's views. These points are developed in latter part of this message.

4. My conclusion that there has been domestic challenge to Khrushchev's position is reinforced by Chinese behaviour. I do not repeat not believe there is any pro-Chinese wing as such within Soviet Presidium or Central Committee. But lack of restraint in recent Chinese attacks on Moscow policies suggest Chinese themselves must have thought they have chance of toppling Khrushchev. Though they are probably wrong they doubtless have some information on which to base such drastic hope.

5. Four months ago Khrushchev told me, in course of long discussion of internal situation, that he was determined to move further in direction of democratisation and individual freedom. I believe he was sincere in this, and in his expressed belief that as Soviet society and economy



become more developed and technically advanced, more freedom of initiative and hence more relaxation of centralised controls over thought and expression, would be essential for efficient functioning and progress. Most of Khrushchev's record in recent years seems to confirm this. Although his secret speech of 1956<sup>4</sup> and his Nov/61 decision to remove Stalin's body from mausoleum were I think prompted in part by considerations of domestic and intra-block rivalry, Khrushchev is quite intelligent enough to have foreseen, and quite daring enough to have accepted and indeed willed, not repeat not only jolt to conservatives but tremendous encouragement to more freedom of thought here which his public debunking and desecration of Stalin made inevitable. During past year there seems to be evidence Khrushchev personally approved and encouraged publication of various pace-setting items such as some of Yevtushenko's most daring anti-Stalinist poems, Solzhenitsyn's "One Day" novel about concentration camps, and some destalinisationist plays.

6. On November 28/62 Khrushchev told me he had planned to announce at Party Central Committee plenum session concluded few days before, various further measures in direction of democratisation and freedom of expression, but that several of his colleagues in leadership had opposed this on grounds it would be dangerous to move so fast and might create "political indigestion." Khrushchev said he had therefore agreed to postpone additional liberalisation measures but was nevertheless determined soon to move further in this direction which he considered inevitable and indeed essential if "socialism" is to be achieved. Three days later Khrushchev started campaign in precisely opposite direction: Khrushchev's drastic shift, seen in light of his remark to me that several of his colleagues opposed at least timing of his further destalinisation policy, seems to me extremely significant.

7. It is not repeat not surprising that many conservative elements in Soviet leadership should have become alarmed by extent of present intellectual ferment in this country. This ferment has been inherent in contradictions of Soviet political situation, but has been mightily stimulated by what I have called literary brinkmanship practised by many intellectuals seeking to expand area of freedom and honesty here by taking advantage of official encouragement given by Khrushchev's destalinisation policy. My January/February report to CIIA and university groups in Canada<sup>5</sup> discusses background and political implications of this ferment, and Embassy Despatches 1069 Dec. 20/62† and 200 Mar. 14† describe something of efforts to check it. Khrushchev's personal contributions to attacks on intellectuals and his efforts to call halt to destalinisation process [seemed] to me to suggest intemperate behaviour of ruthless man suddenly worried about own political skin rather than mere revised judgments of statesman weighing questions of due degree and proportion in social trends.

8. I suspect that Khrushchev must have been forced to realize, during final weeks of 1962 and first months of 1963, that opposition to basic direction of his leadership was dangerously extensive. This, coupled with various unwelcome international and domestic developments, coinciding with vicious Chinese criticism on certain points of doctrine and policy which could hardly fail to strike chord to some extent among Russian Marxists, probably convinced Khrushchev he must reverse some of his policies in order not repeat not to jeopardise personal domestic-political power. It is important to recognize that nowadays Russian Marxists are in

<sup>4</sup> Voir/ See "Text of Speech on Stalin by Khrushchev as Released by the State Department," *New York Times*, June 5, 1956, pp. 13-16.

<sup>5</sup> Smith fait peut-être allusion aux conférences qu'il a prononcées à des universités et à des réunions de l'ICAI en janvier et février. Pour un bref compte rendu de ces discours, voir « Les échanges culturels entre le Canada et la Russie ont même une valeur politique, » *La Tribune* (Sherbrooke), 5 février 1963.

Smith may be referring to lectures he delivered at universities and CIIA meetings during January and February. For a brief report on one such talk, see « Les échanges culturels entre le Canada et la Russie ont même une valeur politique, » *La Tribune* (Sherbrooke), February 5, 1963.

effect going through major “crisis of conscience” (as a Russian friend put it to me a year ago). This spiritual crisis, coinciding with economic and political difficulties at home and abroad, could prove vitally important in affecting political decisions here.

9. Khrushchev’s thundering denunciation of abstract painting on December 1/62<sup>6</sup> proved mere opening salvo in concerted and growing campaign against freedom of expression and venturesome thought in general. Significantly Khrushchev delivered his December 1/62 “donkey’s tail” diatribe *ex cathedra* – i.e. surrounded by full Presidium, and with extensive front page coverage arranged in *Pravda* and other Soviet newspapers next day.

10. It has since become clear, if it was ever in doubt, that party leaders’ attack was directed primarily not repeat not against painters but against writers. Main individual targets were popular young poets Yevtushenko and Voznesenskiy who by daring jolts, unexpected associations or occasional breath-taking beauty have stretched listeners’ minds out of safe conformist thought patterns; against Ehrenburg, an old man trying at last to square his conscience, because his memoirs point up question (inevitably inherent in whole situation) of shared responsibility for crimes of Stalinism; against more courageous editors; and against certain film-makers and playwrights for calling undesirable attention to gap in sympathy between generations or to less savory features of Soviet past or present. Party-spirit and national-mindedness are nauseatingly urged as key desiderata for Soviet creative artists who are daily being exhorted in major press campaign to accentuate the positive.

11. Many Moscow intellectuals with whom I have talked recently fear present campaign may presage return of Stalinist techniques of thought control and compulsory intellectual prostitution. As yet things are far from this point but campaign is still developing. Exciting destalinisation plays continue occasionally to be shown. A few victims of attack (Yevtushenko, Shostakovitch, Polevoy but notably as yet not repeat not Ehrenberg nor Tvardosky) have confessed their errors but some well known creative workers and editors, most top rank writers and film-makers have thus far remained pointedly silent. Party leaders have warned menacingly that “conspiracy of silence” is also form of answer and that silence on ideological issues cannot repeat not be tolerated. There was scarily veiled threat by Khrushchev to lock up recalcitrant writers in mental asylums, and this has reportedly been done recently in at least three cases. Perhaps most unpleasant feature of all has been zeal with which several former Stalinist hacks (e.g. Yuri Zhukov) have leapt to public attack of their literary intellectual and moral superiors. Press attacks on those who have confessed continue. Thus a testing time and a sorting time has begun once more for Soviet intellectuals.

12. How far Soviet leaders may have to go, and may prove willing to go, in reintroducing repression against writers and film and theatre directors, is of course related to their dilemma about basic allocation of resources and relative priorities to be given to housing, consumer goods and agriculture compared with size of budget allocations for defence and investment in heavy industry. Political influence of intellectuals seeking more freedom is naturally related to receptivity and dissatisfaction of general public seeking more housing, better food and improved consumers’ gadgets. Problem of abstract artists and freedom for writers in this country is thus related to basic issue of major domestic and foreign policy. Just at present all these issues are I think bound up more or less directly with political position of Khrushchev himself.

13. Several important policies both international and domestic with which Khrushchev has identified himself and heavily engaged his personal prestige in top Party circles, have been going rather badly.

<sup>6</sup> Voir/See “Abstract Art Pains Khrushchev, Press Opens Barrage,” *Current Digest of the Soviet Press*, Vol. 14, No. 48 (December 26, 1962), pp. 20-23.

(a) Outstanding international example is probably last year's Cuban fiasco. Attention of Soviet public has been successfully focussed on Khrushchev's "statesmanlike and moderate action to save world peace": his public popularity did not repeat not suffer, at least in short run, and was perhaps even enhanced. But within sophisticated circles near leadership level, e.g. in or near Central Committee and presumably also in top military circles, I suspect that Chinese charges of ill-thought-out adventurism followed by capitulationism must tend to strike chord and draw some blood.

(b) Growing schism between USSR and China may have been unavoidable but it is certainly costly to USSR and has probably led to some questioning and criticism. Inevitably man at top must take responsibility for unwelcome trend. Resultant threat to Khrushchev's domestic political influence could be more disturbing if Chinese have been playing their cards wisely among Soviet party circles as they may well have been doing. Russians now seem anxious to call halt to public quarrel with Chinese providing this can be done without paying too great price.

(c) Personally I think that Khrushchev's wooing of neutralist "national bourgeois" leaders such as Nehru, Nasser, Kassem, Nkhrumah etc. has been on whole wise, and in Russia's interest. Nevertheless recent events have made this policy too relatively open to criticism from Soviet standpoint, particularly in Mideast. Overthrow of Kassem and establishment of virulently anti-Communist and more or less pro-Nasser régimes in Iraq and Syria may have laid Khrushchev's whole policy open to criticism in Russian Communist circles. So perhaps has support of India at cost of deepened quarrel with China, at least among top Soviet Communist Party circles ill-informed about international affairs.

(d) Berlin issue which Khrushchev has personally sponsored for some years, has thus far not repeat not proved particularly profitable to USSR.

(e) It would probably be relatively easy for Khrushchev's critics to find shortcomings in various aspects of Soviet policy toward France, Germany, Britain and Common Market during past few years.

(f) It is I think possible, perhaps even probable, that American opposition of Soviet big diameter pipe purchases [texte manquant/text missing?], and to acceptance [of] test-ban agreement on Soviet terms now that USSR has offered three token inspections, may have been genuinely unexpected, and may in any case have strengthened hand of those in Moscow who oppose concept of trying to seek agreements with West. Some Soviet acquaintances have urged this point on me.

14. Domestically, several of Khrushchev's policies must have laid him open to more or less severe criticism or opposition.

(a) I have already discussed Khrushchev's role in dramatic destalinisation, and several specific instances of his encouragement of outspoken literary efforts. Results have certainly and understandably alarmed many of Khrushchev's conservative companions, if not repeat not Khrushchev himself. These results are of course dangerous to maintenance of supremacy of party at least in traditional totalitarian sense of this concept. Inevitably logic of this destalinisation goes far beyond role in Soviet society of intelligentsia as such.

(b) Kazakhstan seems to have become almost a public scandal. Top governmental and Party leadership has been repeatedly changed in past few years, and during 1962 some sixteen thousand persons were sacked from trade network mainly for widespread economic crookedness. All this can hardly help but reflect on Khrushchev's virgin lands project, in which his prestige is rather heavily committed.

(c) I am not repeat not here going into recent issues in Soviet defence policy and question whether Khrushchev has been proved wrong or has advocated unpopular decisions. Sufficient information is not repeat not readily available here to discuss this question, but it is worth

bearing in mind. So are possible implications of Penkowsky case, which may have shaken Soviet military circles rather deeply.<sup>7</sup>

(d) Khrushchev seems periodically to have toyed with idea of trying to find increased resources for chemical industry and agriculture by cutting down military budget, not repeat not at cost of new sophisticated gadgets but by reducing large scale conventional armed forces and perhaps lowering priority of heavy industry which supports their weaponry. This seems to have met with hitherto successful resistance by military leaders. Khrushchev's scepticism about massive conventional forces may however have stimulated significant distrust among military hierarchy, who could be important in any challenge to establish political leadership.

15. Quite apart from policy issues which various members of Praesidium or Central Committee might find politically dubious or distasteful, there have been number of issues in which Khrushchev's decisions must have created resentments among politically significant sections of population. In addition to all above issues several other Khrushchev policies in recent years, though often popular with masses, have tended to alienate certain significant groups:

(a) recent division of Communist Party regional and district organizations into two (one for industry and one for agriculture) with establishment of two Party First Secretaries where one had ruled before, must have tended to reduce or jeopardize power of many regional and local tin gods whose importance in the régime is far from negligible.

(b) Khrushchev's insistence that many students must spend two years in ordinary productive labour between secondary school and university has annoyed many educators, managers, and of course many parents. His practice of sending urban workers to give temporary help in harvest has also been widely unpopular.

(c) Khrushchev's abolition of motor tractor stations meant that many people in relatively privileged positions in countryside were forced to return to more lowly posts in collective farms or to seek new jobs in cities: this disruption presumably created resentment.

(d) Khrushchev's emphasis on reducing size of bureaucracy, and possibly also his effort to get more turnover in political offices, must have created fear and resentment among some of those affected.

16. In general, Khrushchev's propensity to engage in rather drastic and relatively frequent institutional reorganizations has been very unsettling to innumerable Soviet personalities. Khrushchev has always put much faith in institutional reform as a means of achieving his ends. But during past year he seems to have resorted to this device with growing frequency. Some of these changes seem to have been ill-thought out and premature and have themselves been subjected within a few weeks to further change. By now, these changes and counter-changes must have created at many levels of party and bureaucracy a climate of uncertainty, confusion and even annoyance.

17. I list all above not repeat not to suggest that I think Khrushchev has usually been wrong: on contrary I think that with exception of his propensity for foreign policy adventures (Berlin, Cuba etc.), he has quite often, from point of view of long-term interest of Soviet régime, been right in his innovations. But many of them have alienated significant groups, and some have proved very vulnerable to criticism if ever Khrushchev's leadership is brought seriously into question.

18. These various considerations have led me to give serious consideration to possibility that Khrushchev might find himself in serious political trouble at home, and to conclude that

<sup>7</sup> Voir/See Jerrold L. Schecter et/and Peter S. Deriabin, *The Spy Who Saved the World: How a Soviet Colonel Changed the Course of the Cold War* (New York: Scribner's, 1992).

Khrushchev himself may have decided fence mending and conciliation of critics or potential opponents might be prudent, in order to consolidate domestic leadership.

19. It seems to me quite possible that as suggested in Peter Roberts' very interesting letter 63-8 January 23 from Hong Kong,<sup>†</sup> Chinese Communist leadership may have decided that if they cannot repeat not topple Khrushchev then their best interests may lie in trying to establish new international Communist movement under Peking's leadership with USSR excluded as heretics. Presumably Chinese extremism would have built-in advantage in appealing for support of CPs in most Asian, African and even Latin American states, although USSR, being far richer, would have advantage with CPs of most established Communist régimes and also for reasons of its relative moderation would have advantage with CPs in highly developed countries such as Western Europe and North America, where CPs must rely in part on ability to appeal to educated public opinion. Presumably many Soviet leaders would go some distance to avoid open break with China, in order to preserve at least façade of unity of world Communist movement under Moscow's influence. Presumably Chinese could try (and I expect are trying) to exploit Moscow's desire to prevent open break, by pressing subtly for weakening of Khrushchev's position.

20. But I doubt that Khrushchev could afford at this time to surrender government leadership and retain merely First Secretary's position in Communist Party or vice-versa. It seems to me that surrender under pressure of any part of his present institutional position might create trend against him which in absence of revived physical instruments of repression could prove disastrous.

21. My guess therefore, and it is certainly very tentative, is that Khrushchev (a) is under dangerous domestic political pressure; and (b) will win out at some cost of compromising on domestic and foreign policies but not repeat not at cost of any compromise on his institutional positions of power. In these circumstances I would guess that Soviet Government would not repeat not for time being be inclined to make any important new concessions designed to reach agreement with West in fields such as disarmament, nuclear test bans, Berlin, or Cuba, or other major "East-West" areas. Soviet leadership will probably wish to avoid measures likely to lay themselves open to serious further charges from Peking, until issue of Moscow-Peking relations is further clarified one way or the other.

22. Meanwhile CPSU's renewed emphasis on old doctrine that there must be no repeat no peaceful coexistence (with West) in field of ideology is disappointing. So is reassertion in CPSU's March 30 letter to Chinese that "peaceful coexistence of states with different social systems presupposes unremitting ideological, political and economic struggle between the two social systems," i.e. Cold War.<sup>8</sup>

23. It is too soon to draw firm conclusions about how much these words may mean in practice, or how far they may be merely tactical and defensive. But for what they are worth they suggest disappointing and conceivably even disquieting prospects, for international as well as domestic policies of USSR.

24. On other hand evidence of how strongly and far-reachingly the ferment of destalinization is working in Soviet society, and how deep are the contradictions between "life itself" and Marxist intellectual strait-jacket, is fascinating and welcome. Crisis has seeds of promise as well as possible dangers.

ARNOLD SMITH

<sup>8</sup> Voir/See "Reply to the Chinese Party's Negotiation Proposals," *Current Digest of the Soviet Press*, Vol. 5, No. 14 (May 1, 1963), pp. 3-9.

2<sup>e</sup> PARTIE/PART 2  
 ÉCHANGES CULTURELS  
 CULTURAL EXCHANGES

441.

DEA/2462-E-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. 1004

Moscow, November 30, 1962

CONFIDENTIAL

Reference: Your letter No. S-593 of October 4, 1962,† and my despatch 400 of May 9/62.†

CULTURAL EXCHANGES BETWEEN CANADA AND THE U.S.S.R.

Since coming to this post near the beginning of 1961, I have been very interested in the development of cultural exchanges between Canada and the Soviet Union. I believe that, provided a reasonable degree of reciprocity can be developed, there is substantial mutual advantage in these exchanges. The Russians, and several other peoples of the U.S.S.R., have great cultural traditions and much to offer the West. Other things being equal, Canadians will find genuine cultural enrichment in seeing some of the outstanding performing artists and artistic groups of this country.

2. On the other hand, we should recognize that sending theatrical, musical and other artists and groups abroad is a highly organized and deliberate element in Soviet foreign policy, motivated in part (particularly insofar as the artists themselves are concerned) by considerations of culture and normal international interests, but also motivated, and indeed controlled, by the desire to further the influence-expanding objectives of Soviet foreign policy.

3. Conversely, there is I think a genuine and in my judgement a very substantial Western interest in encouraging visits by Western artists and cultural groups to various parts of the U.S.S.R., not only for more obvious and elementary reasons, but specifically in order to increase the exposure of various sections of this still essentially closed society to the outside world, and to contribute to the gradual opening up of Soviet public opinion and the progressive normalization of Western-Soviet relations. Provided we can successfully avoid the real dangers of war, and do not blow each other up during the next decade or two (and I think we can avoid this), then there is I think substantial reason to believe that the further development of exchanges in cultural and other fields (scientific, business, technical, etc.) can provide one of the best hopes, and indeed one of the most effective instruments, in encouraging the development of more normal and safer international attitudes and relations.

4. Soon after I came here I concluded that there were two main problems in this general area, insofar as Canadian-Soviet cultural exchanges were concerned. The first and simplest problem was that, up to that time, visits by Soviet performing artists and cultural groups to Canadian centres were in almost all cases organized by contracts made between Soviet State organizations and American impresarios, Canada being treated for practical purposes as a series of subsidiary branches or occasional stopping-points in Soviet cultural tours of the United States. This situation was unfavourable for Canadian business (that is, for Canadian impresarios). It usually meant higher ticket prices for Canadian audiences. And it inevitably meant that the question of reciprocal Canadian visits to the U.S.S.R. seldom arose except by chance, in cases where a Canadian artist happened to be sponsored by an American impresario,

or happened to be invited directly by a Soviet organization. This situation was thus unfavourable not only from the point of view of Canadian business enterprise; it also restricted opportunities here for Canadian artists, and inevitably complicated the problem of getting any substantial degree of reciprocity. This lack of reciprocity meant that Canada was failing to pull its weight and make its due contribution to Western cultural penetration of the U.S.S.R. It also meant that Canada was missing opportunities to impress Canada's national identity on Soviet society, with all the political and other implications this failure involved.

5. During the past two years this first problem of persuading relevant Soviet State cultural organizations to deal directly with Canadian impresarios where visits to Canadian cities were concerned has been largely resolved. We have impressed our views about this on Madame Furtseva (Minister of Culture), on the State Committee, and on Gosconcert: and they now accept them and operate accordingly. This has not been achieved without some difficulty, and indeed not without some complications: but not all of these have been at the Moscow end. Direct Canadian-Soviet contacts at the organisational or impresario level means encouraging the Soviet authorities to deal with a Canadian impresario who is willing and able to operate on an international scale rather than on a merely city or regional scale as sub-contractor to a major American impresario. I have had considerable correspondence already with the Department on this question, particularly as regards relations between Mr. Koudriavtzeff, the leading American impresario Sol Hurok, and certain other Canadian impresarios operating chiefly on a local sub-contractor basis. Canadian problems in this regard are, of course, complicated by the relatively small size of the Canadian market, the vast geographic extension of our country and hence the relative cost of travel, both from Europe to Canada and within Canada, and the resultant financial and sometimes delicate inter-impresario implications.

6. Nevertheless, as I say, this problem seems, at least for the time being, to have been successfully resolved. Koudriavtzeff and Hurok seem to have developed a mutually satisfactory working arrangement, with the co-ordination and resultant economies in transportation, etc., which this makes possible. I gather also (though admittedly only from remarks made to me by Koudriavtzeff himself, who has visited Moscow many times, and was here again within the past few weeks) that Koudriavtzeff has now developed more or less satisfactory working arrangements with Homburger and other Canadian impresarios who thus far work only on a local or regional scale. Naturally if other Canadian impresarios wish to visit Moscow and try to work out arrangements on a national scale for visits of Soviet performing artists, this Embassy will give them the same assistance which I have thus far been giving to Koudriavtzeff.

7. The more difficult problem of trying to get a reasonable degree of reciprocity remains. Here too there has been some real progress, but there is still nothing approaching a reasonable balance. I doubt if Canada can expect, for many years to come, to achieve one hundred per cent reciprocity, since the U.S.S.R. is a vastly bigger country with correspondingly greater cultural and artistic wealth to offer. Nevertheless the degree of reciprocity thus far achieved has been, in my judgement, far from satisfactory. A major improvement here is both desirable and, on certain conditions, may, I think, prove possible.

8. The easiest and most certain way of ensuring a reasonable degree of reciprocity in the cultural exchange field would, I think, be to have a formal cultural exchange agreement between Canada and the U.S.S.R. This is the basic approach to relations with the U.S.S.R. worked out (or accepted) by the Americans, the British, the French, and many other Western countries. Implementing such an intergovernmental agreement is not easy for a free enterprise society. On the other hand, American and other Western experience has proved that it is not, in practice, impossible. I have discussed this question with the senior State Department official in charge of their cultural, scientific and technical exchange agreements, and with other Western

government representatives in this field who periodically visit Moscow. I am very conscious both of the problems which they have faced, and of the relatively high degree of success which they (and particularly the United States) have, nevertheless, recently managed to achieve in grappling with them.

9. I realize, however, that quite apart from the inherent but not insoluble difficulties of implementing an intergovernmental agreement in this area, which is normally outside the activities of government in free enterprise Western societies, there are certain particular political difficulties or inhibitions in Canada in adopting the framework of an intergovernmental agreement, substantial though the advantages of such a framework have proved to be in the experience of our friends.

10. I think we can probably go some considerable distance to achieve a greater degree of reciprocity, even without the advantages which the framework of an intergovernmental cultural exchange agreement can provide. I have discussed the question on several occasions with Madame Furtseva (Soviet Minister of Culture), with Yuri Zhukov and Romanovsky (the previous and current Chairmen of the Soviet State Committee for Cultural Relations with Foreign Countries), with Mr. Rudnev (Chairman of the Soviet State Committee for Scientific and Technical Co-ordination), with the previous and present presidents of the Soviet Academy of Sciences, and others. Although when I first came here the U.S.S.R. was pressing us hard to conclude such an intergovernmental agreement, they now seem to have recognized that it is not essential for *their* purposes. The question whether it is desirable for Canadian purposes is, of course, a distinct question.

11. In certain fields an easy way out is to have an exchange agreement worked out between some Canadian body, operating on a national scale, and the corresponding Soviet State society. This is the solution which has been adopted by Canada in the field of scientific research, where we have an exchange agreement between the Canadian National Research Council and the Soviet Academy of Sciences. There have, of course, been certain administrative difficulties in implementing this agreement, but the particular problem of reciprocity is not outstanding.

12. Similar specialized agreements for reciprocal exchanges of technical personnel can be and occasionally have been worked out, on an adequate basis of reciprocity, between various technical organizations in Canada, operating on the governmental or semi-governmental level on a national scale, and their counterparts in the U.S.S.R. Usually these agreements have been relatively ad hoc, relating to individual tours of specialists each way. A series of broader "framework" agreements might, however, be useful in some fields.

13. In the field of performing arts there are, however, a number of special complications. These arise in part from the fact that enterprise and organizational responsibility in these fields, in a free capitalist society such as that of Canada, are essentially non-governmental and in the area of private business.

14. Even now that we have got this business into the hands of Canadian rather than American impresarios, we must recognize that the impresario's financial interest lies essentially in the profit which he can make by bringing to Canada individual Soviet artists or performing groups (orchestras; theatrical, ballet or opera groups; choruses; circuses; etc.) which will appeal to and allow him to sell tickets to large Canadian audiences. The Canadian impresario makes nothing, or at best relatively little by way of management fee, out of arranging the reciprocal tour of a Canadian artist or artistic group to the U.S.S.R. A firm grasp of this basic point is essential to any real understanding of the problem.

15. The financial interest of the Western impresario is thus to a considerable extent identical with the political interest of the Soviet officials in charge of what they consider their cultural penetration offensive: the Western impresario's financial interests tend to be quite different and usually indeed the opposite of those of the Western government official primarily



concerned with developing an adequate degree of reciprocity, and of Western cultural penetration and opening up of Soviet society. This problem is not insoluble, as is shown by the American Government's experience with Sol Hurok and indeed to some extent (although it is thus far much less satisfactory insofar as reciprocity is concerned) by our own experience with Koudriavtzeff. Nevertheless, it is a real difficulty which must be faced squarely. The Canadian or American impresario will cooperate with his Government and Embassy because he is a patriot, and because he needs their assistance. But his pocketbook interest is inevitably on the other side.

16. The question of reciprocity should be seen in at least three aspects:

(a) Getting contracts for Western, and in our case Canadian, artists or artistic groups to visit the U.S.S.R., as counterparts to those arranged for the visits of Soviet individual artists and groups to the West. This means not merely arranging for an individual Canadian singer or pianist to visit the U.S.S.R. in exchange for the visit to Canada of the Bolshoi Ballet or the Moscow Circus, but getting some degree of reciprocity in the exchange of big group for group, and of individual artist for individual artist;

(b) A reasonable degree of reciprocity in the number of cities and other centres in which the visiting artists on each side are to perform. The Soviet authorities are prone to try to restrict visiting Western artists to two or three, or at the most a handful, of relatively well-known and relatively tame or civilized tourist centres in the Western part of the U.S.S.R. (Moscow, Leningrad, Kiev, and sometimes Yerevan and Tiflis) but to seek opportunities to perform in all parts of Canada and the United States. The Canadian and American impresarios' interests tend to coincide in this matter, for obvious financial reasons, with the Soviet political and cultural organizers'. Without a real political initiative by the Western government concerned, it is difficult, if not impossible, to arrange for Western artists to have an opportunity of performing in Siberia, or in the population centres of Central Asia (other than possibly Tashkent, which has been developed into a subsidiary international show-place by the U.S.S.R.). Indeed it is difficult and very unusual for Western artists to have an opportunity to perform in minor, but by no means politically or culturally unimportant, Western Soviet cities such as Odessa, Rostov, Kuibyshev, Stalingrad, Dniepropetrovsk, etc.). Nevertheless, the populations in these centres are probably even more anxious than those in Moscow, Leningrad and Kiev to have an opportunity of seeing representatives of Western civilization and culture, and it is vastly to the Western political interest that we should find means to give them this opportunity;

(c) Financial reciprocity. The majority of Western artists, both individuals and large groups (e.g. the Montreal Symphony Orchestra) find it to their interests, for reasons of prestige and publicity in the West, as well as for understandable reasons of personal curiosity and satisfaction, to be invited to perform in the U.S.S.R., which still has some of the glamour of the exotic unknown. Western artists are therefore very apt to accept Soviet contracts offering much less pay than they normally obtain for performances in the West, and indeed often (and in the cases of Canadian artists usually) to accept contracts paying them wholly or in substantial part in unconvertible roubles. As contrasted with this, the Soviet government authorities in charge of arrangements in this field normally drive very hard and very successful bargains for very high pay, always one hundred per cent in convertible dollars, for performances in such countries as Canada and the United States.

17. What this all adds up to is that left to themselves Canadian, American and other Western impresarios cannot reasonably be expected to achieve anything significant, beyond a modicum of reciprocity designed mainly for face-saving and publicity purposes, if they have to deal individually with the Soviet Government in this field.

18. The real bargaining lever for the West in this area lies frankly and bluntly in the ability of Western governments to refuse the necessary visas. This lever need not necessarily or normally

be exercised very bluntly or overtly, but it is precisely in the latent recognition that this lever exists that the bargaining power of Western representatives (whether individual artists, private impresarios, or government officials) lies, in their dealings with the Soviet government representatives with whom they must negotiate.

19. This should be obvious, but I do not want to risk the possibility that it should be thought that I am exaggerating in this matter. I will therefore cite one example, important in Canadian experience because it relates to the first large-scale cultural visit of a major Canadian group to the Soviet Union – the visit here last spring of the Montreal Symphony Orchestra. I can state with assurance that the Soviet authorities would not have gone through with arrangements for this visit had I not made it clear to them, discreetly but effectively, that the Canadian public would not for long accept the idea of cultural exchanges if they thought that this field was regarded by the Soviet authorities as a one-way street. It was only when the Soviet authorities got the impression that unless they completed a contract for the visit of the Montreal Symphony Orchestra they would not be able to continue sending important Soviet cultural troupes to Canada, that the Soviet Government organization Gosconcert and the Soviet Ministry of Culture stopped stalling and signed a firm contract for the visit of the Montreal Symphony. Nevertheless, the Montreal Symphony's Soviet tour was, I think, a tremendous success, and it did a considerable amount to make Canada better and more favourably known in the leading western cities of this country. The Soviet Minister of Culture had attached particular importance to our permission that they send the Red Army Chorus to Canada, since the Americans had for years been rejecting Soviet requests that it be allowed to tour the United States. They regarded the Montreal Symphony tour here as the *quid pro quo* for the Red Army Chorus.

20. Nevertheless, it must be recognized that whereas the Red Army Choir visited many parts of Canada, including the West Coast, and whereas several other major Soviet artistic troupes visited Canada that season, all earning high pay in convertible dollars, the Montreal Symphony played only in Moscow, Kiev and Leningrad, and settled for payment solely in unconvertible roubles. Their tour became financially possible only because the Quebec Government, the Montreal Arts Council and the Canada Council all considered that a Soviet tour by the Montreal Symphony Orchestra would offer such prestige value to Montreal and Canada that they put up a subsidy of \$50,000 to assist in the expenses. Nevertheless, all the concerts of the Montreal Symphony in Soviet cities were sold out well in advance (the point is that virtually all theatrical, musical and sports performances in the U.S.S.R., whether by foreign or Soviet groups, are always fully sold out in advance).

21. I hope that you have been impressed, as I have, by the profound imbalance in the programmes for current and prospective cultural exchanges between the U.S.S.R. and Canada which have been worked out thus far between Koudriavtzeff and Gosconcert. An outline of this programme was included in my despatch No. 400 of May 9, 1962. I am appending to this despatch a memorandum prepared for me by Miss Berton, my Third Secretary, on current and prospective exchanges.† You will note that during the past few months, since August of this year, three major Soviet cultural groups have visited or are still visiting Canada:

The Moscow Circus  
The Leningrad Symphony Orchestra  
The Bolshoi Ballet  
The pianist, Ashkenazi

A Soviet hockey team is also in Canada. Financial arrangements for most of these artists and groups were set out in my despatch under reference. In addition, arrangements have been made for the following Soviet artists and groups to visit Canada during the next year or so (there will, I think, be additions to this list):

*Gutnikov*

Violinist, winner of the Tchaikovsky Festival, to play March 19 and 20, 1963, with the Montreal Symphony and April 28 in London, Ontario. Receiving \$1,000.00 per performance.

*Moiseyev Dancers*

To dance in the West in June or July, 1963, perhaps at the Vancouver Festival. Receiving \$30,000.00 per week plus transportation from Vancouver to Quebec.

*Obrazov Puppets*

May 15 to June 15, 1963, in Montreal, Toronto, Stratford and Vancouver. Receiving \$7,500.00 per week for four weeks.

*David and Igor Oistrakh*

January 15 to end of January, 1964 to perform with the Montreal Symphony, Winnipeg and Vancouver. David Oistrakh to get \$2,500.00 per performance and Igor \$500.00 with David or \$1,000.00 alone.

*S. Richter*

Not yet finally arranged. Contract depends on Koudriavtzeff conferring with Richter in Italy. Possibility Richter may go to Canada only and not the United States.

22. As against this Koudriavtzeff has arranged, or knows of arrangements, for the visit to the U.S.S.R. this season of:

*Ronald Turini*

January 25, 1963, for one month. He will receive \$200.00 plus 200 roubles per concert.

*Teresa Stratas*

Next May. To receive \$350.00 plus 300 roubles per concert, to sing in the Bolshoi Theatre, Moscow, and in Leningrad. These arrangements have, however, not been confirmed by Miss Stratas.

23. In addition, arrangements have been made, but for the following season (April-May, 1964) for the Théâtre du Nouveau Monde to come to Moscow. They are to be paid 7,000 roubles per week (all unconvertible). Transportation will be paid one way by the Russians.

24. Since I came here I have urged Koudriavtzeff to do more to get reciprocity by arrangements for Canadian artists to visit the U.S.S.R. He has, at my prompting, had some discussion about the possibility of the Toronto Symphony Orchestra visiting the Soviet Union. The Russians have indicated a tentative willingness to accept it in the spring of 1964 although no detailed arrangements, or even preliminary financial arrangements, have yet been discussed. The Russians do not expect to pay other than in unconvertible roubles. They have indicated that they expect to make the same sort of arrangements that they made for the Montreal Symphony. I understand from Koudriavtzeff that the Toronto Symphony Orchestra has not yet

been able to agree to visit the U.S.S.R. because it has not been able to get guarantees of the requested dollar subsidies from Canadian philanthropists or Government bodies.

25. In principle it seems to me that subsidies should not be necessary. We should be able to demand a sufficient number of concerts for Canadian artists or orchestras in the U.S.S.R., and for all or a sufficient portion of the payment to be made in convertible currency, and at a sufficiently high rate, to cover their expenses. The State Department exerts pressure to get higher fees from the Soviet authorities for American artists than Gosconcert wishes to pay: but it also does subsidize some American groups to come.

26. I have discussed this question on several occasions with Koudriavtzeff. I like him. I have helped him quite a lot, and he knows it, particularly in getting direct contacts with Gosconcert and the Ministry of Culture for the visit of Soviet artists and troupes to Canada rather than having their Canadian tour given to Hurok. But I think he finds it difficult, and I can well understand this, to insist on adequate financial arrangements for visiting Canadian artists, particularly large groups, such as symphony orchestras or theatres.

27. Koudriavtzeff makes the point to me that the wages or salaries paid to Soviet artists and musicians are much lower than those paid in the West. He claims that subsidies by Canadians for Canadians are therefore inevitably needed. This point does not really carry full conviction in my mind. When Soviet artists and groups visit Canada and the United States they demand, and succeed in obtaining, Western-scale remuneration, entirely in convertible currency. In principle it should, I think not be impossible for the West to insist that comparable Western artists visiting the U.S.S.R. should be given remuneration at equivalent levels and similarly in convertible currency. But to achieve this will, I am convinced, take pressure by governments, exercised either through their authority to approve programmes under a cultural exchange agreement, or through their control over visas. The Americans are now exerting this pressure, and getting results. Pending instructions, we of course are not.

28. I am not arguing that Canadian artists should always obtain the same fees as Soviet artists. The fees paid to different groups and artists will, of course, vary according to their abilities and reputation. The Bolshoi Theatre Ballet is obviously "worth" more than any presently existing Canadian ballet company. But it strikes me as ridiculous that Mr. Koudriavtzeff should undertake to pay Gutnikov, an undoubtedly good young Soviet violinist but certainly not yet of the top rank, \$1,000 or \$1,500 per concert while Teresa Stratas, who is probably as good a singer as Gutnikov, is a violinist, at least as well known, and who is far better than any of the innumerable Soviet female singers I have heard, a mere \$300.00 plus 300 roubles per concert; and Ronald Turini, who certainly ranks with winners (such as Gutnikov) of the recently-concluded Tchaikovsky Competition, a mere \$200.00 and 200 roubles per concert (see my despatch No. 400 of May 9, 1962).

29. The question of convertibility of currency could in principle be solved in either of two ways. One would be for us to insist that visiting Canadian artists be paid in convertible roubles. To achieve this would take pressure, exercised by the latent possibility of visa control. It would have the disadvantage that it might arouse resentment in the case of certain Canadian artists who would be quite prepared, for prestige and publicity reasons, to accept contracts for relatively low sums in unconvertible roubles. The other method would be to arrange either that the Canadian impresario who handles the two-way transaction should pay Soviet artists who visit Canada at least a significant proportion of their fee in roubles; or alternatively that the roubles be absorbed by the Canadian Embassy in exchange for dollars. It is this latter solution that is used in many cases by the Americans, operating with the benefit of an intergovernmental cultural exchange agreement, which we do not enjoy: though they also press for convertible payments just to drive home the point of reciprocity.

30. The line of thought which I am suggesting involves, if we decide to act on it, not merely the possibility but the probability of a period of pressures and friction between us and the Soviet authorities. I would not relish this. On the other hand I do not consider that the indefinite continuation of what I call the one-way street principle is really healthy either for Canada or for the U.S.S.R.

31. The problem of satisfactorily developing Canadian-Soviet cultural exchanges on an adequately reciprocal basis is therefore by no means easy. I am quite aware that the Department of External Affairs and the Canadian Government would be reluctant to become more deeply involved than they now are in the field of cultural exchanges. Adequately to administrate a satisfactory programme would, I think, take additional staff, certainly in the Department, and probably also at this Embassy. In the present atmosphere of austerity this might not be easy for you to achieve.

32. On the other hand I think we should recognize frankly that if we value cultural exchanges, and give weight to the desirability of achieving some reasonable degree of reciprocity, then in due course real efforts will be necessary to accomplish this. Providing these efforts are made, I think we could obtain a very satisfactory balance. If these efforts are not made, we will not.

33. In any case I do not think we should aim at a one-for-one balance. Canada's cultural resources and wealth are by no means as great as those of the U.S.S.R., which has much older cultural traditions and a vastly greater population. When I was discussing this question some time ago with Madame Furtseva, she said she would be quite prepared to accept a one-for-one balance in exchanges with Canada. This was in reply to my statement that I did not demand this, but did expect a less imbalanced relationship than that which we enjoyed at present.

34. To sum up, I think that the problem lies largely in our own hands, and the extent to which we will resolve it depends on decisions, most of which will not be easy or without cost, which the Canadian authorities can take, and indeed must take, whether consciously or by tacitly letting matters more or less ride.

35. I apologize for the imperfect organization and style of this exposition which I have dictated hastily, just before leaving Moscow for home leave. I apologize also for not sending these long-promised comments many months ago.

36. In conclusion may I suggest that even if the difficulties at the Ottawa end should make decisions difficult for the time being on some of the more far-reaching, costly or politically difficult issues which I have raised, it would, I think, be very desirable that serious continuing thought be given at your end to working out a list of projects which it might be desirable to suggest, whether directly through this Embassy to the Soviet authorities, or indirectly to suggest to some appropriate Canadian impresario operating on an international scale. I would like to see thought given by the Department, presumably in consultation with the Canada Council and other appropriate bodies in Canada, in working out such a list. This should include not only Canadian theatrical or musical groups and artists, but also exhibitions. Developing ideas in this field may make possible some improvement in at least one side of reciprocity, even without solving some of the thornier problems indicated above.

[ARNOLD SMITH]

CHAPITRE VII/CHAPTER VII  
EXTRÊME-ORIENT  
FAR EAST

PREMIÈRE PARTIE/PART I

LAOS

442.

DEA/50052-B-11-40

*Le chef de la délégation à la Conférence de Genève sur le Laos  
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Geneva Conference on Laos,  
to Secretary of State for External Affairs*

TELEGRAM 77

Geneva, January 18, 1962

SECRET. CANADIAN EYES ONLY.

Reference: Our Tels 76 Jan 18<sup>†</sup> and 50 Jan 17.<sup>†</sup>

Repeat for Information: London, Washington, Paris, Delhi (OpImmediate), Vientiane (OpImmediate) from Delhi.

By Bag: Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

THE PRINCES AND THE CONFERENCE

Pushkin has now told MacDonald that it will be impossible to hold a plenary session without criticism of Boun Oum whom he calls "that impossible Prince." If the Plenary were held, he as well as the rest of the Communist representatives would be very critical. In these circumstances, MacDonald persuaded Pushkin to drop the idea of Plenary for the moment. A meeting between the Co-Chairmen and the three Princes is scheduled for this afternoon and a reception in honour of the three Princes for this evening. Boun Oum and Phoumi finally have been persuaded by Western delegations to attend both.

2. MacDonald told Harriman, Roux and me this morning that Pushkin is angry not repeat not only about the impasse in negotiations but also because in his talk with Phoumi, the latter acted as a general talking to a private. Pushkin is becoming very impatient about the situation which he describes as "impossible and dangerous." He has told MacDonald that if the Conference founders, the ceasefire cannot repeat cannot continue. He and the other Communists, he claims, thought that Phoumi and Boun Oum received instalment of four million in aid in order to come to Geneva to form a coalition government. Communists profess surprise that Phoumi continues to block agreement and are once more beginning to suspect that USA may be behind his intransigence.

3. Phoumi and Boun Oum continue to be impossibly difficult. When invited to meet with the Co-Chairmen and the other Princes, Boun Oum said that any such meeting would have to be informal and in a villa rather than at the Palais. Pushkin told Boun Oum that the meeting would be in the Palais or not repeat not at all and MacDonald backed him up on this. Yesterday, when MacDonald officially invited Boun Oum and Phoumi to the meeting with the Co-Chairmen, Phoumi rejected the invitation. MacDonald refused to accept the rejection. Harriman instructed

Brown “to put on the heat” and this plus further British persuasion seems to have brought Boun Oum and Phoumi around to acceptance.

4. Boun Oum also told MacDonald that he would not repeat not meet à trois with the other Princes but that he would accept an invitation from MacDonald. The latter thereupon invited the three Princes to a dinner tonight at which MacDonald and Warner will be the only non-Laotians present and at which the Princes will be invited to talk in Lao. The effects of all the Western representations to Boun Oum and Phoumi obviously have not repeat not been substantial. Phoumi remains rigid about matters of substance and MacDonald this morning described his and Warner’s meeting with Phoumi and Boun Oum yesterday by saying that they “had talked for five hours with a lunatic.” Of course, MacDonald told us “there was a fourth presence in the room looming in the background. The presence was mere bulk with the physique of an elephant and the brain of a flea and this presence listened in silence and humility to the words of the great General Phoumi,” whom MacDonald described as “a pocket Napoleon who is prepared to destroy his own country and Southeast Asia for the sake of his own selfish ambitions.” MacDonald summed up his impression of Phoumi by saying that he has a tendency towards mental unbalance. He is not repeat not a normal decent citizen but a megalomaniac.

5. This portrayal of Phoumi is harsh but it is shared by Harriman who told us this morning that he has “been alone in saying these things in USA.” Harriman, who was not repeat not accompanied by advisers at this morning’s meeting, was very frank and expressed opinion that “[this] man is willing to destroy his country and is most dangerous.”

6. During their long session with Phoumi and Boun Oum yesterday, MacDonald and Warner asked Phoumi what he thought would happen if the Geneva Conference broke off as a result of his refusal to permit the formation of a coalition Government. Phoumi did not repeat not reply directly but said that he would utterly refuse to accept Souvanna Phouma’s proposals concerning the Defence and Interior portfolios – “It would jeopardize my control of the army.”

7. Phoumi told MacDonald that the Co-Chairmen should not repeat not have invited Boun Oum and Phoumi to Geneva. He wanted to know why the invitation had been extended and said that he and Boun Oum had come only to find out this (Harriman pointed out that this was not repeat not true. They had come because Laotian Cabinet had decided they had to come in order to obtain the current four-million-dollar aid payment. He added that if USA payments stopped, it was possible that most of Phoumi’s supporters would desert him.)

8. Phoumi stated emphatically that he would not repeat not discuss the composition of a government in Geneva, since this would be an insult to the King. Harriman told us that when Phoumi had said the same thing to him he had pointed out that Phoumi had not repeat not been so concerned about insulting the King in December 1960, when he attacked Vientiane. This rejoinder apparently had jarred Phoumi badly.

9. Phoumi had told MacDonald that Souvanna Phouma had been given a chance to form a government and that he had failed; therefore, all the arrangements between Boun Oum and Souvanna, and between the King and Souvanna are now past history and no repeat no longer binding. The only solution left, according to Phoumi, is for the King to head a new government as Prime Minister with a Deputy Prime Minister from each of the three parties. Under this arrangement Souvanna could have the Ministry of Defence. Warner drew Phoumi’s attention to the two main objections to this scheme: first of all, the King would not repeat not agree to it, and secondly the plan would solve nothing because for eight months the work of the Geneva Conference has been based on the assumption that the basis of any agreement would be a coalition government under Souvanna Phouma. Phoumi was not repeat not impressed. He said that the King would accept the arrangement if the three Princes put it before him and if USA, UK and France would endorse it. If Communists did not repeat not like the plan they could,

said Phoumi, “be frightened into liking it by the Western Powers.” Although Phoumi did not repeat not say so explicitly, MacDonald and Warner are both convinced that he is prepared to fight for Southern Laos and that he is sure that he will receive help in any such undertaking. (Alternatively, he may think that with SEATO support and, if necessary, with a USA threat to use nuclear weapons, or even with only Thai support, he is strong enough to drive the Communists out of Laos.) At the moment, however, he professes to want a peaceful settlement with the King as Prime Minister.

10. MacDonald asked Phoumi why he could not repeat not accept Souvanna’s proposals. When Phoumi replied that Souvanna was too weak to head a government, MacDonald pointed out to him (and to Boun Oum who was sitting silently nearby) that there are lots of Prime Ministers who are only silent figureheads. Finally Phoumi admitted his fear that acceptance of Souvanna as Prime Minister would be too much of a risk for him and plaintively asked “Why didn’t the King call upon me to form a government?” Phoumi’s last words to MacDonald at yesterday’s meeting were “You must not repeat not ask me to give up control of the army.”

11. Harriman clearly welcomed MacDonald’s assessment of Phoumi, which reinforced his own views, and when he asked me for my opinion I said that, largely on the basis of Mayrand’s reports, I had reached the same conclusions about Phoumi’s motives and his unreliability. Harriman told us that it would be much better if Phoumi had no repeat no part at all in the government, but that if he had to have a position then it should be something like Minister of Public Works. He told us that Phoumi had recently been on the point of reopening hostilities, but that USA had blocked him. Harriman had told President Kennedy what he thought of Phoumi but he admitted to us that Brown did not repeat not altogether agree with him. Harriman had told State Department last September that Phoumi would never accept a coalition government and this talk along these lines was all pretence. He intended to wreck the Conference and has not repeat not changed his intentions.

12. Harriman told us very emphatically that “Phoumi must be pushed out. The RLG is really no repeat no government at all. It came into being only because it was backed by the Pentagon. It has been a puppet of the Pentagon and now it has become a monster. Sarit is egging Phoumi on and he depends on Sarit, but our difficulties in Laos have been due to the fact that CIA, the Pentagon and State Department have been working at cross purposes. Most of the fault lies with the Pentagon and not repeat not with CIA.” Harriman was firm in his views, but he told us that the only thing he had not repeat not decided was the exact time he would see Phoumi and tell him that USA was closing the door on him. There is a danger, Harriman recognizes, that the whole right wing in Laos may come down with Phoumi; on the other hand it is possible that when it is made clear that USA support [would be?] withdrawn, Phoumi’s friends may desert him and maintain a conservative force which is nevertheless prepared to reach an agreement with Souvanna. Brown, said Harriman, has been too delicate in his treatment of Phoumi. USA has to place its reliance on Souvanna.

13. Harriman is seeing Phoumi and Boun Oum today<sup>1</sup> and although he will not repeat not make the final break he intends to say that if Phoumi wants to destroy Laos he should persist in his present behaviour. Harriman, at the same time, is carrying on talks with Souvanna who called on him yesterday and continued their conversation of January 16.<sup>2</sup> Boun Oum plans to leave Geneva tomorrow and we hope Western delegations will obtain assurance that Phoumi will be able to negotiate during his absence.

[C.A.] RONNING

<sup>1</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Office, 1994), document 273.

<sup>2</sup> Voir/See *ibid.*, document 271.



443.

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], January 19, 1962

Telegram 44 from Laosdel (attached†) reports the present state of negotiations concerning proposals for a Proclamation of Cease Fire to be made by a unified Laotian Government.

2. You will recall that negotiations took place for several weeks last year between the three parties in Laos on proposals for a Cease Fire Agreement, and that negotiations were finally abandoned without an agreement having been reached. Accordingly, the Conference, when it drafted Article 9 of the Protocol giving the Commission a role in supervising and controlling the cease-fire, provided that the Commission would exercise its functions "within the framework of the cease-fire agreement or *cease-fire arrangements* made by the three political forces in Laos or the Royal Government of Laos."

3. The U.S. has been trying for some time, and without success, to bring the Soviet bloc to agree to giving the Commission some role with regard to the problem of "private armies." They appear now to be trying to accomplish this by including a reference to the integration of forces in a Proclamation of Cease Fire which it is proposed Souvanna Phouma would make on assuming office, thus bringing the question of integration of forces within the Commission's jurisdiction through Article 9.

4. Telegram 44 gives the various proposals that have been advanced how this might best be accomplished, and our Y-27, attached† for your signature, if you agree, comments on these proposals.<sup>3</sup>

G.P. DE T. G[LAZEBROOK]

for

N.A. R[OBERTSON]

444.

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], January 19, 1962

Telegrams 45† and 46† from Laosdel (attached) set forth the western proposals for a Declaration of Neutrality to be made by the Government of Laos. This Declaration would form part of the Declaration on Neutrality of the thirteen (telegram 2055 of December 18 from Laosdel, attached†) and therefore would form part of the final Agreement. The Declaration was formulated to include the relevant points covered in the Declaration of the thirteen and in

<sup>3</sup> Notes marginales :/Marginal notes:  
Signed by SSEA 20/1. R. C[ampbell].  
Tel. Y-27 sent 1600 hrs. – 20.1.62. R.H.

the Zurich communiqué of the three Princes of June 22, 1961.<sup>4</sup> (Laos Conference document 18, attached.)

2. The most important part of this Declaration is Article 2, providing that Laos will not join in any military alliance inconsistent with its neutrality. You will recall that agreement has not yet been achieved on some provision withdrawing the protection of SEATO from Laos. The Soviet bloc, and particularly the Chinese, are insisting that in withdrawing their protection the SEATO powers must mention that organization by name. The SEATO powers hope to be able to avoid this, and would prefer merely to take note of a declaration similar to that in Article 2 of the proposed wording. It is therefore important that the Laotian Declaration should not make specific reference to SEATO, and fortunately the wording of the Zurich Agreement provides a precedent for silence on this point.

3. The draft declaration includes an optional paragraph stating that the Government of Laos will not use or threaten the use of force. We agree with our Delegation that this concept is adequately covered by other parts of the Declaration.

4. Telegram Y-26† to our Delegation is attached for your signature, if you agree.<sup>5</sup>

G.P. DE T. G[LAZEBROOK]  
for  
N.A. R[OBERTSON]

445.

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], January 20, 1962

## LAOS

The United States Delegation at Geneva has, as you know, been putting forward for discussion a number of possible alternatives to putting full pressure on Phoumi and Boun Oum to agree to the establishment of a Coalition government. Their reason for doing so appears to be that President Kennedy wished every possibility to be explored before making the crucial decision. The Americans have not advanced the various suggestions with much appearance of conviction.

Ronning's telegram No. 76 of January 18† reports on proposals for modifying the composition of the Coalition Cabinet in ways that might be more acceptable to the Vientiane group. He describes this as "political juggling as a means of avoiding anything in the way of shock treatment." Attached for your signature, if you agree, is a telegram commenting on these proposals.

<sup>4</sup> Voir/See *American Foreign Policy, Current Documents, 1961* (Washington: United States Government Printing Office, 1965), pp. 1017-1018.

<sup>5</sup> Notes marginales :/Marginal notes:  
Signed by SSEA 20/1. R. C[ampbell]  
Tel Y-26 sent 1600 hrs 20.1.62. R.H.

I am also attaching a copy of Ronning's telegram No. 77 of January 18 which contains some remarkably frank opinions of Harriman and MacDonald on the Vientiane group and indicates that "shock treatment" is very likely to be applied.<sup>6</sup>

G.P. DE T. G[LAZEBROOK]

for

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures  
au chef de la délégation à la Conférence de Genève sur le Laos*

*Secretary of State for External Affairs  
to Chairman, Delegation to Geneva Conference on Laos*

TELEGRAM Y-28

Ottawa, January 20, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tels 76 & 77 of Jan 18/62.

Repeat for Information: Washington, London, NATO Paris, Paris, CCOS, CGS, DM/DND, DGPO (OpImmediate).

By Bag: Saigon, Phnom Penh, Delhi, Vientiane from London (OpImmediate).

THE PRINCES AND THE CONFERENCE

I share your strong reservations concerning utility of "carrot type" solutions that have so far been put forward by USA Delegation, and I am particularly disturbed by indications you have had that certain elements might be prepared to contemplate continuation of present most unsatisfactory situation in Laos into indefinite future. Although our direct concern is of course for highly unsatisfactory position in which Commission would find itself in a situation of that kind, we find it hard to see what USA could hope to gain. Apart from ever present danger of resumption of hostilities, which we agree with you is very grave, we do not see that passage of time would either improve chances of Phoumi becoming more amenable or improve his military strength in relation to what all reports indicate is steadily growing strength of Pathet Lao forces. Pathet Lao now hold some areas adjacent to South Vietnam, and are extending political influence through areas they hold all over Laos. Every indication therefore would point to a more unsatisfactory solution with passage of time.

2. Danger of proposed solutions now being advanced is that they do not appear to be nearly attractive enough to be likely to sway Phoumi (who would appear from conversation reported in your telegram 77 to be unprepared to accept any solution that did not leave him with control of army) but that they might, if put to Souvanna, reawaken his suspicions of American intentions.

3. Indication of division between Harriman and other members of USA Delegation on assessment of Phoumi's utility is interesting. With passage of time value of having Western interests represented in Laotian Cabinet by person such as Phoumi is becoming increasingly doubtful.

[H.C.] GREEN

<sup>6</sup> Notes marginales :/Marginal notes:  
Signed by SSEA 20/1. R. C[ampbell]  
Tel. Y-28. 20.1.62 at 1600 hrs.

446.

DEA/50052-B-11-40

*Le chef de la délégation à la Conférence de Genève sur le Laos  
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Geneva Conference on Laos,  
to Secretary of State for External Affairs*

TELEGRAM 85

Geneva, January 22, 1962

CONFIDENTIAL. CANADIAN EYES ONLY.

Reference: Your Tel Y-28 and Our Tel 81 Jan 20.†

Repeat for Information: Washington, London, NATO Paris, Paris, 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.

## LAOS: POLITICAL SITUATION

Boun Oum and Phoumi left Geneva a.m. on January 20 as planned. As when they arrived, MacDonald and Pushkin were on hand along with all other delegations except the other Communist delegations. Boun Oum read a prepared statement to the press and answered some questions; he was polite, urbane and said nothing new. Phoumi, who also was polite, was a little more pointed in answering questions. He confirmed that it is his view that the question of the French presence is something to be worked out between the Government of Laos and the French Government and that, for this reason, he was not repeat not particularly happy about Article 5 of the Protocol which would make some provision for the French presence. On the question of formation of a government he is reported to have said "We will agree to renounce our claim to the ministries of Defence and Interior only if Prince Souvanna Phouma gives us good reasons for taking them himself."

2. After lunch on January 20 I saw Souphanouvong. In the evening I met with MacDonald, Harriman and Roux to review the situation. Our respective advisers and Ambassador Brown were also present. After the meeting we saw Harriman off to Washington. At the meeting we discussed chiefly the tactics to be pursued by the Western Three outside the Conference, and the question of what, if anything, the Conference should do in the immediate future. On the evening of January 21 we had a further meeting of the Four on the latter subject, following an interview which MacDonald had had with Pushkin and addressed ourselves to a renewed Communist demand for a plenary session. However, I am reporting on this development in a separate telegram.†

3. On January 21, MacDonald gave the other members of the group copies of a letter from Souvanna to the Co-Chairmen covering a "joint communiqué" which the three Princes did indeed sign at the conclusion of their meeting on January 19 (8 of our reference telegram). The text of this letter and its enclosure are in a following telegram.† You will note that Souvanna has requested that the enclosures be treated as confidential, at least for the time being.

4. It was generally agreed at the meeting of the Four on January 21 that the three Western ambassadors should renew contacts with Phoumi on his return to Vientiane with the object of taking such diplomatic action as might be best calculated to encourage him to give a favourable response to Souvanna on the question of the key ministries. At the same time, it was recognized that the main burden in this regard would have to be carried by Brown, and it was agreed that the Co-Chairmen should refrain at this time from any further messages to the Princes. It was also the American view that any effort by the Commission to influence Phoumi

in the right direction would be “counter-productive” at this time. Brown commented that Avtar Singh is a sensible man and that he anticipated no repeat no difficulty in this regard.

5. On timing Brown said he expected Phoumi and Boun Oum to report to the King in Luang Prabang on January 22 and that he, Brown, would reach Vientiane the same day and would see Phoumi on January 23.

6. While Boun Oum will presumably be occupied with the funeral ceremonies of his mother until January 27 or 28, Phoumi has told the Americans the he must explain the situation to other members of the Government in Vientiane as well as to members of the Assembly and Party supporters. You will recall that, before leaving for Geneva, Boun Oum had taken an adamant stand in an address to the Assembly. On the face of it, therefore, Phoumi’s intention is to explain the position in the light of conversations in Geneva and to seek backing for a reply to Souvanna on the key ministries which would facilitate a settlement.

7. However, looking down the course to be followed, it is impossible not repeat not to recognize several obstacles which could be formidable. First is a matter of timing and procedure. Souvanna told the French and Americans, and they are satisfied that this is the case, that he had been assured by Boun Oum that Phoumi would arrange to have an answer on the question of the key portfolios in Souvanna’s hands early this week; it was evidently just question of a little time being needed for the necessary consultations in Vientiane. On the other hand, the Americans seem to have understood from Phoumi that Boun Oum’s answer would be given to Souvanna after the latter’s return to Laos. Phoumi’s people have taken the line with the Americans and with us that Souvanna has promised to meet the other two Princes again in Luang Prabang on January 27 (or 28).

8. On January 21, Brown told us that Phoumi had indicated to him that he could hardly let Souvanna have an answer before the middle of this week; Brown himself thought that it was unlikely to be forthcoming until toward the end of the week. Today Roux told us that he had learned from a member of Phoumi’s delegation that no repeat no answer would be given to Souvanna until he returns to Laos. Roux had passed this information to Souvanna, who was annoyed by it.

9. A second procedural obstacle is the fact that members of the RLG delegation have told both the Americans and ourselves that Souvanna assured Boun Oum that, if the Princes could not repeat not resolve their differences over the key portfolios, it would be left to the King to decide. On the other hand, you will note that the joint communiqué of January 19 says “The final disposition of portfolios will be made by Prince Souvanna Phouma, it was mutually agreed.”

10. A third obstacle is more substantial. A member of the Phoumi delegation, whom we regard as a reliable source, has told us that it is the intention of the Government of Vientiane to reply to Souvanna that the ministries of Defence and the Interior should go to “Vientiane neutrals.” We have told the British, American and French delegations. The British commented that we might as well expect the Vientiane side to try a gambit of this kind. All felt that such a reply would not repeat not advance a settlement because it is impossible to think of any individual “Vientiane neutrals” to whom Souphanouvong, or, for that matter, Souvanna would be likely to be prepared to allocate these two key ministries. The French agreed with us that it would be undesirable to mention the above possibilities to Souvanna.

11. Another, though probably secondary, substantial difficulty arises of the competing claims for the ministries of Finance, Foreign Affairs and Information. Since the Vientiane side are apparently not repeat not particularly interested in the Ministry of Foreign Affairs, and since Souphanouvong is not repeat not asking for it, there would seem no repeat no difficulty about its going to the centre. On the other hand, at the moment, there are three competing claims for

the ministries of the Interior and it seems possible that Souvanna might be reluctant to see Finance go to the right wing.

12. On a point of detail (paragraph 3 of our reference telegram) the present plan is that the total number of members of the Cabinet, including the Prime Minister, should be eighteen.

13. On the question of the ratio, in the centre, between Souvanna's supporters and Vientiane neutrals, Harriman has asked Roux to urge on Souvanna that instead of either seven to three (desired by Souphanouvong) or six to four (desired by Boun Oum), the ratio should be five to five. Harriman says this would be most desirable from the point of view of public presentation and allocation of funds in USA.

14. A dialogue is going on between the French and the Americans over the proposed use by the RLG of the Seno Base for the deployment of a considerable number of troops accompanied by American instructors. We understand that, for the moment, the Americans are not repeat not pressing this proposal but that, at the same time, they are maintaining that they should be allowed to implement it at any time if this is considered necessary, since the Base has been used for this purpose in the past.

15. Sullivan has told the Four that Harriman had sent instructions to Young in Bangkok once more to make clear to the Thai Government USA attitude toward a settlement in Laos and that, at Harriman's request, the President had sent a message to Sarit in what Sullivan thought were very helpful terms.<sup>7</sup> It is our impression that the intention behind the messages is to persuade the Thais to cooperate in the endeavour to make Phoumi see sense.

16. During our recent meetings with the Western Three there has been no repeat no disposition to discuss the situation with a view to reaching a common appraisal. However, certain attitudes, within the group and outside it, are clearly discernible.

17. Lall is cautiously optimistic but the Burmese representative is cynical. The Communist outlook is sceptical. The Russians still seem to be working hard for a settlement but Pushkin, in his recent conversations with MacDonald, has drawn attention to the danger of renewal of hostilities on a significant scale. He has covered himself by pointing only to alleged activities or build-up of Phoumi's forces, but he may also have in mind the possibility of the Communists re-opening a military offensive. Both Souvanna and Souphanouvong, when I talked to them recently, referred to two fairly recent attacks they said had been carried out by the other side, and to a substantial build-up which they claim is at present being made south of Xieng Khouang. Souphanouvong, who claimed that small-scale attacks by the other side are going on right now, declared that he had given orders to his forces to take defensive action only but expressed himself worried about the unpredictable intentions of Phoumi. He argued that the sudden change in Phoumi's attitude while in Geneva is to be explained as reflecting a realistic reaction, at least for the time being, to the military situation in Laos. Roux, who also talked to Souphanouvong recently, found him very relaxed and confident, especially with regard to his strength on the ground in Laos. It is possible to regard these Communist attitudes as nothing more grave than a form of pressure; but there is no repeat no doubt that the situation is inherently unstable.

18. On the political front Souphanouvong, agreeably surprised by the modification in Phoumi's attitude while here, remains highly sceptical of the latter's willingness to reach a settlement. He made it clear that he is not repeat not committed to meet the other two Princes again in Laos. While he has mentioned personal security as a problem with regard to a further meeting in Luang Prabang, I think his general attitude toward a further meeting and toward

<sup>7</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XXIII (Washington: United States Government Printing Office, 1994), document 424 nn. 2-3.

further negotiations in general will depend to a large extent on the nature of the reply which Boun Oum makes to Souvanna on the key ministries.

19. The Chinese attitude, expressed to me privately by Chang Han-Fu on January 18, was one of profound scepticism regarding the genuineness of USA efforts to persuade Phoumi to settle. They are convinced that Phoumi will continue to evade the issue at least until USA really applies economic and financial sanctions which they say [it] will not repeat not do. They were incidentally scornful in the extreme of the whole concept of "Vientiane neutrals," which they say is an invention of Harriman. They made no repeat no military threats but they expressed bewilderment as to how we could keep the Conference going much longer. They seem prepared to think in terms of an agreement being reached before some time in February at the latest but I am convinced that their attitude is hardening and that they will want to see real progress in the near future.

20. So far at least, Souvanna remains hopeful and determined to reach an early agreement with the other two Princes. While the British and French are only prudently hopeful, Harriman went away in an optimistic frame of mind. My appreciation is still essentially that in my reference telegram. I think that Phoumi will continue to temporize as much as he can and that, if USA still wants a settlement of the Laos question in the foreseeable future, they will have to accept the unpleasant necessity of applying sufficient pressure on Phoumi to bring this about.

21. I can understand USA reluctance to apply final pressure to Phoumi and, while I believe that they may still have to come to this, I hope they can avoid it. In present circumstances, the minimum essential requirement would seem to be that USA stand firm in their previous support of the ministries of Defence and the Interior going to Souvanna Phouma nominees. I do not repeat not question the vital role of these ministries in relation to the elections which will determine the short-term future in Laos; but readiness or otherwise to entrust these ministries to Souvanna is really a touchstone of the new USA approach to the Laotian problem, and USA has already expressed their readiness publicly.

22. I am encouraged by the views expressed in your reference telegram and I would hope the main considerations which weigh with you are also being given full weight by those who are making USA policy on a day-to-day basis. One would judge from Harriman's attitude and from what we understand to be the President's point of view, that this is the case. Nevertheless, I am not repeat not yet sure that we can altogether discount the influence of those who still seem inclined to think in terms of a rather indefinite prolongation of negotiations. This tendency, if press reports are accurate, was given some substance by the remarks about Laos attributed to Secretary of State Dean Rusk in his January 18 press conference.<sup>8</sup> He is reported, for example, to have said that it should not repeat not be assumed that, if the three political Princes fail to reach a quick solution on a coalition government, there will be a fresh outbreak of fighting in Laos, and that USA believes there is a basis for more detailed negotiations among the three Princes on the coalition Cabinet which is to be formed. In substance I would not repeat not quarrel with either of these statements but, taken together, they seem to reflect a lack of awareness of the sort of individual USA has to deal with in Phoumi.

[C.A.] RONNING

<sup>8</sup> Voir/See "Secretary Rusk's News Conference of January 18," *Department of State Bulletin*, Vol. 46, No. 1180 (February 5, 1962), pp. 199-204.

447.

DEA/50052-B-11-40

*Le chef de la délégation à la Conférence de Genève sur le Laos  
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Geneva Conference on Laos,  
to Secretary of State for External Affairs*

TELEGRAM 88

Geneva, January 22, 1962

CONFIDENTIAL. PRIORITY.

Reference: My Tels 79† and 80† Jan 19 and 85 Jan 22.

Repeat for Information: Washington, Paris, NATO Paris, London, Permis New York, Candel New York (Priority), DM/DND, DGPO, CCOS, CVS (Priority) from Ottawa.

By Bag: Delhi, Vientiane, Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

## TALK WITH SOUPHANOUVONG

In addition to the points covered in my telegram 85 the following, which emerged from my talk with Souphanouvong on January 20, may be of interest.

2. When I suggested that the main reason why Boun Oum and Phoumi had adopted a more reasonable attitude while in Geneva was that USA and her friends had been exerting a healthy influence on them, Souphanouvong expressed doubt and referred to the continuing presence of MAAG officers with Phoumi groups which he said are harassing his forces. He believes that the MAAG officers are encouraging Phoumi forces in these activities. I assured Souphanouvong that, to the best of my knowledge, all USA activities in Laos including that of the MAAG officers are coordinated under State Department policy which is that laid down in accordance with the wishes of the President and Harriman. Souphanouvong merely said he hopes that I am right and that, if I am, this policy will show results.

3. To the suggestion that Phoumi might have failed to come closer to agreement in Geneva because of the need, so to speak, to save face, Souphanouvong seemed sceptical because of the effect he fears the Vientiane atmosphere will have on Phoumi following his return. He agreed, however, that the influence of the Conference on Boun Oum and Phoumi must have been constructive and that it was useful for the three Princes to meet here.

4. In response to a question from me Souphanouvong said that Chiang Kai-Shek forces are an increasingly significant element in Laos. According to him they are now to be seen in considerable numbers in the Central part as well as in the North.

5. Souphanouvong said that he had not repeat not yet decided the date of his departure from Geneva.

[C.A.] RONNING



448.

DEA/50052-B-11-40

*Le chef de la délégation à la Conférence de Genève sur le Laos  
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Geneva Conference on Laos,  
to Secretary of State for External Affairs*

TELEGRAM 93

Geneva, January 25, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tels 85 and 88 Jan 22 and 91 † Jan 24.

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Candel New York (OpImmediate), Delhi, CCOS, CGS, DM/DND (OpImmediate) from Ottawa, Vientiane (OpImmediate) from Delhi.

By Bag: Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

## LAOS: PROSPECTS FOR A SETTLEMENT

Souphanouvong, who leaves Geneva tomorrow, returned my call today. He reverted to his anxiety about the military situation in Laos. He referred to UPI and AFP reports of an attack by RLG forces in battalion strength in the Mahaxsay area, while the Princes were in Geneva and implied they were based on fact.<sup>9</sup>

2. Souphanouvong once more alluded to two build-ups, also in battalion strength, which he claims are taking place, one in the Thathome-Paksane area south of Xieng Khouang, and the other north of Luang Prabang, we think in the region of Muong Sai. According to Souphanouvong, these build-ups, and projected attacks to be based on them, were planned in Vientiane with the assistance of MAAG officers, and MAAG officers are with Laotians in both places.

3. I again told Souphanouvong that my information is that USA policy is, through its MAAG officers, to restrain any tendencies on the part of Phoumi to take the offensive. I also reminded him of the completely unsatisfactory position of the ICC as an instrument for controlling the military situation in present circumstances; it lacked both accurate information and power to investigate. However, like Souphanouvong, I deplored the continuance of a state of hostilities in Laos and hoped for an early political settlement.

4. Souphanouvong did not repeat not dispute the unsatisfactory condition of the Commission but also stressed his own desire for an early political settlement. He said he hopes I am right about USA restraint of Phoumi through the MAAG officers; the future behaviour of Phoumi's forces, particularly in the two areas he had mentioned, would show whether I was right or not repeat not. He was afraid that Phoumi intends to make one more effort to settle the issue by force during the next two months which remain before the rainy season sets in again. Any such effort, he warned, could only have a bad effect on the prospects for a settlement. He hoped that we and others might do what we could to make sure that the Americans understand the situation.

5. The alleged attack in the Mahaxsay area was the subject of some comment from Communist delegations at the plenary session. At a meeting of the Four the day before the session, Sullivan had been concerned about the UPI report on this which had just appeared. (It was published here in the *Herald Tribune* on the following day, January 24.) He said that he

<sup>9</sup> Voir/See "Laotian Army Tries to Cut Rebel Supplies," *Washington Post*, January 23, 1962, p. A15.

was trying to get a report on the facts before the plenary session. He declared that if the RLG had really launched an offensive of the kind reported, that would mean the cutting off of military aid. He doubted if the facts could be as reported; at any rate, Malloy, who wrote the UPI report, was known to be a sensationalist journalist. As it turned out Sullivan apparently received no repeat no report on the facts until after the plenary session, but he told us yesterday shortly before leaving Geneva for Washington via Hague (he is now going to work on New Guinea in the State Department) that he had now received information that the military situation in Laos was fortunately quite quiet.

6. When I sought Souphanouvong's present views on the prospects for the formation of a government, I found him pretty unbending. He confirmed that he would never agree to the Vientiane side having Defence, Interior or Foreign Affairs. He realizes that the only basis on which Phoumi has indicated that he might be prepared to give up Defence and Interior, is his side getting instead two of Foreign Affairs, Finance or Information, but as far as Souphanouvong is concerned, Phoumi can have either Finance or Information, the other going to Souphanouvong. He did not repeat not seem to care which, as long as his party also got the Ministry of Economic Planning, not repeat not so far regarded as a key ministry.

7. On the procedural side, Souphanouvong's attitude also seemed stiff. He is obviously seeking to counteract any further effort by Phoumi to spin things out. When I expressed the hope that he would soon find it possible to meet again with the other two Princes in Laos, he declared that, once there is an answer from Phoumi agreeing to the Defence and Interior ministries going to Souvanna Phouma supporters, the problem of formation of a government is as good as solved. There would really be no repeat no need for any further meeting to discuss details; it would be just a question of each leader nominating the necessary number of Ministers and Secretaries of State. He seemed to envisage the government actually being formed in the Plaine des Jarres, and then moving to Luang Prabang to present it to the King for formal investiture.

8. I suggested that, especially if Phoumi should give a qualified answer, there might well be a need for a further meeting of the Princes to discuss portfolios. I also thought that it would be a good deal easier for the Boun Oum side to contemplate a meeting in Luang Prabang rather than in the Plaine des Jarres. Souphanouvong seemed pretty adamant about not repeat not returning to Luang Prabang before the formation of a government. The last time he went there, he had to go with a strong escort and he did not repeat not like doing this. He more than once mentioned the five months he had spent in jail in Vientiane in 1958, and he really seemed to have this problem of personal security on his mind. The only chink in his armour on the procedural side, was an indication that, if Boun Oum's answer was such as to seem to require further discussion among the Princes, he would be prepared to negotiate but it would be up to Souvanna Phouma to decide what to do.

9. Partly in response to questions on my part, Souphanouvong gave some interesting information about present and future trends in economic development of Laos as seen from Xieng Khouang. He wants transportation in terms of both road and rail for main arteries, supplemented by the use of small airplanes. The Xieng Khouang administration have already started building two roads. On the air side, Souphanouvong said he had been impressed, when in Moscow, with a small bi-plane called, we think, the AM-2, and had persuaded Souvanna Phouma to accept two on a trial basis. We said we thought Otters and Beavers are pretty good; he agreed but said the Otter was too big for what he had in mind and the Beaver was less stable than the AM-2. When I asked about stocks of oil and petrol, Souphanouvong surprised me by saying that the stocks they had received from USSR were sufficient to last three years at the present rate of consumption and perhaps, two years if peaceful requirements were to increase. Souphanouvong said that a large number of Laotian soldiers would have to be returned to civil

life, and he freely conceded that Xieng Khouang forces have far more arms and ammunition than they know what to do with.

10. Sullivan attended a dinner given by Vongvichit a fortnight ago, prior to Souphanouvong's arrival. However, Vongvichit made an uncompromising attack on USA Laotian policy at the plenary session on January 24, and members of USA delegation, though invited to Souphanouvong's reception yesterday, boycotted it. As they may therefore be out of touch with Souphanouvong's present line of thought, I am going to inform them of the substance of my interview with him, particularly with regard to the relationship of the military situation to the prospects for a settlement.

[C.A.] RONNING

449.

DEA/50052-B-2-40

*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-203

[Ottawa], April 13, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: London Tels 1247 Apr 5† and 1251 Apr 6.†

Repeat for Information: London, Laosdel Geneva, Paris, NATO Paris, Delhi, CCOS, CGS, DM/DND, DGPO.

By Bag: Canberra, Wellington, Tokyo, Kuala Lumpur, Djakarta, Moscow, Warsaw, Saigon, Phnom Penh, Vientiane, Ankara.

#### LAOS

We share concern felt by Foreign Office at prospect of continued delay in reaching political settlement in Laos. As long as no agreement is reached on composition of government, danger will continue that military incidents might give rise to general hostilities which Commission would be able to do little to curb. Uncertainty will also remain and perhaps increase as to whether agreement worked out at Geneva will ever become operative. Moreover, if Vietcong should suffer severe reverses in Vietnam during this period, and if for this or some other reason Soviet Government should decide to leave Communist initiative in Laos primarily to Chinese, these external complications could adversely affect prospects of reaching satisfactory international settlement on Laos.

2. It is clear also that while principally interested Western powers are now substantially agreed on specific objectives in Laos (including type of government required if provisional Geneva settlement is to become effective) this agreement is still resolutely opposed by Phoumi and bulk of his supporters in army and administration. Since it must be apparent that scope for further modifications in composition of a coalition government has by now been narrowed almost to vanishing point, and since moral support and material assistance of friendly neighbours alone could not be expected to maintain Phoumi in even his present territorially limited power for more than a few months, only plausible explanation for his intransigence is that he still refuses to believe that USA is finally committed to kind of settlement agreed on at Geneva.

3. There would appear to be only two means by which this deadlock can be broken. First would be a renewal of military operations by Pathet Lao forces (with such support from Kong Le's troops as they could get) to bring about total defeat of Phoumi's army. It seems probable

that Soviet Union and possible that Chinese Communists are sufficiently apprehensive of dangers of this course to want to avert it if possible, at least in immediate future. Nevertheless this is a possibility that cannot be excluded if some solution to problem of government is not found. Its effect would almost certainly be extension of full Communist control to whole of Laos.

4. Second means of ending deadlock would be application of additional pressure by USA sufficient to force Phoumi and his supporters into line. Withholding of financial support has so far proved ineffective, and despite rising prices in Vientiane and other signs of strain it is possible that Phoumi might be able to carry on financially for several months by drawing on reserves and by securing additional help from other countries. Withholding gasoline and other consumable supplies would be effective only with full Thai co-operation, and of this (despite Sarit's assurances to Harriman) there appears some doubt. Given stocks of military equipment now held by Laotian army, even a complete ban on further military supplies would probably not be immediately effective. Withdrawal of all American military advisers might have effect of reducing ability of USA to exert restraining influence on local commanders.

5. More important in long term than these practical difficulties of applying adequate pressure, however, is maintenance of balance of political forces in Laos. If pressures were of such a nature as drastically to weaken the group now supporting Phoumi, there would clearly be a danger that they might destroy this balance and so defeat their purpose. Souvanna himself, while publicly expressing conviction that USA military sanctions against Phoumi are now essential, has given clear indications of realizing that durability of a neutral government under his leadership would largely depend on maintenance of such a balance of forces. Moreover it is evident that if Thais and South Vietnamese are ever to be brought to full acceptance of settlement worked out at Geneva, they must be convinced that a neutral and independent Laos has some real prospect of continued viability.

6. It will be apparent that we fully recognize difficulty and delicacy of decisions USA Government will have to make if Geneva settlement is to be made effective and dangerous alternatives avoided. At same time we wish Americans to be aware of our anxiety that undue delay may jeopardize prospects for settlement, and we would welcome fuller information on what they would regard as most practicable and hopeful means of applying additional pressure. You should accordingly seek early opportunity for discussion of this problem at appropriately senior level in State Department.

*For London*

7. You may convey gist of this telegram to Foreign Office. We would be interested to know results of their approaches in Washington.

450.

DEA/50052-B-2-40

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

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

SECRET

[Ottawa], May 15, 1962

LAOS

The situation in Laos has again become critical, mainly as a result of military developments in the northern region bordering on Communist China and Burma. Following a skirmish at

Nam Tha on May 7, the troops of General Phoumi fled in haste and apparently in some confusion toward the Thai border where some 2,000 of them are reported to have crossed into Thailand and been disarmed. At least part of the territory abandoned by the Vientiane forces has been occupied by the Pathet Lao, who have thus advanced well beyond the Cease-Fire line of May, 1961.

2. Neither the precise sequence of military events nor the underlying intentions of the various Laotian factions is yet altogether clear. Each side has charged the other with provocation and a flagrant breach of the provisional Cease-Fire. Each has claimed that non-Laotian troops (North Vietnamese and Chinese Communists on the one side; Thai, South Vietnamese and Chinese nationalists on the other) participated in the fighting. There is however no confirmation that Chinese Communist troops were involved, although a limited quantity of military equipment may have been supplied recently by Peking to the Pathet Lao, and there are other indications of increasing Chinese interest in the situation.

3. Both the Pathet Lao and the Vientiane Government could have had reasons for instigating a military flareup at this time. The persistent refusal of General Phoumi's group to agree to a political solution along the lines worked out at Geneva, even in the face of strong American pressure, has probably proved increasingly irksome to the Pathet Lao; the fighting could therefore have been intended as a warning to Phoumi to agree now or suffer total defeat. On the other hand, Phoumi had been aware for some time before the outbreak that American pressure on him was about to be increased, and he may quite possibly have concluded that a serious military clash would hardly fail to involve the United States in his support.

4. Reaction by the great powers has, on the whole, been cautious and restrained. The British and Americans immediately and strongly urged the Soviet Government to exercise a moderating influence on the Pathet Lao with a view to restoring the Cease-Fire. While the considered Russian response is not yet known, there have been a number of indications that the Russians continue to profess support for a neutralist solution. If Phoumi expected the United States Government to abandon its pursuit of the neutralist solution, he has been disappointed: the American response has combined precautionary military moves with continued pressure for the formation of a coalition government under Prince Souvanna Phouma. The sending of the United States Naval Task Force to Southeast Asian waters appears to have been intended partly to induce reflection in the Communist capitals, partly to reassure the Thais and other regional allies, and partly to disarm domestic criticism of the continued pursuit of a neutralist solution. Comment from Peking has not so far been particularly strident or threatening.

5. Despite the atmosphere of crisis resulting from the military developments, therefore, it would seem unnecessary to assume that the prospects for a political settlement of the kind envisaged at Geneva have become more remote. They may even have become somewhat brighter. Phoumi appears at long last to be more or less reconciled to the formation of a coalition government. The Pathet Lao has reiterated its adherence to the agreed solution. Souvanna has announced his intention to leave Paris for Laos on May 19 and to convene immediately thereafter a tripartite meeting of the parties.

6. As in previous violations, the Commission has been prevented from conducting an investigation on the spot. The Canadian delegation has however pressed for such an investigation, and the Indian Chairman has reacted with irritation and indignation to the Polish attempts to obstruct. The Commission is expected to send a factual report within the next few days – we hope on a majority basis.

G. I[GNIATIEFF]

451.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-225

Ottawa, May 15, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 133 May 11.†

Repeat for Information: London, Washington, Paris, NATO Paris, Delhi, Laosdel Geneva, Saigon.

By Bag: Warsaw, Moscow, Ankara, Kuala Lumpur, Phnom Penh, Djakarta, Tokyo, Canberra, Wellington, Permis New York, Xieng, Khouang.

## CANADIAN POSITION IN COMMISSION

We agree that everything possible should be done to preserve Commission's ability to concern itself with situation such as that which has developed in North Western Laos. Passivity at this dangerous juncture for sake of solidarity within Commission would seriously and perhaps fatally compromise principle provisionally agreed at Geneva that decisions relating to initiation and carrying out of investigations can be adopted by majority vote.

2. A report setting out Commission's efforts to supervise and clearly establishing responsibility for rebuff of those efforts would not repeat not only help to preserve that principle but might also be of considerable value in attempts now being made through diplomatic channels to restore ceasefire and achieve political settlement.

3. We are encouraged to learn that in your view Indians might quite possibly agree to such a report on majority basis. You should make every effort to attain this objective. If necessary we would be prepared to contemplate a minority report to make our position clear, but only if it was evident that the Indians would not go along with an objective report to the Co-Chairmen.

[N.A.] ROBERTSON

452.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-231

Ottawa, May 17, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel Y-225 May 15.

Repeat for Information: London, Washington, Paris, NATO Paris, Delhi, Laosdel Geneva, Permis New York, Saigon from Delhi.

By Bag: Warsaw, Moscow, Ankara, Kuala Lumpur, Phnom Penh, Djakarta, Tokyo, Canberra.

## REPORT TO CO-CHAIRMEN

Minister confirms that he would be prepared to have you make minority report if this should be necessary in order to make our position clear.

453.

DEA/50052-B-9-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 148

Vientiane, May 22, 1962

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Repeat for Information: Delhi (OpImmediate), Laosdel Geneva, London, Washington, (OpImmediate), Paris, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

## REPORT TO CO-CHAIRMEN

At informal meeting this morning draft report prepared by Avtar Singh incorporating much of our first draft met with vehement objection from Polish Commissioner Thee whose own draft dealing largely with comment on political negotiations with pronounced anti-Vientiane Party bias has made little impression on Avtar Singh's second draft.

2. Thee said he was under instructions from his government to ensure that report to Co-Chairmen should include at least all that has appeared in press over period on subject of political situation. Thee is now preparing paragraphs for insertion in our present draft to meet his requirements. Therefore it now appears that our next report to Co-Chairmen is unlikely to be agreed upon quickly since it is probable that much of Thee's material will be objectionable to it.

3. They made one remark which indicates optimism of Polish Government with regard to possibilities of early political settlement. It appears that like us Polish delegation had proposed to their government that team officers completing their tour need not repeat not be replaced for time being. However Warsaw had overruled that recommendation on grounds that they felt an early political settlement was very likely and that therefore there would be a need for team officers in near future. Consequently they are sending replacements.

[P.S.] COOPER

454.

DEA/50052-B-2-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 161

Vientiane, June 2, 1962

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Repeat for Information: Delhi (Priority), London, Laosdel Geneva, Washington (Priority), Paris, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

REPORT TO CO-CHAIRMEN

Commission message 18 was signed today after some difficulties arising purely out of early Polish draft which insisted upon [quoting?] press and radio reports and dealing largely with political settlement and finally out [sic] of our position on question of Commission action at Ban Houei Sai. Copy is being sent by next air bag.<sup>10</sup>

2. Report is objective and deals with Commission attempts to restore ceasefire and records rebuffs received. It records that Khang Khay forces took Muongsing and Nam Tha and gives their explanations without comment. Main emphasis however is upon our visits to Khang Khay to discuss restoration of ceasefire and their<sup>11</sup> responsibilities clearly implied in consequence. This is justifiable notwithstanding our suspicions of Phoumi's coat trailing tactics (reference our telegram 153 May 28†). One paragraph is devoted to political negotiations and establishes Phoumi's responsibility for impasse. This is factual and is based upon exchange of messages between Souvanna and Phoumi through Commission.

3. Background of difficulty over Ban Houei Sai is that on May 14 I had urged Avtar Singh and Thee to agree on Commission visit there. It was not repeat not then clear whether Pathet Lao had occupied it. After we knew that it was still in hands of Vientiane party I continued to press for Commission visit to be followed by other frequent but irregular visits as being best way of establishing Commission presence without running into Polish inability to deploy team. Avtar Singh and Thee were more concerned with making report to Co-Chairmen but I insisted

<sup>10</sup> Voir la pièce jointe à la lettre qu'a envoyée la délégation canadienne de la CISC Laos au sous-secrétaire d'État aux Affaires extérieures, lettre numérotée 52, 8 juin 1962, † MAE/50052-B-7-40, partie 12.

See attachment to Canadian delegation ICSC Laos to Under-Secretary of State for External Affairs, Numbered Letter 52, June 8, 1962, † DEA/50052-B-7-40, part 12.

<sup>11</sup> Note marginale :/Marginal note:

Khang Khay's? [Auteur inconnu/ Author unknown]



such report must show whatever action Commission agreed to take re Ban Houei Sai. Canadian proposal to send message to parties signifying Commission wished to visit Nam Tha and Muongsing was made at formal meeting May 8 but had been shelved as had other similar proposals in past. I therefore prepared draft statement following receipt of your telegram (Y-225?) May 15 requesting formal decision on our first proposal and suggesting early visit to Ban Houei Sai. Draft statement also made point that in Canadian view decision could be taken by majority vote. I gave copy of draft to Avtar Singh who urged me not repeat not to take formal line saying no repeat no purpose could be served and that meanwhile he must consult his government re majority decision question. In course of meetings on draft report I reiterated that we should take action to visit Ban Houei Sai and include result in report.

4. As reported earlier informal approaches to Sisouk re Commission visit to Ban Houei Sai by Avtar Singh and later by me had not repeat not received encouragement. In yesterday's meeting Thee, having agreed to include in draft report that Khang Khay authorities had told us on May 16 they had no repeat no objection to Commission going to Ban Houei Sai, said that did not repeat not constitute agreement in context of Co-Chairmen's message of May 6, 1961<sup>12</sup> and for formal Commission visit three parties must first come together and agree among themselves. He said that it was not repeat not sufficient for Commission to get agreement from parties itself.

5. At this morning's meeting I proposed sending message to parties at once requesting cooperation and assurances to make possible early visit to Ban Houei Sai. Thee refused and Avtar Singh was unwilling. I then asked that Secretary be called in and we go into formal session meanwhile handing out copies of prepared statement which put my proposal formally and asked for decision by majority vote. Avtar Singh who had apparently taken no repeat no account of my earlier draft was upset. He refused to vote on proposal saying he would first have to consult Delhi. Thee said Commission had no repeat no procedural rules yet and could not repeat not decide anything except unanimously. I refused to agree to report which left Ban Houei Sai situation practically without comment. In order to clear present report I proposed following be inserted: "In case of Ban Houei Sai Commission is considering Canadian proposal for early visit and frequent subsequent visits by Commission to allay fears and prevent alarming rumours and to reduce danger of either accidental or mischievous action which might precipitate international complications." On that basis message was signed.

6. Discussion of my proposal will continue at formal meeting June 6 when Canadian statement will be read into minutes. Meanwhile Thee has succeeded in getting message from Souvanna through Poland Delegation to effect that he will in no repeat no circumstances agree to formal Commission visit to Ban Houei Sai. Addis, with whom I discussed whole matter before meeting this morning, said he had raised question of Commission visit to Ban Houei Sai with Sisouk yesterday making much same case as that in my paragraph quoted above. Sisouk had undertaken to see Phoumi about it but Addis thinks Phoumi will not repeat not agree. Meanwhile I have told Avtar Singh and Thee we might want to have special report sent to Co-Chairmen re Ban Houei Sai situation.

[P.S.] COOPER

<sup>12</sup> Voir/See United Kingdom, Parliamentary Papers, Cmnd. 1828, *International Conference on the Settlement of the Laotian Question, Geneva, May 12, 1961-July 23, 1962* (London: Her Majesty's Stationery Office, 1962), p. 8.

455.

DEA/50052-B-2-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-252

Ottawa, June 2, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tels 154 May 30, † 151 May 28, † 149 May 27. †

Repeat for Information: Delhi, Laosdel Geneva, London, Washington, Moscow (OpImmediate), Paris, NATO Paris, Permis New York, CCOS (6), DGPO (Routine).

By Bag: Warsaw, Canberra, Wellington, Kuala Lumpur, Jakarta, Tokyo from London, Saigon, Phnom Penh from Vientiane.

## PROSPECTS FOR LAOTIAN SETTLEMENT

Your reference telegrams have been very helpful to us in assessing situation which now appears rapidly approaching critical phase. We agree that extent of erosion of Souvanna's authority and degree of pressure which USA will or can exert on Phoumi are most important present factors within Laos. In wider context, outcome seems likely to depend primarily on judgments in Moscow, Peking and Washington as to each other's intentions regarding Laos and by extension whole Southeast Asian region.

2. Military developments of past month in north western and perhaps also in southern Laos, followed by Allied strengthening of Thai defences, appear to have given rise to serious doubts in both Communist and Western governments as to continued adherence of other side to terms for Laos negotiated at Geneva, despite public and private assurances from both sides that such doubts are unfounded.

3. There are some indications that a broad reassessment of Southeast Asian policy and indeed of East-West relations generally has lately been taking place in Communist capitals. It seems at least possible that more emphasis than in recent months has been given in this reassessment to desirability of repairing fissures in Communist bloc. Since Chinese are certainly more sceptical than Russians of American sincerity in pursuing Geneva policy for Laos, this could be major reason for recent stiffening in PAVN and Pathet Lao attitude towards Neutralists as well as towards Phoumi's faction. If so, prospects for settlement along Geneva lines are clearly far from bright and Souvanna's deadline may mean, as suggested in your telegram 151, that next fortnight is last chance.

4. Western Governments are now engaged in renewed efforts to convince Moscow that point of no return for Geneva type settlement in Laos has not yet been reached. British Government, after consultation with USA Government, has expressed to Soviet Government its "gravest concern" over recent military developments in Laos and its "gravest fears for peace and security in the area," and has urged Soviet Government (a) to restrain Xieng Khouang authorities from any further military action, as UK has been doing in Vientiane, and (b) to agree to immediate despatch of further instructions to ICSC to enable it to supervise and control ceasefire, thus affording opportunities for resumption of political negotiations on formation of coalition government without military duress. You will be aware that British Ambassador in Laos has been instructed to exert renewed pressure on all Laotian factions to

same effect. Urgent consideration is being given in Washington to further means of forcing Phoumi into line.

5. While recognizing inherent limitations on ability of Commission to influence developments in present circumstances, we think it most important that fullest advantage should be taken of every opportunity to do so. In particular, since apprehensions in major capitals are intimately related to threat of further and more widespread violations of ceasefire, we think you should continue to press as strongly as possible for sending observation team to Ban Houei Sai, which we agree is area of greatest sensitivity at present time. We understand that Souvanna renewed to British First Secretary May 30 assurances given to you May 16 (your telegram 141 May 17†) that Xieng Khouang parties had no objection. Pressure you are maintaining on this matter in Commission and with Vientiane authorities has our fullest support. We will try to enlist assistance in Washington.

6. As regards proposed report, it seems to us that Avtar Singh's encouraging resistance to Polish demands on content have been largely nullified by his apparent unwillingness to proceed on majority basis, as Vietnam Commission is doing. A majority report along lines suggested by you and accepted by him could have been quite useful several weeks ago. We wonder however whether it may not have been overtaken by events. We wonder too whether reason for Chairman's attitude may be Indian disinclination to force Poles into minority in two Commissions simultaneously, thereby increasing doubts which may already exist in Warsaw and Moscow as to continued usefulness of Geneva structure from Communist point of view. We should be grateful for an immediate statement of your own views on these questions on desirability in present circumstances of a Canadian minority report and its possible content. We should also be interested to know whether Addis, as representative of Co-Chairman, considers that there would be any value at present in pressing for early report on either minority or majority basis.

*For Washington*

7. Without disclosing interpretation put by Cooper on most recent events in Ban Houei Sai area, please speak urgently to State Department about importance we attach at present juncture to restraining role Commission could play if permitted to send representatives to sensitive areas, particularly Ban Houei Sai, to observe and report. You should emphasize that resistance to this is coming from Vientiane authorities and should say that we would greatly appreciate anything State Department could do to bring about removal of these obstacles, thus enabling Commission to make at least a beginning on role envisaged at Geneva.

*For Delhi*

9. Your comments would as always be much appreciated.

[N.A.] ROBERTSON

456.

DEA/50052-B-40

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

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

TELEGRAM 412

Delhi, June 5, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel Y-252 Jun 2.

Repeat for Information: Vientiane, Saigon, Laosdel Geneva, London, Washington, Paris, CCOS, DGPO, CGS, DM/DND from Ottawa.

By Bag: Moscow, Warsaw from London, Phnom Penh from Saigon.

## LAOS COMMISSION

Comments on points raised in your reference telegram will be sent in a separate message.† Bridle's conversation with Gundevia yesterday did not repeat not touch on such specific questions as Commission reports but dealt rather with the general Indian attitude to the current situation in Laos and the action which the Commission might usefully take.

2. Bridle found Gundevia, as we have reported previously, to be in a generally pessimistic mood regarding the Indochina picture and the role of the Commissions. Gundevia's attitude has obviously been soured both by the pressures which have developed over Vietnam and by the frustrations facing the Commission in Laos through its own unsatisfactory terms of reference and the attitude of the parties. His generally pessimistic outlook was accompanied however by what appeared to be a reaction against pressures from all sides, particularly from the Poles, and a determination to continue the conduct of Indian policy in the Commissions along already familiar lines.

3. Referring to Laos, Gundevia outlined once again the Indian view that effective Commission action required agreement amongst its members and the cooperation of the parties. He thought however that the Commission, despite its vague and unsatisfactory terms of reference, had performed a useful function so far and expected that it would carry on in much the same way. He referred to the difficulty of giving Avtar Singh specific instructions to meet the fluid circumstances and Bridle was left with impression that the latter was operating on an ad hoc basis under a general Delhi instruction to contribute in any way possible to achievement of a peaceful settlement while at the same time avoiding a split in the Commission.

4. To Bridle's suggestion that in the present situation Commission and its teams might have a particularly useful role to play in preventing the spread of military activities while negotiations for a coalition government were proceeding, Gundevia's first impatient reaction was that Boun Oum had acted in an appallingly irresponsible manner and that the other side had every reason to be fed up. He conceded however that the Pathet Lao's reactions were equally immoral and unpredictable. He referred again to the Commission functioning effectively only by agreement among its members and with cooperation of parties. When Bridle pointed out that effective functioning had on occasion been possible because there was no repeat no enforced unanimity rule, Gundevia agreed but showed no repeat no disposition towards majority action.

5. Bridle concluded that despite Gundevia's pessimistic view about Laos he was still for Commission making every effort within its power to help in easing situation. Gundevia had warm words for Mayrand's contribution to the work of Commission and expressed pleasure at Canadian decision to ask Bridle to return to Laos.

457.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 167

Vientiane, June 6, 1962

SECRET. OPIMMEDIATE from Delhi.

Reference: Your Tel Y-252 Jun 2.

Repeat for Information: Delhi (Priority), Washington, London (Priority), Paris, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh, Xieng Khouang from Vientiane.

## COMMISSION REPORT

Our telegram 161 June 2 gives account of report to Co-Chairmen without Canadian minority but recording our initiative (5 groups missing) Cooper yesterday and reiterated statement at informal meeting this morning just prior to my arrival that his government's view is that at present reports of action by Commission require unanimous agreement. They do not repeat not accept in present circumstances principle of decision by majority vote. Polish Commissioner Thee holds same view but also takes more extreme stand that Commission may do nothing except at request of parties as result of unanimous agreement reached by them on their own initiative not repeat not as result of any Commission approach.

2. In case of proposed visit to Ban Houei Sai, Avtar Singh yesterday raised matter with Souvanna at Khang Khay in presence of Souphanouvong and British Ambassador Addis as well as Commissioners. Souvanna said he had no repeat no objection to such visit by Commission. Souphanouvong appeared unenthusiastic and drew Avtar Singh aside at first opportunity to make NLHX position clear. He said Commission had no repeat no legal right by any international or other agreement to make such visit but that he understood our intentions and would not repeat not object.

3. In view of Avtar Singh's efforts in favour of our proposal Cooper agreed to meet informally again this morning to discuss despatch of message to Vientiane Government requesting agreement and assistance for visit to Ban Houei Sai. By this means we have refrained from exerting further pressure on Avtar Singh on majority question in which he has apparently no repeat no leeway from his government. Meeting produced considerable argument between Avtar Singh speaking in favour of Commission visit to Ban Houei Sai and Thee who remained obdurate and even argued that agreement expressed by Khang Khay Princes yesterday meant reverse of what they said and that in fact Commission had no repeat no agreement from them for such official visit. Meeting adjourned with Avtar Singh saying we must place on record Polish reasons for refusing to agree and that it would appear in next report to Co-Chairmen. Cooper reminded meeting that we might ask for early report to Co-Chairmen dealing exclusively with Ban Houei Sai. Thee asked for day in which to draft statement of his position re proposed visits for inclusion in report. Notwithstanding his government's sensitivities to majority decisions Avtar Singh who was annoyed by Thee's manoeuvres said report would make it clear that Indians and Canadians favoured such action

but it was prevented by Polish refusal. He added There might have to answer to history on that score.

4. At brief meeting this morning with USA Ambassador Brown, Cooper was told Phoumi was doubtful about agreeing to Commission visit to Ban Houei Sai for fear Poles would pass information re military dispositions to Pathet Lao. Same objections apply to sending team to Sardvanne (reference our telegram 154 May 30†).

5. Addis was consulted by Cooper (our telegram 161 June 2) on subject of report to Co-Chairmen and has been kept informed of subsequent developments. He had agreed Ban Houei Sai question was (deserving?) of strong stand and could see no repeat no disadvantage to Canadian minority on that point if necessary. He felt it was desirable to get report away before June 4 which was also our view as well as Avtar Singh's earnest hope. Hence we adopted solution already reported in our telegram 161 June 2.

[P.A.] BRIDLE

458.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 174

Vientiane, June 11, 1962

CONFIDENTIAL. PRIORITY from Delhi.

Reference: Delhi Tel 412 Jun 5 and our Tel 167 Jun 6.

Repeat for Information: Delhi, Laosdel Geneva, London, Paris, Washington, Permis New York, NATO Paris, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Canberra, Wellington, Moscow, Warsaw, Jakarta, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

MY CONVERSATION WITH GUNDEVIA

I am grateful Delhi for their skilful and accurate résumé of my conversation with Gundevia on June 4 which provides an interesting preliminary to information which we forwarded in our telegram 167. I would only like to add that while Gundevia had no repeat no reference to functioning of Commission once new Geneva agreement becomes operative he said nothing to suggest that his recent aversion to division in Laos Commission would prevent Indians from accepting and if necessary applying provisions of new agreement covering majority or minority action.

2. May I add with reference to Vietnam one bit of information which I did not repeat not adequately convey in Delhi. Gundevia implied that Polish Ambassador in Delhi threatened Indians with some sort of reprisals in North if as Poles seem to expect Diem Government were to renew harassment of Poles in South.

[P.A.] BRIDLE

459.

DEA/50052-B-2-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-262

Ottawa, June 13, 1962

RESTRICTED. OPIMMEDIATE.

Please convey following message from SSEA to Prince Souvanna Phouma: Begins:

I should like to convey to you my own gratification and that of Canadian Government on agreement to form under your leadership a government of national union dedicated to policy of independence, integrity and neutrality. I sincerely hope that this will mark beginning of new and happier period for people of Laos and will open way to a final accord at Geneva Conference. I wish to assure you that Canada remains prepared, in co-operation with Government of Laos and with other members of International Commission, to assist in every practicable way in carrying out of agreed settlement.

460.

DEA/50052-B-2-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 187

Vientiane, June 14, 1962

CONFIDENTIAL. PRIORITY from Delhi.

Reference: Our Tel 186 Jun 14.†

Repeat for Information: Delhi (Priority), Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Saigon, Phnom Penh, Xieng Khouang from Vientiane.

## ACTION FOLLOWING A SETTLEMENT

When I saw Brown yesterday he told me that at its first meeting the new government will appoint three committees: one to deal with integration of armed forces, one to deal with (creation?) of unified administration and one to consider the employment of soldiers following (and possibly during) the demobilization period.

2. Brown said Souvanna thinks it will take about four months "to reach agreement" on integration of forces. Brown also said Souvanna has told him that elections will not repeat not take place until after integration.

3. Brown told me that his government will be looking to the Commission in due course to provide evidence of some kind that the Vietminh have left Laos. Until such evidence is forthcoming Brown said the USA would not repeat not withdraw its military advisers. I told Brown that while the new Geneva agreement will provide a procedure whereby it would be

possible for the Commission to supervise withdrawal of Vietnam as well as other foreign forces it would probably prove very difficult if not repeat not impossible for us actually to see any Vietminh soldiers over the borders. For some reason the DRVN simply will not repeat not admit their forces have ever been in Laos.

4. Brown then recalled Pushkin's indication to Harriman in Geneva to the effect that at the right moment it would somehow just have to become evident that there were no repeat no Vietminh in Laos. Brown implied this would not repeat not be good enough. I promised we would reflect on the problem. The only further thought I have at the moment is that especially in view of the negotiating history a public USA assertion in the terms of the second sentence of paragraph 3 would probably drop quite a spanner in the Geneva works.

[P.A.] BRIDLE

461.

DEA/50052-B-8-40

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

TELEGRAM 1826

Washington, June 18, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 1816 Jun 18.†

Repeat for Information: London, Paris, Laosdel Geneva (Priority), Permis New York, NATO Paris, Delhi (Priority), Vientiane, Rome from Ottawa, CCOS Ottawa, DND, CGS, DGPO from Ottawa.

By Bag: Saigon, Phnom Penh, Xieng Khouang from Vientiane.

#### LAOS COMMISSION ROLE

June 18 Cross State Department Officer in charge Laos Affairs called us in to say that since Western discussions at Geneva would not repeat not convene for some days yet State Department wished to register with Canadian authorities hope that the period for withdrawal from Laos of foreign military personnel as provided in Article Two of the draft protocol could in the event be stretched out to the maximum possible duration in order to make the transition from USA military training programme to a French presence as smooth [as] possible. USA representatives would be commencing discussions June 18 with French authorities to see how the changeover could best be done. A major point was that certain training programmes for Far [East?] could best be completed if the transition were smooth and if existing instructional programme were continued unchanged as long as possible. Although it was recognized that there were arguments against such a stretch-out USA authorities had decided that on balance prolongation was desirable if feasible. USA authorities would be grateful for any indication for our views on how Canadian delegation to ICSC could help in securing this objective either in the course of dealings with other ICSC delegations or with Government of National Union. It was part of the appreciation of State Department officials that Souvanna Phouma might wish to see the departure of Vietminh personnel take place rapidly, but that he might not repeat not wish to see Western advisers depart at the same rate. State Department officials also realize that there might be considerable pressure on Souvanna Phouma to see MAAG personnel leave which would probably be intensified because Vietminh authorities would probably remove



major units and equipment quite rapidly and cause other units or personnel to fade into the landscape.

2. Cross said that much of the reasoning behind the request mentioned above related to the distinct domestic pressures on the Administration which had already become evident to show that a neutral independent Laos could be made to work. USA was going to do its best to help towards this objective but the degree of its assistance would obviously be relevant to the success in persuading domestic critics that the task was going well.

3. Cross also asked us to register USA hope that some means could be found for the Commission to establish check points near the DRVN and Chinese Communist borders. In particular Tchepone and Sam Neua were regarded as desirable locations. Officials were resigned to the possibility that USA personnel were likely to be the only foreign military who would be observed departing from Laos and that it might be difficult to establish the need for observation of Vietminh withdrawals. Nevertheless officials hoped that the Commission could establish its presence on the borders mentioned on one pretext or another. State Department would be grateful to know our views on the possibility of doing so.

462.

DEA/50052-B-8-40

*Le chef de la délégation à la Conférence de Genève sur le Laos  
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Geneva Conference on Laos,  
to Secretary of State for External Affairs*

TELEGRAM 1218

Geneva, June 25, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Washington Tel 1826 Jun 18.

Repeat for Information: Washington, Paris, NATO Paris, London, Permis New York, Delhi (OpImmediate), Vientiane from Delhi, DM/DND, DGPO, CCOS, CGS Ottawa (OpImmediate) from Ottawa.

By Bag: Saigon, Phnom Penh, Djakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

LAOS – WITHDRAWAL OF FOREIGN MILITARY PERSONNEL

If we read American request correctly State Department is asking Candel in Vientiane to do what it can to stretch out deadline for withdrawal of foreign military personnel as much as possible. Reasons given for request and methods envisaged for implementing it both strike us as being very fuzzy.

2. Idea seems to be that “existing instructional programme” would continue unchanged “as long as possible” and that it would be picked up unbroken by French instructors. A question arises as to what troops MAAG will be training. Until now it has been training RLG personnel under General Phoumi while Pathet Lao troops have been assisted by PAVN. Neutralist troops if they have been receiving any training at all presumably have been receiving it from PAVN or at least from non repeat non Western instructors. We have not repeat not heard of any agreement between USA and new coalition government which would involve MAAG in training function and we wonder therefore how MAAG training programme can continue without interruption. It seems unlikely that new government would make this very easy.

3. We can understand USA desire to keep MAAG personnel in Laos as long as possible but we wonder whether reason given by Cross is only one. You will recall that during early stages of Geneva Conference USA delegation stated that although USA was prepared to withdraw its

military personnel from Laos [it] would do so only if process were phased with withdrawal of PAVN forces. Despite this strong stand USA delegation when faced with Communist refusal even to admit presence of PAVN personnel accepted Pushkin's assurance that any PAVN troops that might be in Laos would simply "evaporate" when a settlement was reached. Despite Canadian misgivings USA dropped any attempt to obtain admission that PAVN troops were present in Laos and Western delegations dropped provision in Article 15 of Franco-American draft which would have required a census of foreign military personnel and equipment. Thus there exists no repeat no public admission of presence of PAVN forces. Corollary of this of course is that if PAVN does not repeat not notify Commission of withdrawal of its forces (and we would assume they do not repeat not intend to) provisions of Articles 2, 3 and 10 will have no repeat no relevance vis-à-vis PAVN personnel.

4. However despite USA acceptance of Pushkin's assurances and despite fact that idea of a phased withdrawal had been dropped USA delegation made it clear to us that USA would not repeat not withdraw its personnel until it was satisfied that there were no repeat no PAVN troops left in Laos; furthermore it would have to rely on International Commission to ensure that any PAVN troops which might be present would be withdrawn. This struck us as a responsibility Commission might not repeat not be equipped to carry out. Negotiations on Article 2 of Protocol hinged on question of base-line for time limit of withdrawal. Communist side had wanted deadline to run from time of signature of agreement; USA delegation wanted deadline to be based on time at which all points of withdrawal were covered by Commission teams. This did not repeat not meet question of phased withdrawal, for if DRVN did not repeat not admit presence of its troops and did not repeat not therefore notify Commission of their withdrawal there would of course be no repeat no points of withdrawal between Laos and North Vietnam. Furthermore it seemed obvious from way agreement was shaping up that it might be very difficult for Commission to undertake investigations to determine whether or not repeat not certain foreign military personnel were still present in Laos if officially there had never been evidence of such presence. Conceivably Laotian Government might complain to Commission but this would not repeat not be a very reliable instrument since first of all Government might not repeat not become aware of presence of PAVN troops until after deadline for withdrawal was past (and incidentally after USA troops would have left Laos, if agreement was not repeat not to be violated) and secondly Government might not repeat not for a number of reasons wish to complain to Commission.

5. Presumably USA through intelligence sources will have fairly clear idea of whether or not repeat not PAVN forces have withdrawn. If on day before deadline USA has evidence that PAVN forces are still in Laos it will be able to complain to RLG in hope that latter will ask Commission to investigate. In these circumstances, though, RLG would not repeat not be under any obligation to invite MAAG personnel to stay past deadline; indeed agreement makes no repeat no provision for exceptions. There is further problem of how Commission can be expected to find any PAVN personnel who might be present in Laos or how it can provide evidence such as that suggested by Brown (paragraph 3 Candel Vientiane telegram 187 June 14).

6. This is an extremely complex problem which evidently will not repeat not fade away if USA Administration and Congress decide to maintain MAAG personnel in Laos until there is clear evidence that all PAVN personnel have left. USA seems to be placing great deal of reliance on Canadian member of Commission but it should be obvious to them that if Canadian influence on Commission is to be maintained action in this field will have to be based on fairly sound evidence and not repeat not simply on accusations. Following are some of lines that might be examined by USA in attempt to meet problem:

(a) Souvanna will be under heavy pressure from part of Cabinet to squeeze out MAAG personnel as soon as possible. We presume USA is already trying to reach some understanding with him that would permit MAAG personnel to remain in Laos until deadline of Article 2 if necessary.

(b) At same time it should be made clear to Souvanna that USA agreement to support his government and to withdraw MAAG personnel was based on understanding that all PAVN personnel would be withdrawn. Souvanna should recognize need to provide USA with assurances and clear proof that PAVN personnel have left Laos.

(c) Even if some evidence of PAVN presence is brought to attention of Commission Canadian member alone would not repeat not be able to produce investigation. Indians should see reasonableness of USA desire for assurance that PAVN personnel have left but a frank discussion with Indians would not repeat not do any harm.

(d) Article 2 provides that points of withdrawal shall be determined by Government of Laos in accordance with Article 3 within 30 days after entry into force of Protocol, that Commission shall place its teams at these points and notify Government of Laos thereof within 15 days after determination of points, and that foreign military personnel shall be withdrawn within 30 days after this. Article 3 provides that routes and points shall be determined by RLG in consultation with Commission and Commission therefore has some role in determining this. If consultation has not repeat not been adequate (e.g. if no repeat no routes and points have been determined for withdrawal of PAVN personnel even though evidence exists that personnel are present in Laos, it might be argued that points had not repeat not been determined by RLG in accordance with Article 3 and that time limits established by Article 2 would therefore have to be extended until requirements of Article 3 had been met. (This admittedly is a devious argument but it is sort of thing that might be necessary if presence of USA personnel after deadline is to be justified at all.)

7. Paragraph 3 of Washington reference telegram suggests that USA have not repeat not given up idea of fixed teams which would in effect provide more or less permanent intelligence centres. This is another intricate problem concerning desire of USA for certain Commission operations beyond 75 day period set for withdrawal. Task of finding "one pretext or another" for establishing Commission teams near DRVN and Chinese borders can be approached in a number of ways but here again cooperation and understanding of Indians will be essential.

463.

DEA/50052-B-11-40

*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*

CONFIDENTIAL

Ottawa, June 26, 1962

Dear Mr. Green,

I have been asked by the Secretary of State for Foreign Affairs, Lord Home, to deliver to you the following message from the Co-chairmen of the Geneva Conference on the settlement of the Laotian question. My Government have agreed with the Government of the U.S.S.R. that this message should be delivered jointly by the Soviet Ambassador and myself in the names of the two Co-chairmen.

“The Co-chairmen of the Geneva Conference on the settlement of the Laotian question have the honour to draw the attention of the Government of Canada to the decision of the Conference on January 23rd, 1962, that the date of the next meeting should be decided by the two Co-chairmen bearing in mind that at that meeting a single Laotian Delegation appointed by a Government of National Unity of Laos would be expected to take part. The Co-chairmen have been informed that a Government of National Unity has now been formed in Laos and that a single Laotian Delegation will proceed to Geneva to take part in further discussions. The Co-chairmen have accordingly agreed that the next meeting of the Conference should take place at Geneva at 3.00 p.m. on Monday, July 2nd, 1962.”

Yours sincerely,

R.W.D. FOWLER

464.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 213

Vientiane, June 26, 1962

CONFIDENTIAL. PRIORITY (British Channels).

Repeat for Information: Laosdel Geneva, London, Washington, Paris, Delhi, NATO Paris, Permis New York, CCOS, CGS, CAS, DGPO, DM/DND (OpImmediate) from Ottawa.

By Bag: Canberra, Wellington, Warsaw, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

LAOS: NATURE OF COMMISSION'S TASKS OVER NEXT YEAR

Since my arrival I have been once more impressed by the extent to which during the past year the Commission has been able to exert a generally conciliatory influence and by the usefulness of the various practical services it has rendered the negotiating parties. Even though its efforts to supervise the ceasefire have been frustrated it nevertheless deserves great credit for the wise and patient manner in which over the past months it has maintained its presence in Laos. There can be no repeat no doubt that it played an important part in helping to bring about a settlement.

2. The Commission's task during the next few weeks will be to prepare for assumption of the new duties which will devolve upon it following signature of the Geneva agreements and to do anything possible within the limits of its effective terms of reference to keep the military situation quiet. We are reporting separately† on preliminary steps being taken with regard to the former. With regard to the latter Phoumi is always capable of some irrational act designed to upset the Geneva applectart and military moves by either side designed to reinforce political objectives cannot repeat not be ruled out. However while there will probably be some minor incidents particularly in view of the continued existence of "pockets" on one side with territory controlled by the other, it seems likely that the Laotians in control of the respective forces will be prevailed upon for reasons of policy to exercise restraint.

3. In the period following signature of the Geneva agreements the Commission will have to exercise both determination and patience if it is to fulfill the functions designed for it. Since its activities will be to a large extent subject to the consent of the government and since the government is supposed to operate on a basis of unanimity, the crux of the problem for the Commission (apart from mere reporting) will be to establish a relationship of confidence between it and the government. The main obstacle will no repeat no doubt continue to be Communist resistance, whether in the Government or in the Commission, to significant Commission action.

4. It is also possible that difficulties will be created by the Phoumist element in the government: for there are signs that Phoumi has not repeat not given up hope of maintaining some sort of bastion of the right and this could lead him and his followers to adopt obstructionist or separatist attitudes which combined with traditional Pathet Lao allergy to quick integration, could be detrimental to attainment of the Geneva objectives. From this broad point of view, which is not repeat not in its entirety the direct concern of the Commission but which will certainly have a direct bearing on its activities, the task ahead appears rather formidable.

5. In the interval before Souvanna returns it will be difficult to achieve any real solidarity in the government and unless present trends are reversed serious fissures may develop in the early stages. At the moment it appears that the right is obstructing the coalition by reluctance in some cases to yield control of ministries to the new appointees. On the other side, Vongvichit has made a highly partisan statement in the name of the government and Souphanouvong is spending at least part of his time [in Khang?] Khay. Even after Souvanna has returned he will have to work very hard to get the principal elements in his Cabinet to work together in cooperative support of common objectives. Also regroupment of forces will not repeat not be easy while integration of forces and establishment of local administration responsive to coordinated control from the centre will probably take [a] long time. It may be that present partisan manoeuvres are more tactical than strategic – Phoumi may simply be putting on another act designed to impress his followers; Vongvichit, however inexcusably, may simply be running interference for a Communist effort to get USA forces out of Thailand, and Souphanouvong (who, seen last in Vientiane, was a fugitive from political detention) may be staking out a claim for Khang Khay as the future capital. Nevertheless, the underlying fissiparous tendencies are strong and there can be no repeat no doubt that sustained efforts will be needed over an extended period to make the Laotian settlement stick. If it should again fall apart, as it did in 1958, the consequences would be hard to predict. In these circumstances the Commission will have a special responsibility, in spite of the obstacles it will certainly encounter, to discharge its assigned tasks as effectively as possible. Also as in the past it may be able from time to time to exert a conciliatory influence in informal support of more orthodox diplomacy.

[P.A.] BRIDLE

465.

DEA/50052-B-8-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 230

Vientiane, June 30, 1962

SECRET. CANADIAN EYES ONLY. PRIORITY from Delhi.

Reference: Washington Tel 1826 Jun 18.

Repeat for Information: Laosdel Geneva, London, Washington, Paris, NATO Paris, Permis New York (Priority), CCOS, CGS, DGPO, DM/DND from Ottawa, Delhi (Priority).

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon from Vientiane.

## WITHDRAWAL OF FOREIGN MILITARY PERSONNEL

Since USA officials are realistic enough to be resigned to possibility that USA personnel are likely to be only foreign military personnel who will be observed departing from Laos, I would very much like to adopt helpful attitude toward two requests in Washington reference telegram. I am afraid however that it is difficult to be as forthcoming as I would wish. Draft protocol lays down that all foreign military personnel shall be withdrawn from Laos in shortest time possible and while balance of relevant article does provide for possible delay of 75 days from signature of agreements emphasis is clearly on despatch.

2. With regard to first period of 30 days within which government is to determine exit points, leftwing elements in government (for reasons I touch on below) might press to have these points designated fairly quickly. No repeat no doubt Americans could ask rightwing elements to delay process but it would certainly be invidious for Commission to do so in course of consultations. Canadian delegation could hardly seek to delay despatching of teams during subsequent 15 days since we have hitherto pressed for team visits on all occasions of reported breaches of ceasefire. During final period of 30 days Commission would have no repeat no control over timing of withdrawals. In short it seems to us there is really no repeat no scope for Commission to help in achieving delay. If indulged in it would have to be done either by Americans through rightwing elements in government or by Americans themselves.

3. In addition we are doubtful if any practical advantage would accrue from delay. Whatever hiatus there may be between USA and French (planning?) could hardly be very damaging and if it is really intended to give maximum military support to Phoumi's forces for longest possible time we do not repeat not see much advantage in this. On past performance, presence of MAAG personnel is unlikely to make Phoumi's troops much more capable of standing up to Pathet Lao/Vietminh. It seems likely that main USA objective is semi-political one mentioned by Cross in paragraph 2 Washington telegram. This is certainly an understandable objective but it is difficult to see how prolongation MAAG presence, which might in turn make actual withdrawal of Vietminh even less likely, would provide convincing evidence that policy of neutral independent Laos could be made to work.

4. On other hand we are in full sympathy with USA desire to have Commission teams despatched to check points near DRVN and Chinese Communist borders. We shall certainly do our utmost to get teams to places such as Tchepone, Nape and Sam Neua localities on trail to Dien Bien Phu and on new road to China from Phongsaly. Two opportunities could arise for Candel to pursue this general objective (1) in consultations with government with regard to check points for withdrawal of foreign military personnel and (2) if Commission could establish need for investigations related to reintroduction of forces. Nevertheless obstacles in way of this are considerable. In first place while Commission is to be consulted about exit points in last analysis it is government which will decide where they are to be therefore it is most likely that they will select places which are as advantageous as above to Western side. Secondly we foresee possible difficulty in having exit points named at all except at places which would clearly be designed for exit of USA personnel. This would be invidious in the extreme and we will do our best to prevent it but it is possible that Communist tactic will be to make an early announcement that Vietminh forces have been withdrawn thus providing plausible basis on which to argue that there is no repeat no need to establish exit points to take care of them. This possibility is distasteful to us (especially as it would follow hard upon Communist refusal to admit presence of Vietminh) and we imagine that it would make Americans angry. Consequently, since it is at moment no repeat no more than speculation, you might think it advisable not repeat not to mention it explicitly to them.

[P.A.] BRIDLE

466.

DEA/50052-B-11-40

*Le chef de la délégation à la Conférence de Genève sur le Laos  
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Geneva Conference on Laos,  
to Secretary of State for External Affairs*

TELEGRAM 1226

Geneva, July 6, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, London, NATO Paris, Paris, Permisis New York, Delhi (OpImmediate), CCOS, CGS, DM/DND, DGPO (OpImmediate) from Ottawa, Vientiane (OpImmediate) from Delhi.

By Bag: Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

TALK WITH SOUVANNA PHOUMA

Mayrand and I called on Souvanna yesterday afternoon. We wanted not repeat not only to pay our respects but also to explore problems facing Conference and lend our support wherever appropriate to Western position.

2. Prime Minister himself took initiative by saying that he had been giving consideration to two problems which seemed to be causing difficulty at Conference: SEATO and integration.

3. He threw out suggestion that SEATO problem could be solved if SEATO powers would formally declare that they would withdraw protection of SEATO from Laos. He in turn would not repeat not mention SEATO specifically in declaration. We told Souvanna that Canada, of course, was not repeat not directly involved in problem of SEATO, and that we were therefore not repeat not in a position to comment on it. We suggest however that procedure he had suggested probably would not repeat not find favour with SEATO countries.

4. Souvanna then turned to question of integration of forces and described this as an internal matter. I agreed with him that this was an internal problem and concern of Laotians. On other hand war in Laos really had been an international war and one might speculate as to whether there would have been a civil war if it had not repeat not been for rivalries between outside powers. For this reason question of integration has important international implications and could have serious international repercussions. We therefore considered that it would be appropriate and wise to make a reference to subject in Laotian Declaration of Neutrality.

5. Souvanna replied that he did not repeat not consider a reference to subject necessary but did say that in a statement made during closing plenary session of Conference he would be prepared to mention Zurich agreement and recent Royal Ordinance,<sup>13</sup> both of which dealt with integration. I pointed out that this procedure would not repeat not clothe subject with same prestige and status as would inclusion in Declaration of Neutrality. Even a simple reference to subject in Declaration of Neutrality probably would cover requirement.

6. Although we had not repeat not mentioned International Commission it seemed evident that he was fully aware that desire to give Commission function re integration lay behind Western insistence that subject be covered in Declaration, for he said at this point that integration was an internal matter and not repeat not within competence of Commission. I replied that we agreed fully about this and that any function Commission might perform within this field would be contingent on a request by Laotian Government. If Geneva agreements contained no repeat no mention of this subject it would be very difficult, if not repeat not impossible, for Commission to extend assistance to Laotian Government if at some future stage right-wing forces or Pathet Lao (or both) were to make life difficult for duly constituted Central Government.

7. Souvanna clearly did not repeat not consider that he would require such assistance. He said there was no repeat no need to worry – Pham Van Dong had assured him during his recent visit to Hanoi that he would do everything possible to ensure Laotian neutrality and independence. (Pham Van Dong also had said, incidentally, that he would do everything possible to “extinguish fire in Vietnam.”) As far as Laos itself was concerned, Souvanna said, steps had already been taken to deal with question; a Cabinet decision concerning establishment of mixed commissions to deal with process had been made. Furthermore, Souvanna had told NLHX leaders that there would be no repeat no elections until integration had been carried out. Souvanna considers that since NLHX have no repeat no members in present Assembly, they are more interested than any other group in having early elections; for this reason, he believes, they can be counted on to carry out integration.

8. Thus, although I pointed out that there existed in Laos two armies not repeat not under control of government, and that Souvanna might be victim of either or both, Souvanna could not repeat not be persuaded that question of integration should be dealt with in any way other than inclusion in a statement by him at final plenary session of conference.

<sup>13</sup> Il est difficile de déterminer l'ordonnance à laquelle Souvanna fait référence. En ce qui concerne le texte de l'ordonnance 219, qui a permis de créer officiellement le nouveau gouvernement dirigé par Souvanna, voir la pièce jointe à la lettre qu'a envoyée la délégation canadienne du Laos au sous-secrétaire aux Affaires extérieures, lettre numérotée 73, 16 juillet 1962, † MAE/50052-B-2-40, partie 29.

It is not clear which ordinance Souvanna was referring to here. For the text of Royal Ordinance 219, which on June 23 had officially created the new government headed by Souvanna, see the attachment to Canadian delegation Laos to Under-Secretary of State for External Affairs, Numbered Letter 73, July 16, 1962, † DEA/50052-B-2-40, part 29.



9. We then asked Souvanna for his views about withdrawal of foreign military personnel from Laos. We said that everyone knew there were USA military personnel in country and that this had been officially admitted; on other hand, although everyone knew there were PAVN troops in Laos, this had not repeat not been admitted by Communist side. Since Commission would be directly concerned in this matter we would be interested in knowing what arrangements he contemplated. By this time Quinim had joined us and both he and Souvanna said that government would fix points through which all foreign military personnel would withdraw. Mayrand asked whether these points would be located even in North and Souvanna replied that withdrawal points would be located everywhere they were required. Souvanna seemed to accept very readily our assumption that PAVN troops were present in Laos and Quinim did not repeat not deny it.

10. We expressed hope at end of our talk that discussion here in Geneva would lead to satisfactory conclusion of Conference. Souvanna expressed confidence that this would be the case. He said he anticipated that work of Conference would be completed in four or five days. Then he would return to Laos by way of Washington.

11. Mayrand had another talk this morning with Noupbat Choun Ramany, member of Laotian delegation, who told him that at a meeting of delegation this morning final text of Laotian Declaration had been agreed to. He showed copy to Mayrand. It will not repeat not contain a specific reference to SEATO, but in a covering letter to Co-Chairmen, Souvanna will state that provision does apply to SEATO in particular. There is no repeat no reference to integration in declaration. If Laotians have taken a final decision on draft there would seem to be little likelihood that Western delegations will be able to effect any changes. It remains to be seen whether they, and USA delegation in particular, will find it possible to accept a declaration which pretty effectively closes door to any Commission competence in field of integration.

[C.A.] RONNING

467.

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, 1962

LAOS CONFERENCE – DECLARATION BY LAOTIAN GOVERNMENT

The Laotian declaration has been amended by Souvanna Phouma, as desired by the western delegations, on the question of forbidding the use of Laotian territory for interference in the internal affairs of other countries. This is an important point, since it covers the use of Laos by the Vietminh for infiltration into south Vietnam. Souvanna has also modified the reference to non-recognition by Laos of foreign military protection in a way which has already been found acceptable in Washington, London, Paris and Canberra.

2. The only point on which the declaration still appears somewhat less than satisfactory is the omission of any reference to integration. In view of the concessions mentioned in paragraph one above, and the apparently adamant opposition of the communist powers, there seems no likelihood that it will still be possible to obtain the inclusion of such a reference. For the

reasons indicated in your telegram Y-278 of July 9,† this omission, though regrettable, is not likely to make any great difference in actual practice.

3. Attached for your signature, if you agree, is a telegram to Ronning authorizing him to accept the declaration in its amended form.<sup>14</sup>

G.P. DE T. G[LAZEBROOK]  
for  
N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures  
au chef de la délégation à la Conférence de Genève sur le Laos*  
*Secretary of State for External Affairs  
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-279

Ottawa, July 10, 1962

SECRET. CANADIAN EYES ONLY.

Reference: Your Tel 1229 Jul 9.†

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Delhi, CCOS, CGS, DM/DND, DGPO from Ottawa, Vientiane from Delhi (OpImmediate).  
By Bag: Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

LAOS CONFERENCE – STATE OF NEGOTIATIONS

Our acceptance of the Laotian Declaration as amended is of course dependent upon this declaration being satisfactory to our Western friends. These appear to be content with a mere mention of integration by Souvanna at closing plenary instead of inclusion of a reference to this matter in a formal conference document. You should make sure that they understand it will be difficult for the Commission to act in this field without any specific reference in conference documents. Subject to this we have no objection to inclusion in its present form of Laotian Declaration in thirteen-power Declaration.

[H.C.] GREEN

468.

DEA/50052-B-11-40

*Le chef de la délégation à la Conférence de Genève sur le Laos  
au secrétaire d'État aux Affaires extérieures*  
*Chairman, Delegation to Geneva Conference on Laos,  
to Secretary of State for External Affairs*

TELEGRAM 1232

Geneva, July 11, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel Y-278 Jul 9 and our Tel 1228 Jul 8.†

<sup>14</sup> Note marginale :/Marginal note:

Tel. Y-279 signed by SSEA and sent 1745 hrs 10/7. [Auteur inconnu/ Author unknown]

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Delhi (OpImmediate), CCOS, CGS, DM/DND, DGPO (OpImmediate) from Ottawa, Vientiane from Delhi.

By Bag: Saigon, Phnom Penh, Djakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

#### LAOS CONFERENCE – INTEGRATION OF FORCES

We are very grateful for background and careful analysis of this problem which you have provided and we shall explain your view to Western delegations, if after taking account of considerations set forth below you still consider this a desirable course to follow.

2. We too were rather taken aback by way in which issue of integration suddenly melted away. However, on basis of information we have gathered during past day or two it is possible to piece together reasons why USA delegation, and therefore other Western delegations, decided to give up any attempt to have subject dealt with in any way other than a mention in Souvanna's statement at final plenary referring to Zurich communiqué and Royal Ordinance. (Roux will attempt to persuade Souvanna Phouma to make an explicit reference to subject.)

3. Souvanna, in draft he had given Falaize in Paris, had mentioned integration and Western delegations considered that his overnight change of mind had been result of pressure by Quinim and probably by Communist side. However, after all Western delegations had spoken to Souvanna in Geneva it became obvious that there was no repeat no hope of convincing Souvanna that subject should be covered in Laotian Declaration. Souvanna evidently had reversed his position, probably under pressure from Quinim and Communist delegations, and did not repeat not intend to change again.

4. About same time as realization of futility of exercise was dawning in Harriman's mind, he began to be influenced by members of his delegation (and particularly military advisers) who argued that interests of USA might be undermined by any clearcut provision for integration. There are signs that at least one part of American Administration intends to keep General Phoumi's army in existence as long as possible. We presume they calculate that Pathet Lao could evade any requirement for integration more easily than could Phoumi and that it therefore would be prudent to keep process and supervision of it as vague and ill-defined as possible.

5. This approach to future of Phoumi's forces was reflected yesterday in remarks Harriman made during discussion of problem of civilian technicians. French informed Americans that, with Souvanna's agreement, they would be prepared to take over administration and maintenance of USA military equipment in Laos, thus making it possible for Filipino personnel now there to leave and also making possible withdrawal of reservation on Article 4 by Western delegations which was designed to leave open possibility that civilian technicians might be introduced. Harriman stated that USA had established an elaborate system for control and maintenance of military equipment. If Laotians took over there would be rapid deterioration and loss; USA wanted to avoid this since it wanted to keep Phoumi's forces strong.

6. Furthermore, in this as well as so many other subjects, Harriman probably has been strongly influenced by provisions of Article 8, which reflect Pushkin's assurance that Co-Chairman will make sure their respective allies observe Declaration and Protocol. This may be another case in which Harriman expects Article 8 to carry greater burden than it is designed to handle. Leaving aside more obvious shortcomings of this guarantee, it seems obvious that Article 8 cannot repeat not apply to integration process if latter is not repeat not mentioned in Declaration or Protocol.

7. All these factors probably affected USA decision to drop subject and we know UK delegation did nothing repeat nothing to keep issue alive. Continued argument about integration could have blocked successful conclusion of conference – an end which UK clearly considers very important.

8. This new line of American thinking seems to involve as a corollary a lack of emphasis on Commission role in this field, since subject has not repeat not been pressed recently. Perhaps USA as well as Communists now wish Commission to keep hands off integration process. In such circumstances (with no repeat no sanctions in agreement against maintenance of private armies, and with no repeat no international supervision of process of integration) two non repeat non-governmental forces presumably would counter-balance each other and, perhaps, integrate and disband in phase with each other.

9. There seems to exist among Western Four a gentleman's agreement not repeat not to probe this subject very deeply and we hesitate now to have a frank discussion with USA delegation unless a clear opening presents itself. If our assumption of USA thinking is reasonably correct, however, we should not repeat not expect any pressure from USA to have Commission deal with subject, at least in early stages. If, on other hand, Phoumi's army starts disintegrating (repeat disintegrating) USA might very well become more anxious to ensure integration and disbandment of Pathet Lao. At such time we might conceivably be asked to cause Commission to make bricks without straw. There would be, therefore, some advantage in making our position clear to our friends now.

10. As I have said, however, we adduce from a number of Harriman's remarks in meetings of Western Four that USA demands concerning integration now have been dropped, and because of this new situation motives behind suggestion in paragraph 11 our telegram 1228 are no repeat no longer as strong. USA has so clearly given up any attempt to bring integration into final settlement that it would be very difficult for Washington to belabour us on subject at later date. Furthermore, I have more than once made it clear orally to Western colleagues that omission from declaration of any reference to integration would make Commission action in this area very difficult if not repeat not impossible and I am sure USA delegation took account of this view when reaching its decision. Perhaps it would be wiser, therefore, in view of rather delicate situation which has arisen, not repeat not to give USA delegation a memo at this stage. Instead we would hope for casual opening which might provide us with clearer understanding of USA policy in this field. Then, if necessary and appropriate, we might explain views set forth in your reference telegram more explicitly.

11. I should appreciate your advice.

[C.A.] RONNING

469.

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], July 11, 1962

LAOS CONFERENCE – INTEGRATION OF FORCES

Mr. Ronning reports in his telegram 1232 of July 11 that the United States delegation has “clearly given up any attempt to bring integration into the final settlement.” He wonders whether, in these circumstances, it would be wise not to give the Americans a memorandum on

the subject but rather to take advantage of any “clear opening” which might occur to make our position clear to them.

2. From Earncliffe we have learned that the British delegation was “reasonably confident” on July 10 that Souvanna would mention integration in a final unilateral statement “of which the Conference could take note.” It may be, however, as Ronning suggests in his telegram, that the Americans will now prefer to keep this matter “as vague and ill-defined as possible.”

3. Attached for your signature, if you agree, is a telegram to Ronning in reply.<sup>15</sup>

G.P. DE T. G[LAZEBROOK]

for

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures  
au chef de la délégation à la Conférence de Genève sur le Laos*

*Secretary of State for External Affairs  
to Chairman, Delegation to Geneva Conference on Laos*

TELEGRAM Y-280

Ottawa, July 11, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel 1232 Jul 11.

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Delhi, CCOS, CGS, DM/DND, DGPO from Ottawa (OpImmediate), Vientiane from Delhi. By Bag: Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

LAOS CONFERENCE – INTEGRATION OF FORCES

Since, despite apparent decision of USA to abandon pressure for some formal reference to integration in Conference documents, possibility remains that at some later stage we may be called on to “make bricks without straw,” I continue to think it would be desirable to put to USA delegation in explicit terms our views on what it would and would not be possible for Commission to do with regard to integration.

2. In view of attitude which Americans now seem to be taking, and of inherent limits we see in any possible action by Commission in this field, I agree that it would be wise to avoid giving any impression that we are arguing in favour of insisting on some formal mention of integration. However you should say that we had been giving some thought to the possibilities for useful action by the Commission, having regard to its previous experience in this connection, and had put down our thoughts on “a piece of paper” which it occurred to us USA delegation might find useful to have on file.

[H.C.] GREEN

<sup>15</sup> Note marginale :/Marginal note:

Tel. Y-280 amended, signed & sent out 11.7 18:30 hours. [Auteur inconnu/ Author unknown]

470.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*  
*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 286

Vientiane, June 26, 1962

CONFIDENTIAL. PRIORITY from Delhi.

Reference: Our Tel 283 Jul 25.†

Repeat for Information: Delhi (Priority), Laosdel Geneva, London, Washington, Paris (Priority) from Ottawa.

By Bag: Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

## CONVERSATION WITH PHOUMI

Yesterday I first talked with Phoumi following signature of agreement.<sup>16</sup> He said Boun Oum had asked him to convey to me his deep appreciation of part Canada played in negotiation on neutral status for Laos. I asked him to thank Boun Oum and to assure him that your constant endeavour had been to obtain best possible terms of reference for International Commission.

2. Phoumi told me he has been studying new agreement and that he has set up small committee inside his own group to analyse it. When he has considered it further he would like to secure my views on how it may be best implemented. In any case he said my views would be welcome at any time. He wants to keep very closely in touch with me in order that he may help me to act effectively in Commission and vice versa. He thought that provisions for (group corrupt) action in Protocol combined with what he regards as disposition on part of Avtar Singh to favour Western point of view should facilitate my task in Commission and that his own weight in government should be increased by fact that Souvanna Phouma is really more of his persuasion than that of Souphanouvong's.

3. While some of Phoumi's assumptions seem over-optimistic I contented myself with commenting that ideal situation would be one in which Commission could function effectively in support of objectives of settlement and government could work together in prosecution of its declared policy. At same time I agreed there would be occasions when [Poles?] or Pathet Lao would be acting in manner which would require corrective action. In any case I said that I certainly wished to keep closely in touch with him since this would assist me to play my part in implementation of new agreement. (Though I did not repeat not say so to Phoumi, Avtar Singh has told me that he regards this as of great importance with respect to work of Commission as whole. You will also recall our telegram 260 July 17† that Unger would like me to help in endeavour where necessary to keep Phoumi on reasonable track.)

<sup>16</sup> Voir/See United Kingdom, Parliamentary Papers, Cmnd. 2025, *Declaration and Protocol on the Neutrality of Laos: Geneva, July 23, 1962* (London: Her Majesty's Stationery Office, 1963).

4. Phoumi said that he was reflecting on parts of agreement covering French presence and that he would be glad to receive my views on this in due course. He seemed to wish to facilitate assumption by French of their responsibilities but Morris Australian Minister who saw Phoumi immediately before I did subsequently told me that Phoumi said that in almost every way they are ill qualified to train his forces or look after their equipment.

5. Phoumi also raised with me question of withdrawal of foreign forces. I am reporting on this separately.

6. We parted on best of terms and agreed that we would consult frequently.

[P.A.] BRIDLE

471.

DEA/50052-B-8-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 288

Vientiane, July 27, 1962

SECRET. CANADIAN EYES ONLY. PRIORITY (British Channels).

Reference: Our Tel 285 Jul 25.†

WITHDRAWAL OF USA MILITARY PERSONNEL

I talked yesterday to Unger about withdrawal of foreign forces and am reporting separately on main discussion which was on Vietminh.

2. Unger outlined for me USA policy on withdrawal of USA personnel. He said his government intended to do this in accordance with agreement and within time limit prescribed. Only circumstances under which USA would hold back on withdrawal would be if there were evidence – and he said evidence supplied by Commission – that Vietminh personnel were still in Laos. He regarded this a rather hypothetical condition.

3. At same time Unger offered to have military staff of Embassy expose to us more fully than heretofore evidence (which he regards as convincing) of Vietminh presence in Laos. I welcomed this but warned that it would be impossible to use in Commission USA evidence supplied confidentially to Candel.

4. Unger again expressed the desire that 75 day period for withdrawals be as near 75 days as possible. He said his authorities want this mainly in order to be able to keep in Laos as long as they can fairly small number of personnel who are in field and who are essential from intelligence point of view.

5. At same time Unger told me that he has been considering possibility of having bulk of USA personnel withdrawn in D plus 30 i.e. 30 days after signature of agreement. In reply to question he confirmed he had in mind withdrawal before Commission teams were in place. Another possibility he was considering was that fairly soon – possibly after Souvanna's return on August 4 and USA prisoners had first been released – perhaps 40 personnel might be withdrawn as preliminary move.

6. Unger has in mind political and psychological advantage which might accrue from such moves. At same time he stressed he is also considering plan from point of view of whether or not repeat not it would assist USA authorities and indirectly Candel to create climate for best

possible implementation of overall withdrawal provisions of agreement. He said he would like my views. I replied I would like to consult military adviser and you. He said he has not repeat not yet discussed possibility either with his own military personnel or with Washington but was agreeable to my consulting on strictly confidential basis.

7. My inclination is to tell Unger that we sympathize with desire to keep key personnel 75 days but are not repeat not well placed to help with this; that we would welcome withdrawal of USA personnel at earliest feasible date because this would have favourable effect on whole settlement and might somewhat facilitate efforts to arrange some Commission role with regard to other foreign forces; that it would nevertheless be most important for main USA withdrawal to take place when Commission teams were in place and could supervise them since to do otherwise would be technically contrary to Articles Three and Ten of Protocol and might expose USA to charges their withdrawals were incomplete: and that we would not repeat not object to small preliminary withdrawal provided that it was conducted in accordance with Articles Three and Ten i.e. that an exit point was designated so that Commission could supervise.

8. I would be grateful to receive your views as early as possible in week of July 30.

[P.A.] BRIDLE

472.

DEA/50052-B-8-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures  
Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 291

Vientiane, July 28, 1962

CONFIDENTIAL. CANADIAN/USA EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Our Tel 285 Jul 25. †

Repeat for Information: Delhi (OpImmediate), Laosdel Geneva, Washington, Paris (OpImmediate), NATO Paris, Permis New York, CCOS, DM/DND, DGPO, CGS from Ottawa.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

#### WITHDRAWAL OF FOREIGN MILITARY PERSONNEL

I saw Unger July 26 and informed him of state of my discussions with other two commissioners. Before seeing him I had secured from Avtar Singh undertaking to consider possible means of facilitating some sort of Commission action with regard to withdrawal of forces other than USA military personnel. Unger thought this and similar assurance I had had from them encouraging.

2. Unger confirmed USA attitude reported in paragraph 3 of Washington telegram 1826 and reproduced in paragraph 10 of our reference telegram. At same time he attached importance to Commission acting somehow with respect to Vietminh personnel as well as USA personnel. I agreed and we discussed possible course on assumption that Vietminh presence would not repeat not be admitted and that no repeat no exit point to cover them would be proposed. On personal basis we reached tentative conclusion that best course might be one similar to that suggested in paragraph 9 of our reference telegram, i.e. that we might try to arrange that if



government were agreed that exit points were needed only for USA personnel it might nevertheless make provision for check by Commission at selected places to verify that other foreign forces were not repeat not present. Although Unger thought it conceivable that one on-ground Commission team might find some evidence of Vietminh presence we both recognized that results would almost certainly be negative and that action taken would provide no repeat no conclusive proof that Vietminh were not repeat not present in Laos. At same time we thought that such action would be preferable to no repeat no action except with respect to USA personnel.

3. Unger expressed hope that once teams were on ground reasons might be found to let them stay. I said that under terms of agreement they could remain only for duration of their current task.

4. I pointed out that under strict interpretation of agreement Commission has no repeat no specific mandate to carry out checks of kind we envisaged. Unger thought however that in all the circumstances proposed action could reasonably be construed as consonant with purpose of agreement and that if Government were agreeable there should be no repeat no juridical problem. At same time we both recognized that one advantage of scheme would be that while there could be no repeat no assurance government would agree to places we would want most strategic places could be more easily justified as places to check on absence of foreign military personnel than could be case if conceived as exit points.

5. Unger and I agree that best chance of getting such scheme off ground would be if Souvanna were to adopt it and sell it privately to Souphanouvong before any discussion of withdrawal question in Cabinet. As such discussion may take place at next meeting of Cabinet (group corrupt) is due five or six immediately following Souvanna's return, Unger agreed to inform Washington of our conversation and to suggest that our idea might be discussed with Souvanna while he is in Washington. He said he had no repeat no idea whether Washington would think this is advisable and that if idea were discussed with Souvanna it would be mentioned on a contingent basis only.

6. I tried idea out on Avtar Singh yesterday and found he would be wholly receptive. At same time (in spite of slight advance in his thinking with regard to possible exit points for Vietminh noted in paragraph 6 of our telegram 269†) I found him again allergic to this conception on grounds that it was simply unrealistic to expect government to name exit points for Vietminh personnel if at same time it were alleged there were no repeat no Vietminh to be checked out.

7. This morning Avtar Singh told me that Thee who returned yesterday from Khang Khay had told him the Plaine des Jarres might be used as exit point for some Vietminh technicians. I saw Unger and told him this. [I? He?] emphasized that at present it could hardly be regarded as more than straw in the wind however since it might indicate that government would ultimately name one or two relatively innocuous exit points for some Vietminh personnel – presumably civilian technicians working with Pathet Lao forces – we should perhaps consider effects of this on idea we had developed. Unger confirmed that if idea were discussed with Souvanna it would be mentioned only as possible technique in event Vietminh presence were not repeat not admitted and government would not repeat not propose exit points for them. He would nevertheless inform Washington I had told him making clear that prospect of any change in Communist attitude on Vietminh presence is by no repeat no means certain.

8. Unger thought that even if Communists do follow course suggested by Thee it might still be desirable for Commission teams to carry out checks at additional points. I said that in these circumstances it might not repeat not be at all easy to obtain agreement either in Commission or in Government that such checks should be made and I pointed out that since checks would in any case be inconclusive they would be of no repeat no use to his Government as means of assessing adequacy of any actual Vietminh withdrawals. Unger acknowledged these limitations and agreed that if Government should decide to establish exit points for Vietminh idea we had discussed might become irrelevant.

[P.A.] BRIDLE

473.

DEA/50052-B-1-40

*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 Under-Secretary of State for External Affairs*

LETTER NO. 81

Vientiane, August 6, 1962

CONFIDENTIAL. CANADIAN EYES ONLY. OPIIMMEDIATE from Delhi.

Reference: Our Telegram No. 295 of July 31, 1962.†

CONVERSATION WITH GEN. KONG LE AND GEN. SINGKAPO

The Military Adviser accompanied by Maj. Y. Bernier of Candel Laos visited Khang Khay on July 25, 1962 to pay calls on Maj. Gen. Kong Le and Maj. Gen. Singkapo. They were well received.

2. Gen. Kong Le received the Military Adviser at his house. He was in uniform of a sort but with no rank badges and his paratroop badge hanging precariously by one hook. After the usual formalities, Kong Le enthusiastically affirmed how happy he was that the agreement had finally been signed at Geneva. He particularly welcomed the cease fire, which he said is earnestly desired by all Laotians. He obviously has the feeling that the Neutralists should be appointed at the head of all important posts and meetings, for he said "how can Laos be neutral if the heads are not neutral and are under a foreign influence." He felt particularly keenly on this in respect to the integration of forces and believes that integration should be based on the Neutralist forces. No doubt he has a personal interest in this proposal. He also said that some Left and Right generals did not really want integration as it would decrease their power. He said that his soldiers want integration and he is sure that the general population wants it too. But integration would be a long drawn-out procedure and the Left and Right generals who quietly opposed it would have to be converted or go.

3. Kong Le mentioned that while on his European tour he had received an invitation to visit Great Britain. He indicated that he had not accepted because the invitation had been only for himself and his secretary and not for the entire party of nine. His secretary then interjected (somewhat bitterly) that perhaps nine would have been too many to feed.

4. Kong Le invited the Military Adviser and other officers to a "Fête Neutraliste" to be held at Phong Savan on August 9. It will commence at 0800 hrs. and continue until midnight and will include a parade (with small arms and heavy weapons) and field sports. He would also be glad to see other officers of the Commission at the fête.

5. While awaiting transportation the civilian escort (who is a secretary or interpreter for Kong Le) pointed out a prisoner of war cage. He would not divulge any other information about it

except that it held “many prisoners.” This civilian had taken a course in Wisconsin and from there had gone to Australia under the Colombo Plan. He spoke quite good English and said that Canada could provide the greatest help by making educational facilities available to Laotians. He mentioned some friends who had attended Laval University. Unfortunately time and circumstances did not permit the Military Adviser to have a longer conversation with him. It was interesting that he also attended the Military Adviser’s conversations with Gen. Singkapo.

6. Gen. Singkapo received the Military Adviser at his house. He was not in uniform. While the Military Adviser had intended to keep the conversation principally on military matters he found Singkapo prefaced his remarks by pointing out that since Laos is completely surrounded by other countries it is vital that she follow a neutral program. He felt that this would be possible only if Laos could keep clear of all foreign influences. Strangely enough he spoke objectively on this and inserted no partisan Communist comments. He, too, was obviously enthusiastic about the Geneva Agreement. Singkapo went to some lengths to stress the importance of everyone understanding the Geneva articles. He said that, on his part, every officer, soldier and villager would be taught the terms and meaning! He added that if Phoumi’s forces did not understand it, it would be too bad for them.

7. Singkapo also stressed his conception of the difference in the role of the Commission now to what it was the previous time. He said that under the old agreement “the teams could go anywhere they wanted and this caused trouble.” However, he said that now the “Commission will really be working for the government of Laos” under whose direction it would determine whether the terms of the agreement were being carried out. The Military Adviser commented that close cooperation between the government and the Commission would, of course, be essential. He added for the agreement to be truly effective the central government would have to be strong, honest and not torn by internal dissension. Did Singkapo think this would be rapidly achieved? Singkapo was noncommittal in his reply. However, he did say several times how important the work of the Commission would be in the development of a free and neutral Laos.

8. The Military Adviser raised the question of introduction of foreign personnel and matériel into Laos and Singkapo then became evasive. He said that he had not studied the agreement yet and all he knew about it was from fragments on the radio. After he had had a chance to study the agreement he would have some views. This statement seems at variance with his previous apparent knowledge.

9. In answer to a question on leave for his soldiers, he said that they had one leave per year; he would not say for how long. However, he added that after a soldier had served a year or two he could get a special leave, e.g. to get married.

10. The visit was well worthwhile as a means of establishing contact with the Neutralist and Pathet Lao military leaders. They, on their part, seemed genuinely to appreciate the visit. Kong Le struck the Military Adviser as being somewhat out of his depth whereas Singkapo seemed intelligent, mature and decisive.

P.A. BRIDLE

474.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 325

Vientiane, August 20, 1962

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Our Tel 319 Aug 16.†

Repeat for Information: Laosdel Geneva, Washington, Paris, NATO Paris (OpImmediate),  
Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa, Delhi (OpImmediate).By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from  
London, Saigon, Phnom Penh from Vientiane.

## WITHDRAWAL OF FOREIGN MILITARY PERSONNEL

On August 18 Quinim received Chairman, myself and Acting Polish Commissioner (Thee was away but will be back today) and told us that at Cabinet meeting previous day no repeat no agreement was reached on exit points for foreign forces. Chairman pointed to deadline and urged early decision. Quinim promised to see Commissioners again following Cabinet meeting to be held today.

2. On August 18 and 19 Unger and Hopson saw Phoumi and Souvanna separately and they have kept me informed. It appears that having received ministerial views on proposal he made August 13 (exit points at 8 to 10 places) Souvanna did not repeat not think it profitable to follow through on this on August 17. Instead each leader was to propose exit points for foreign forces in his area. Souvanna proposed Khang Khay for Vietminh technicians. Phoumi proposed Vientiane for Americans plus 2 or 3 other places if desired. Souphanouvong said there were no repeat no Vietminh in his area and therefore no repeat no need for exit points. Phoumi proposed 1 at Banban but Souphanouvong refused.

3. Phoumi subsequently suggested to Souphanouvong that those leaders simply declare that foreign forces have left their areas. Although Souphanouvong refused this Phoumi sought Unger's opinion. Unger said he could not repeat not speak for his Government or for Commission but he thought plan could only be considered if it were coupled with agreement that Commission could at any time investigate presence of foreign forces if it felt need to do so.

4. Souvanna told Unger he would do his best today to get 3 points though he was not repeat not very hopeful of this. He also gave Unger version of Phoumi's plan re tripartite military groups (paragraph 2 our reference telegram) which probably corresponds more closely to Phoumi's real thinking and which Souvanna seems to have adopted. Government would set up these groups to watch for presence or introduction of foreign forces and they would investigate any suspected violations. If they needed help from Commission they would call in Commission teams. Unger pointed to Commission's responsibility under agreement for investigating suspected introduction of forces and argued that in signing agreement Government had given consent in advance to any investigations Commission wished to make. He also said troika within groups would inhibit them and prevent any reference to Commission. On first point Souvanna politely demurred saying he felt that to conduct investigation Commission must receive Government concurrence however he took point about

troika and said he would propose that groups operate on majority basis. Unger was seeing Phoumi this morning and would request him to advocate this.

5. Avtar Singh agrees with me that even if Government adopts such plan Commission must assert its right and responsibility (probably in practice with concurrence of Government) directly to investigate suspected introduction of forces if it has reasonable ground for doing so and that it need not repeat not wait upon information or request from Government or tripartite groups. Relating this to question of checking on (group missing) presence of foreign forces he points out that if with respect to any given place Commission has not repeat not been advised of an exit point and route to that point Commission would have right to assume, if it subsequently had reason to suspect presence of foreign forces in or near that place, that such forces were introduced subsequent to withdrawal exercise. Consequently it could seek to carry out investigation under articles relating to introduction of forces.

6. There are now 3 possibilities: (1) Government may reach decision which is reasonably satisfactory (2) it may reach decision which is unsatisfactory from West's point of view and (3) it may reach no repeat no decision before 30 day deadline which we calculate expires August 22. In any event Commission would probably report situation to Co-Chairmen. In case (2) or (3) Hopson feels Co-Chairmen should take suitable action.

7. USA is still trying to get several exit points on both sides. If Souphanouvong persists in denying any exit point for Vietminh from his area Unger thinks USA may hold back on its withdrawals.

8. In discussion with Unger and Hopson I renewed [reviewed?] plan Unger and I had previously discussed (paragraph 2 of your telegram Y-300†) but although I pointed out it should be acceptable if Government were to request it they thought it would be difficult to persuade Government to do this. Like Avtar Singh Hopson was not repeat not enthusiastic because procedure is not repeat not provided for under agreement. I still think plan has merit but am not repeat not pressing it at present.

9. I will discuss implications of above when reporting on results of today's Cabinet meeting.

[P.A.] BRIDLE

475.

DEA/50052-B-8-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-311

Ottawa, August 21, 1962

CONFIDENTIAL. PRIORITY.

Reference: Your 325 Aug 20.

Repeat for Information: Laosdel Geneva, London, Washington, Paris, NATO Paris, Permis New York, Delhi (Priority), CCOS, DGPO, CGS, DM/DND (OpImmediate).

WITHDRAWAL OF FOREIGN MILITARY PERSONNEL

On subject of your reference telegram Rufus Smith, USA Embassy Counsellor called on department this afternoon to express Washington's "severe concern" over lack of progress in establishing exit check-points for foreign forces, specifically for Vietminh. Because acceptance of check-points by all sides was at heart of Geneva Agreement refusal of Pathet Lao side to comply at this early stage cast serious doubt on both long term success of Agreement and on

confidence that could be placed in present Laotian Government. He added that in light of these developments USA Government was considering whether or not to withhold its withdrawals pending clarification of situation. USA would take up this question with Soviet Union in Moscow. Smith emphasized that Washington's views should in no repeat no sense be taken as implying criticism of Canadian efforts in Laos.

2. We agreed with seriousness of problem, referring to points covered in your reference telegram and to analogy with situation in Vietnam where Communists refuse to admit their well-known sins. Pending further clarification from you we did not repeat not suggest any immediate solution to problem and will await your further report with interest.

476.

DEA/50052-B-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 2478

Washington, August 24, 1962

CONFIDENTIAL. PRIORITY.

Repeat for Information: Laosdel Geneva, London, Permis New York, Paris, NATO Paris, Vientiane from Ottawa, CCOS, DND, CGS, DGPO from Ottawa.

By Bag: Delhi, Canberra, Wellington, Tokyo, Kuala Lumpur, Jakarta, Moscow, Warsaw, Ankara, Saigon, Phnom Penh from London.

## LAOS

We received today August 24 with the Acting Officer in Charge of Laos Desk the announcement from Vientiane that agreement had finally been reached by the Laotian Government on three exit points for the evacuation of foreign troops from the country.

2. While acknowledging that some agreement was better than none, our informant remarked on the astuteness of Souphanouvong's action in choosing Nhommarat as the exit point for Pathet Lao<sup>17</sup> forces. Although there had certainly been evidence of Pathet Lao activity in that area, it would have been much more satisfactory from a Western point of view if the agreement had provided for an exit point farther to the north where it was known that concentrations of Pathet Lao forces were present. Noting that the ICC teams had fifteen days in which to station themselves at Nhommarat, our informant thought it was highly unlikely that there would be any Pathet Lao forces there when the ICC teams arrived. In addition, because of the ethnological similarities of the tribes in the region, it would probably be extremely difficult to distinguish between native inhabitants in the region and Vietminh.

3. We were informed that the selection of Vientiane as the exit point for foreign troops with the right wing faction posed considerable logistic difficulties for departing USA military personnel and consideration is being given in the State Department to the possibility of requesting the addition of one or two sub exit points closer to the area where USA personnel are currently stationed.

4. We obtained the impression that State Department officials concerned are not repeat not particularly optimistic about the possibilities of the Commission being able to fulfil its

<sup>17</sup> Note marginale :/Marginal note:  
Vietminh? [Auteur inconnu/ Author unknown]

functions effectively under the new agreement. Our informant laid particular stress on the importance of recognizing the authority vested in the ICC to conduct investigations without requesting permission on each occasion from the Laotian Government. The view in the State Department is that the restricted record of the Geneva Conference shows clearly that the Laotian Government had signified its agreement to the concept of the Commission undertaking investigations when there were reasonable grounds for the Commission believing that a violation of the Geneva agreement had occurred. Our informant said there were signs that Souvanna Phouma had been labouring under a misapprehension and an effort was being made to remind him of the understanding which had been reached and agreed to by his representatives at Geneva.

477.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 328

Vientiane, August 25, 1962

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Your Tel Y-311 Aug 21.

Repeat for Information: Delhi (Priority), Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Permis New York, CCOS, DGPO, DM/DND, CGS from Ottawa. By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

#### WITHDRAWAL OF FOREIGN MILITARY PERSONNEL

On August 20 Souphanouvong again refused to name exit point for foreign forces to be withdrawn from his area. Faced with impasse both Souvanna and Phoumi threatened to resign. There ensued consultations among Laotians during which Phoumi consulted separately with Unger, Avtar Singh, and me and Unger saw Souvanna. Unger continued to press for point in Pathet Lao area and I suggested that this could be facilitated if instead of Souphanouvong formally designating point Souvanna were to propose points including one for Pathet Lao pre-agreed with Souphanouvong and Phoumi. This procedure was followed, Phoumi tried but failed to get Tchepone, and on August 23 Cabinet met and agreed on Vientiane, Plaine des Jarres and Nhommarat as exit points for foreign forces.

2. Nhommarat is complex of small villages approximately 250 kms southeast of Vientiane and about midway between Thakhek and border of North Vietnam: it is just north of Mahaxay and is in Pathet Lao area.

3. Although Commission had been informally advised that Government considered August 23 to be deadline, Commissioners called on Foreign Minister Quinim August 22 saying deadline had been reached and asking if Government had agreed on exit points and routes and was prepared to consult with Commission. Quinim was doubtful if routes would be named but was hopeful of decision on points August 23. Commission was informed of points August 23 and called on Quinim August 24 for consultation. Chairman said no repeat no routes had been named and asked if Government intended to do this. Quinim said he did not repeat not think so.

4. Chairman said Commission was somewhat surprised that Nhommarat had been named as exit point since it has no repeat no airfield and is considerable distance from any frontier. How did Government envisage foreign military personnel leaving Laos through Nhommarat? Quinim said it was difficult for him to reply officially. He could say unofficially that Nhommarat had been named because it had proved necessary to name some point in Pathet Lao area. He said that some foreign personnel might be evacuated by helicopter and left impression these might be transported from (PDJ?) for this purpose.

5. I had previously ascertained that though by no repeat no means satisfied Unger was relieved that at least one point had been named in Pathet Lao area and was not repeat not disposed to seek to change Government decision. Phoumi had spoken separately with Avtar Singh and me urging us not repeat not to press Quinim for [explanation?] with regard to what had been decided since Phoumi said Quinim could not repeat not give it.

6. When Chairman had given Quinim Commission's views I saw no repeat no point in our further disputing matter and (or course without prejudice to what we may say in eventual report to Co-Chairmen) Commissioners agreed to accept points named.

7. On August 22 Unger told Avtar Singh and me that on August 25 USA wished to make initial withdrawal of 58 out of total of some 400 Filipino personnel. They are to be transported by commercial aircraft from Vientiane. As transport arrangements for August 25 had been made Unger (hoped?) Commission could agree as matter of urgency. Commission subsequently agreed provided that movement would be without prejudice to date of (formal?) commencement of 30 day withdrawal period, and [his?] Government agreed and named Vientiane as exit point so that team could supervise withdrawal. Commission would also require information in advance about time of withdrawal and personnel to be withdrawn. On August 23 Unger left appropriate note with Souvanna and when Quinim met Commissioners he said that Government was agreeable and that he would communicate officially with Commission in sense required.

8. Quinim then informed us that Neutralist authorities at Khang Khay wished to evacuate foreign personnel from PDJ on August 27. Especially in view of position re Filipino personnel there were no repeat no adequate grounds for refusing this request. Commissioners agreed on same conditions as laid down for Filipino personnel.

9. When I saw Unger to tell him results of meeting with Foreign Minister he told me that he thought it would now be difficult to move Filipinos on August 25 and that he would now like to do this on August 29. He subsequently so informed Quinim who advised Commission. We learned later that reason for postponement was that General Tucker Head of MAAG had just received message from his superiors in Washington requesting that Filipino withdrawals not repeat not start August 25 as planned but await commencement of withdrawal of USA personnel. Unger's decision was compromise between this and August 25.

10. Withdrawal foreign personnel from PDJ is to take place under Commission supervision August 27 as planned.

11. Quinim inferred that on August 23 Government had established Central Commission responsible for implementation of Geneva agreements. Its members would be leaders of Laotian delegation to Geneva Conference i.e. Quinim as Chairman, Vongvichit and Ngon Sananikone. Central Commission would be assisted by Ceasefire Committee and by another mixed committee called Mixed Committee for Control and Supervision of Withdrawal of Foreign Forces. International Commission's liaison with Government would be effected through Central Commission and its subordinate bodies. Quinim said nothing about establishment of tripartite Commissions which would have responsibility in field with regards to presence or reintroduction of foreign forces but reliable information suggests that this may



be under active consideration by all three groups in Government. Ngon Sananikone has told me that these groups would [be given?] freedom of movement anywhere in Laos.

12. Few days ago on instructions Unger saw Souvanna and reinforced points he had previously made (re?) ability of such commissions since they might interfere with proper functioning of International Commission re foreign forces, and regarding wording of Protocol as meaning that Government had given concurrence in advance to Commission investigation (paragraph 4 our telegram 325 August 20). Result was inconclusive. Unger says he has given up effort to have any tripartite commissions operate on majority basis and I have made similar points in conversations with leaders but Unger and I [are] both beginning to feel that if all three leaders want such commissions it may be difficult to resist their establishment. There would of course be some advantage in such commissions moving freely throughout Laos.

13. At same time Commission has no repeat no intention of abrogating any of its responsibilities re foreign forces. Before end of 75 day period it might be able to use Avtar Singh's plan based on absence of routes (paragraph 5 of our telegram 325) (group omitted) for taking initiative to investigate: thereafter it would of course operate straightforwardly on basis of Protocol.

14. Avtar Singh is not repeat not now inclined to report to Co-Chairmen and my own inclination unless I find (Hopson?) disagrees is same.

[P.A.] BRIDLE

478.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 339

Vientiane, September 5, 1962

CONFIDENTIAL. PRIORITY from Delhi.

Reference: Washington Tel 2478 Aug 24.

Repeat for Information: Delhi, Laosdel Geneva, London, Washington, Paris, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND, from Ottawa.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

#### COMMISSION ACTION

It became evident to negotiators in Geneva that neither DRVN nor PL would even admit presence of Vietminh in Laos. As recently as last June (Washington telegram 1826 June 18) USA officials in Washington were resigned to possibility that USA personnel were likely to be only foreign military who would be observed departing from Laos and that it might be difficult to establish need for observation of Vietminh withdrawals.

2. Naming of Nhommarat (from which at best there will be small token withdrawal of Vietminh technicians) and actual withdrawal of 15 Vietminh technicians from Plaine des Jarres under Commission supervision August 2 (more may come later) were mainly due (a) to serious efforts by Souvanna and Phoumi and (b) to Souvanna's determination to do his best to come clean in area under his control. Americans, British and ourselves were right to do all possible

to bring about properly balanced withdrawals under supervision but Americans should not repeat not be surprised that actual results have been minimal. Attention must now be focussed on efforts to guard against continued presence of Vietminh after 75 day withdrawal period.

3. This involves question of Commission's freedom to investigate discussed in paragraph 4 of reference telegram. Unger and I are doing what we can here with Laotians and in Commission to gain acceptance for view that in signing agreement (the?) Laotian Government had given its concurrence in advance to Commission investigations on Commission initiative at least of certain matters. However we are not repeat not finding it easy to gain acceptance for this concept. As far as Laotians are concerned, unless they did so during resumed session of Geneva Conference this year, I do not repeat not think Conference record supports view that Laotian Government had actually accepted such a concept and it is difficult to assert with confidence that Indians did at least in any general sense. It is also relevant that even if Commission has concurrence of Government practical arrangements for investigation have to be made with cooperation of Government and local authorities.

4. You may count on me to do everything I can to support positive and reasonable interpretation of Protocol on this issue in Commission. So far as Laotian Government is concerned I do not repeat not think there is anything to be gained from suggesting that Souvanna has been labouring under misapprehension. I am not repeat not opposed to continued efforts to get him to accept Western concept but it may prove more profitable simply to use degree of concurrence afforded by Protocol as argument against Government opposing investigation when specific instances arise.

[P.A.] BRIDLE

479.

DEA/50052-B-8-40

*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 Under-Secretary of State for External Affairs*

LETTER NO. 99

Vientiane, September 7, 1962

CONFIDENTIAL

Reference: Our Telegram 331 of August 28, 1962.

#### WITHDRAWAL OF FOREIGN FORCES

On August 27 the first withdrawal of foreign troops took place at the Plaine des Jarres. The ICSC team, comprised of one officer from each delegation, was present to supervise the withdrawal in accordance with the Protocol to the Declaration of Neutrality of Laos as per instructions issued to it by the ICSC. In anticipation of this withdrawal the team had been based at Xieng Khouang on August 25 in readiness to move to Plaine des Jarres as soon as a precise withdrawal time was made known. After consultation with the Liaison Officer appointed by the Royal Government of Laos the team positioned itself at the airfield, Plaine des Jarres, shortly before 10:00 hours, August 27. The withdrawing foreign forces arrived at the airfield shortly thereafter by truck.

2. The withdrawing personnel were in uniform consisting of sun helmets, dark khaki shirts, long trousers and jungle boots. After a brief ceremony of farewell, during which they received bouquets of flowers, the withdrawing personnel boarded the aircraft. The team Chairman requested that the aircraft departure be delayed until the arrival of the Commissioners but this

request was denied on the grounds that it was necessary to adhere to the flight schedule. Since there had been a misunderstanding on departure timings at the ministerial level in Vientiane, it is not believed that denial of this request was for other than the reason stated.

3. The team was given a copy of the aircraft manifest but its request to examine identity papers was refused. This refusal was entered in the team's report to the Commissioners. The aircraft was identified as LI 14/W6112 and the crew as Russian. There were 15 passengers listed on the manifest as technicians, 5 officers and 10 NCOs; the destination was shown as Hanoi.

4. On inspecting the aircraft the team found that twenty-one male adults and one male child were aboard. On the Chairman asking which were the foreign troops the Liaison Officer pointed to the fifteen men in uniform. He stated that the others, in civilian clothes, were not part of the withdrawal. When again asked if it would be possible to examine the identification papers of the withdrawing group, the Liaison Officer again stated that this was impossible and that he had no orders which would allow the team to carry out such a procedure. He stated that the people in uniform were Vietnamese and they were returning to Hanoi. When asked to identify the five officers he pointed to five individuals. (It was noted that none of the uniformed personnel wore badges of rank.)

5. Accordingly, the team accepted the information provided by the manifest and the Liaison Officer and the aircraft departed at 10:35 hours.

P.A. BRIDLE

480.

DEA/50052-B-8-40

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

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

SECRET

[Ottawa], September 6, 1962

LAOS

You will recall that Mr. Rusk, in conversation with you on August 24, stressed the importance during the early stages of implementing the new Agreement on Laos of meticulously keeping to the letter and spirit of its provisions. He suggested that any departure from these provisions which would tend to weaken the Western position should be notified immediately to the Co-Chairmen so that pressure could be put on the U.S.S.R. to obtain compliance by its friends. You agreed as to the desirability of being firm from the outset in order to prevent erosion of the Agreement. You undertook to speak to the Indians along these lines.

2. At the time of Mr. Rusk's visit, the question of check-points had in fact been settled by the three leaders of Laos on a basis accepted by the West. As you know, the compromise finally reached was that Vientiane should be used as the withdrawal point for the foreign military elements attached to Phoumi's forces, the Plaine des Jarres for Vietminh personnel in neutralist areas, and Nhommarat for Vietminh personnel in Pathet Lao territory. The Commission's teams at Vientiane and the Plaine des Jarres have already witnessed initial withdrawals from right-wing and neutralist areas. We have not yet been informed whether withdrawals through Nhommarat have taken place. It would appear, therefore, that the articles concerning withdrawals have been or are being carried out. In fact, however, at least one provision has

been ignored or by-passed, with the result that Commission inspection of withdrawing Communist units has been partially frustrated.

3. The provision in question (article 3 of the Protocol) makes it clear that withdrawal routes as well as check-points should be designated. Moreover, the selection of Nhommarat for the withdrawal of foreign troops from Pathet Lao territory is unsatisfactory because there is no airfield at that point; Nhommarat is far from any frontier and, while it is under Pathet Lao influence, it is not in a territory controlled by Vietminh troops. It is true that Phoumi has urged Avtar Singh and Bridle not to press the Government to change its decision with respect to Nhommarat or the absence of withdrawal routes, that the United States Ambassador has himself indicated that he is not disposed to challenge this decision, and that the decision is the result of difficult negotiations between the three factions. The fact remains that one stipulation in the Geneva agreement has not been complied with, and that three exit points for the 12,000 foreign troops (10,000 Vietminh and the remainder Americans and Filipino technicians) that are estimated to be in Laos seem hardly adequate. The Commission, as the organization entrusted with seeing that the Agreement is fully honoured, should perhaps take note of these facts and report them to the Co-Chairmen.

4. Other minor infractions of the rules (Vientiane telegram 331 of August 28,† attached) have occurred:

(a) there was a discrepancy between the number of Vietminh personnel withdrawn on August 27, through the Plaine des Jarres check-point, and the number listed on the aircraft manifest;

(b) the 15 Vietminh then being withdrawn refused to show their identity papers; and

(c) the aircraft carrying those Vietminh took off before the arrival of the Indian and Canadian Commissioners.

5. Another development giving some cause for concern is the proposal of the Royal Laotian Government to establish tripartite commissions which would have responsibilities regarding the presence or re-introduction of foreign military personnel. Such commissions might in time tend to take over rather than supplement the International Commission's responsibilities with regard to these matters.

6. Finally, there is disagreement between the Pathet Lao leaders and Communist representatives in Laos on the one hand, and Phoumi and Western missions on the other, as to the interpretation to be placed on articles 9, 11, 15 and 16 of the Protocol, which make it clear that the Commission must act with the concurrence of the Government of Laos. The first hold that the Laotian Government can withdraw its consent to any particular act of the Commission of which it does not approve, while the second maintain that the prior permission of the Laotian Government is not required in every case and that the Commission should be given facilities to go wherever and whenever it wishes. The Americans say that they had assurance from Souvanna Phouma on this point at the Geneva Conference. MacDonald made the point on a number of occasions that the general Laotian agreement to the operations of the Commission should be deemed to have been given at the time that the Protocol was signed by the Government of Laos. The wording of those articles was of course recognized to be ambiguous. The position of the Commission is not strengthened by the fact that in practice it is dependent on the R.L.G. for liaison officers, interpreters etc.

7. In the eight years since the International Commissions in Indochina were established, there has undoubtedly been a gradual erosion of the letter and spirit of the 1954 Agreements, accompanied by a slow deterioration of the situations in Vietnam and Laos and a serious loss of prestige by the Commissions in these two countries. It seems to us important that the revived Commission in Laos should establish from the outset that it is not going to let the new Agreement be thus diluted without the signatories being fully informed. We therefore consider that the infractions described above should be duly recorded and, if need be, reported to the Co-Chairmen and through the latter to the members of the Conference.

8. Attached for your signature, if you agree, is a telegram† requesting Ronning to discuss these matters with Indian officials, and asking Bridle for his comments on the views we have expressed.<sup>18</sup>

N.A. R[OBERTSON]

481.

DEA/50052-B-8-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures  
Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 407

Vientiane, October 13, 1962

CONFIDENTIAL. CANADIAN EYES ONLY. (BRITISH CHANNELS) PRIORITY.

Reference: Our Tel 345 Sep 11.†

Repeat for Information: Laosdel Geneva, London, Washington, Paris, Delhi (OpImmediate), NATO Paris, Permis New York, CCOS, CGS, CAS, DGPO, DM/DND Ottawa from Ottawa.

By Bag: Warsaw, Canberra, Wellington, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

REPORT TO CO-CHAIRMEN ON WITHDRAWAL OF FORCES

Consulting with Unger and Hopson I have been participating in preliminary discussions with other commissioners re report to Co-Chairmen on withdrawal of foreign forces. Chairman invited colleagues to give him notes but it was agreed that he would prepare draft as basis for formal discussion. On October 10 I gave Chairman preliminary Canadian draft. Thee has so far submitted nothing.

2. Basis of Canadian draft was your wish that report should make clear respects in which agreement was not repeat not being fulfilled either in letter or spirit. Factual part brings out failure of Government to name route and inadequacy of Nhommarath as exit point. Chairman's draft is too neutral in (this?) respect and I will try to strengthen it.

3. On central issue of Vietminh failure to withdraw bulk of forces under Commission supervision and likelihood that substantial number remain I prepared language indicating that Commission has reason to believe that total number of DRVN personnel in Laos was far greater than number withdrawn under Commission supervision. Avtar Singh would not repeat

<sup>18</sup> Note marginale :/Marginal note:

Tel Y-318 signed by SSEA Sept. 6, sent 5:20 p.m. Sept. 6. [R.H.]

not accept this on grounds that Commission could only make such statement if it officially possessed evidence to support it. He wishes to say instead that Commission has reason to believe that considerable withdrawal of foreign forces took place without supervision or control of Commission during twenty five day period and that Commission has no repeat no means of knowing exact extent of such withdrawal.

4. Unger accepts my inability to get desired language even on majority basis and would prefer that alternative proposed by Chairman be omitted. His reason is that this language could apply to USA personnel as well as to Vietminh. I have reason to believe that relatively small number of USA personnel left Laos prior to thirty day period without Commission supervision. Even so there is little doubt that Vietminh technical breach of this aspect of agreement has been of far greater scale. Therefore Chairman's proposed language is somewhat efficient in equity. Nevertheless in my opinion balance of advantage lies in retaining such language, since it can be read as implying considerably greater Vietminh presence than Commission supervision has revealed and at same time gives somewhat more realistic impression of general situation. Unger is not repeat not very happy about proposed language but does not repeat not consider its deletion essential.

5. On second central issue of what foreign forces may still be in Laos Chairman intends to quote relevant part of Prime Minister's statement of October 7 (our telegrams 400† and 401 † October 9).<sup>19</sup> At same time it is necessary also to reflect interview which commissioners had October 9 with Quinim in capacity as Chairman of Government Commission in charge of implementation of Geneva Agreement. Quinim said Souvanna's statement had not repeat not been cleared with Cabinet and was made on his own responsibility. Quinim had so far received no repeat no information or complaint that foreign forces are still present in Laos and until he receives proof to contrary he must accept that such forces are no repeat no longer present. If and when he received information or complaint of presence of foreign forces he would have matter investigated and would inform Commission.

6. Unger and Hopson agree that report must somehow reflect this statement. In sense it can be regarded as complementary to Souvanna's and as of some small use with respect to Commission action.

7. Chairman's draft would also contain information Government has indicated to Commission that according to USA Embassy withdrawals of USA and Philippine personnel which have taken place mark total withdrawal of such personnel from Laos. Thee has informally circulated to Commissioners text of (group omitted) of DRVN information agency which states that agency is authorized to declare that Vietnamese military personnel who were sent to Laos at request of Government of Laos have been withdrawn from territory of Laos. It also charges that certain number of USA military personnel remain in Laos having been introduced into diplomatic, economic aid or information agencies, that others have formed secret maquis units, that there are still in Laos military personnel belonging to Thailand, South Vietnam, Philippines and "Chiang Kai Shek," that USA military personnel withdrawn from Laos have reinforced USA troops in Thailand, and that USA continues to parachute supplies to "armed bandits" in certain parts of Laos.

8. Chairman does not repeat not regard this declaration as having any official status but I think Thee may seek to introduce it possibly by having at least substance of second sentence paragraph 7 conveyed officially to Government of Laos. If he does so USA Embassy may take similar action to provide Commission with claim of continuing Vietminh presence which [would] have official status.

<sup>19</sup> Voir/See "Most Foreign Troops Gone, Souvanna Says," *Washington Post*, October 8, 1962, p. A9.

9. Since Chairman's draft already contains statement to effect that various radio broadcasts and newspaper reports are making strong charges about continued presence of thousands of foreign forces of various nationalities in Laos there is probably little to be gained as far as report is concerned from adding more detailed charges from both sides. If it comes to this I will not repeat not resist since Hopson feels that inclusion of Vietminh charges would make it easier for UK Co-Chairman to persuade Russians to join in some sort of recommendation to Commission that facts be ascertained.

10. Chairman's draft contains statement that so far Commission has received no repeat no complaint or request for investigation from any quarter regarding presence of foreign forces. Unger is opposed to such statement in report and says that if Chairman insists on retaining it his Embassy will have to make complaint forthwith. If Chairman agrees to delete this sentence Unger will continue as at present to judge utility and timing of Embassy complaint to Commission in relation to current efforts within Laotian Government to work out (group corrupt) which allegations from both factions would be investigated. (I am reporting separately on this.)

11. Chairman's draft concludes with sentence "if and when Commission has reasonable grounds for considering that violation of relevant article of Geneva Protocol has occurred Commission will take appropriate actions about it as laid down in Protocol." I will try to have word article written in plural since I consider that in addition to action under Article Eleven covering investigation of violations of article on introduction of forces Commission could take initiative under Article 15 investigation [or?] Article 2 on withdrawal of foreign forces.

12. I have discussed with Unger possibility of Canadian minority report on any central issue on which agreed report may fall short of what would be best from Western point of view. Like me he sees little advantage in this provided agreed report meets minimum Western requirements. In any case possibility of minority report containing conclusions is problematical except re investigations.

13. Commission will discuss Chairman's draft October 15. I expect to be under some pressure both from Western representatives and from Thee to facilitate early despatch of report. Please advise soonest by quickest means if I may sign report on own responsibility if it seems best that can be obtained in circumstances.

[P.A.] BRIDLE

482.

DEA/50052-B-8-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-355

Ottawa, October 17, 1962

CONFIDENTIAL. OPIMMEDIATE. (British Channels)

Reference: Your Tel 407 Oct 13.

Repeat for Information: London, Washington, Delhi, Paris, NATO Paris, Geneva (OpImmediate), Permis New York, CCOS from Ottawa.

By Bag: Moscow, Warsaw, Canberra, Wellington, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

## REPORT TO CO-CHAIRMAN ON WITHDRAWAL OF FORCES

We are anxious that this first report by the Commission on implementation of Laos agreement should establish a firm basis for efforts to secure full compliance with the Agreement's provisions. We are also anxious that report should convey clear impression that Commission is fulfilling its proper responsibilities effectively and promptly and should avoid any implication that Commission's responsibilities and powers are greater than defined in the agreement.

2. Such a report would have to be factual and to refrain from stating conclusions or drawing inferences from evidence not at present before the Commission. Since unanimity is in any case required by Article 14 for decisions on questions relating to withdrawals and for conclusions on major questions, it seems evident that only by keeping factual can agreement be reached.

3. Points which we consider it essential to include in report are these: (a) a precise listing of withdrawals supervised by Commission under Articles 2, 3 and 10 of Protocol, naming nationalities and points, (b) a clear statement that Commission is not in a position to say whether or to what extent these controlled withdrawals constitute full compliance with Article 2 of Protocol, paragraph 2 of declaration and sub-paragraph 6 of Laotian Government's statement incorporated in declaration; this statement should not include reports of charges and counter-charges of violations, although we would see no objection to some reference to Souvanna Phouma's statement of October 7, (c) an affirmation of Commission's readiness to investigate under articles 15 and 11 when there are reasonable grounds for considering that a violation has occurred, and to report immediately under Article 8 any violations, threats of violation or other important information which might assist Co-Chairmen.

4. So as not to inhibit future efforts to secure fuller compliance, report should avoid any implication that responsibility for compliance was limited to period designated in Article 2. Emphasis should be placed on primary and continuing responsibility of signatory parties to agreement. Mention should also be made of obligation assumed by Laotian Government in its statement of July 9 to "require" withdrawal of all foreign military personnel. To protect position and prestige of Commission, it is important to make clear that Commission's specific responsibilities with regard to withdrawals are those set out in articles 2 and 10.

5. We would prefer to see text before signature. If however in your judgment text conforms with above criteria, and if your colleagues are strongly inclined to proceed without delay, you may sign report without further reference to Ottawa.

*For London, Washington*

Please convey substance of this telegram to Foreign Office/State Department.

[H.C.] GREEN



483.

DEA/50052-B-8-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 415

Vientiane, October 19, 1962

CONFIDENTIAL. EMERGENCY from Delhi.

Reference: Your Tel Y-355 Oct 17.

Repeat for Information: Laosdel Geneva, London, Washington, Paris, NATO Paris, Permis New York, CCOS, CGS, DM/DND from Ottawa, Delhi (OpImmediate).

By Bag: Warsaw, Canberra, Wellington, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

## REPORT TO CO-CHAIRMEN ON WITHDRAWAL OF FORCES

I put to other commissioners principles outlined in your paragraph 1 and deductions therefrom in first sentence of your paragraph 2. They fully accept your principles and your deductions.

2. Nevertheless though I did my utmost I could not repeat not persuade them to accept (main?) proposal in your paragraphs 3 and 4. On 3(b) the commis(sioners were?) adamant that the role of the Commission is to supervise and control withdrawal, to investigate any suspected violations and to report any violations or threats of violation of the relevant articles. The Commission they hold is not repeat not called upon by the Protocol to state whether or not repeat not there has been full compliance with relevant parts of it, the declaration or the Laotian statement. To state our inability to do so would be to imply that we have duty to do so and this they will not repeat not accept.

3. On 3(c) other commissioners are both of view that paragraph in Chairman's draft quoted in paragraph 11 of my telegram 407 and amended as indicated in that paragraph gives a stronger and more comprehensive statement of the Commission's intentions than the wording in 3(c). They hoped you might (agree?) and suggested that word "immediately" might be inserted so that operative part of sentence would read "Commission will immediately take appropriate action etc."

4. On charges and counter charges of violations I had a word with Unger before Commission's meeting and found he would greatly regret disappearance of relevant sentence. He feels this would rob British Chairman of main talking point in event that at some stage it should be desired to ask Co-Chairmen to make appropriate recommendations to Commission. Both Commissioners would also like to retain this sentence. They consider it valuable as portraying atmosphere in which Commission finds itself at this stage before it has received any formal complaint, and they submit that as written it involves no repeat no inference on Commission's part. I think they would reluctantly drop this sentence if you are not repeat not persuaded but they would very much like to see it retained.

5. I also told Unger of material outlined in second and third sentences of your paragraph 4 which I had been instructed to have included. He hoped that this emphasis would not repeat not indirectly tend to diminish continuing role of Commission. In Commission I nevertheless advocated language embodying the sentence but found that both my colleagues were strongly of view that any such assertion by Commission would seriously weaken Commission's

position with regard to investigation of suspected violations. I am yet to be convinced of sincerity of Polish Commissioner's present professed attachment to investigation but since above proposal was not repeat not one which you consider essential I agreed not repeat not to press it further.

6. 3(a) was already fully covered and with respect to the only sentence in the draft which might possibly have been construed in the sense apprehended in the first sentence of your paragraph 4 I was able to have it reworded so that it could not repeat not be so construed.

7. In separate telegram† I am sending abbreviated text of draft which is acceptable to other commissioners. They submit that it conforms to the principle in paragraphs 1 and 2 of your reference telegram and, though it is far from ideal, I also believe it meets this test.

8. A formal complaint about Vietminh presence has already been lodged with the National Commission and though I do not repeat not rate highly chances of Commission referring to International Commission there may be early developments in that body and partly depending on these Americans may soon submit complaint to International Commission. Thus events may alter situation and force revision to draft report possibly preventing its despatch for some time since Polish Commissioner has threatened to stall if no repeat no complaint has been received from Communist side.

9. Other commissioners and Western colleagues most anxious that report be sent soonest. In the circumstances I may find it necessary to take advantage of discretion to sign afforded in paragraph 5 of your reference telegram but I would be most grateful to receive your further instructions this weekend if possible.

[P.A.] BRIDLE

484.

DEA/50052-B-8-40

*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 22, 1962

LAOS COMMISSION – REPORT ON MILITARY WITHDRAWALS

On Saturday afternoon, October 20, we received two telegrams from Bridle concerning the report to be made by the Laos Commission on withdrawals of foreign military personnel. He stated that a draft acceptable to his two colleagues had been prepared, and he expressed the belief that it conformed to the principles enunciated in your telegram Y-355 of October 17. While explaining that he might find it necessary to use the discretion you had given him, he asked for further instructions during the weekend if possible. (Vientiane telegrams 415 and 416† of October 19.)

2. It seemed clear that the tentatively agreed draft covered adequately two of the three points mentioned in your earlier instructions. On the third point, it appeared to convey the substance though in a different way: instead of stating that the Commission was “not in a position to say whether or to what extent the controlled withdrawals constituted full compliance,” the draft merely noted that “various radio broadcasts and newspaper reports are making strong charges about the continued presence of thousands of foreign forces of various nationalities in Laos.”

3. In view of the discretion you had already given to Bridle, the strenuous efforts he had made – with some success – to secure full acceptance for your suggestions, and the urgency he attached to an immediate reply, we informed him that the draft text was acceptable. I trust that in doing so we were acting in the spirit of your instructions.<sup>20 21</sup>

N.A. R[OBERTSON]

485.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*  
*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 422

Vientiane, October 26, 1962

CONFIDENTIAL. PRIORITY from Delhi.

Reference: Our Tel 410 Oct 15.†

Repeat for Information: Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Permis New York, CCOS, CGS, DM/DND from Ottawa.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

FOREIGN FORCES IN LAOS

I have continued in close touch with Western representatives, Phoumi and Avtar Singh re timing and method of Commission initiative.

2. Consensus is it would be best if National Commission were to refer any complaints it has received to International Commission. Although Souvanna has urged this on National Commission and Vongvichit has told me this might be done, chances of this have seemed unlikely and week ago had begun to feel that, although National Commission is still awaiting Vongvichit's reaction to proposal that complaints be investigated, it was time to have complaint submitted directly to International Commission. However we then learned that October 23 Souvanna would visit Hanoi to urge leaders there to have remaining Vietminh withdrawn. In spite of risk that Souvanna might return sufficiently reassured to feel that investigations should be postponed a little longer, we felt that we should await his return before taking action since it is important to have his cooperation.

<sup>20</sup> Note marginale :Marginal note:  
OK. [H. C. Green]

<sup>21</sup> Le rapport de la Commission a été mis au point le 22 octobre. Voir le document 490 et "Vietminh Leaving Laos Secretly," *Times* (London), November 12, 1962, p. 8. Pour le texte complet, voir "Message No. 20 from the International Commission for Supervision and Control in Laos to the Co-Chairmen of the Geneva Conference," 22 octobre 1962, † MAE/50052-B-8-40, partie 7.

The Commission's report was finalized on October 22. See document 490 and "Vietminh Leaving Laos Secretly," *Times* (London), November 12, 1962, p. 8. For the full text, see "Message No. 20 from the International Commission for Supervision and Control in Laos to the Co-Chairmen of the Geneva Conference," October 22, 1962, † DEA/50052-B-8-40, part 7.

3. Chances of government facilitating investigation might be improved if PL complaint were also before Commission but except for complaint to National Commission re alleged presence of USA military personnel in USA agencies, which Commission is taking up directly with Embassy, Vongvichit is still being backward about submitting complaints to substantiate PL propaganda charges (our telegram 420 October 24+).

4. On October 23 Phoumi told me he was prepared to have Ngon Sananikone, in effect his representative on National Commission, provided "almost officially" with precise information which could form basis for International Commission initiative. I discussed this with Avtar Singh and Hunter and we agreed that this would be best method short of several [texte manquant/text missing] by National Commission. Providing it was done informally it would seem natural for Ngon, having attempted without success to obtain action in National Commission, to approach International Commission to act on basis of complaint from one of Laotian factions than on basis of complaint from USA Embassy. Latter will however keep in touch with Phoumi with view to assisting Ngon to put in precise and reasonable complaint.

5. It was also agreed that exact timing of Commission action would depend partly on appreciation of situation shortly to be made in light of Souvanna's attitude on his return from Hanoi as well as on state of play in National Commission. However general disposition, which I certainly share, is to act soon.

6. Possibility of early International Commission was given further impetus late yesterday by reports (as yet unconfirmed) that Souvanna on return from Hanoi had said North Vietnamese, while still asserting no repeat no Vietminh remain in Laos, wanted International Commission investigation to set suspicions at rest. Phoumi (who October 24 had given press conference detailing still somewhat exaggerated account of Vietminh presence)<sup>22</sup> asked for meeting on National Commission yesterday but Vongvichit asked for postponement until today – presumably to enable him to consult.

[P.A.] BRIDLE

486.

DEA/50052-B-8-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 423

Vientiane, October 26, 1962

CONFIDENTIAL. PRIORITY from Delhi.

Reference: Our Tel 422 Oct 26.

Repeat for Information: Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa, Delhi (Priority).  
By Bag: Warsaw, Canberra, Wellington, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

<sup>22</sup> Voir/See "Vietnamese Still in Laos," *New York Times*, October 25, 1962, p. 2; "Hanoi Says Forces Have All Left Laos," *New York Times*, October 26, 1962, p. 3.

## FOREIGN FORCES IN LAOS

I should add that when Unger and I were still considering possibility of action on basis of USA complaint Unger had decided that this would best be done by means of informal approach to me. However he drew up letter which he proposed to send me and which he showed me in advance which outlined USA compliance and DRVN failure to comply and said that information re letter in an attached memorandum was forwarded for whatever use I might wish to make of it to further objective of having remaining Vietminh withdrawn. Since material in memorandum was rather general and based on pre October 17 evidence, letter added that I might expect to receive more precise information from Embassy. Unger explained that he had in mind 2 or 3 cases based on post October 7 evidence.

2. I pointed out that letter in these terms would place me and perhaps indirectly Commission in vulnerable position since even though material received was not repeat not very suitable as basis for action and it was understood I was not repeat not expected to act on it, yet could be construed as putting me and Commission in position to act even though we had not repeat not done so on basis of information provided.

3. I felt concern about this because Unger repeatedly said that purpose of letter was to place his embassy "on record." This was incidentally reminiscent of situation shortly after October 17 when (Washington telegram 2985 October 12†) State Department spokesman Lincoln White had incorrectly conveyed impression to press that USA had asked Commission to investigate<sup>23</sup> and Cross of State Department explaining this to our Embassy said he presumed Unger had "in accordance with his instruction" confidentially and informally requested Commission chairman or Canadian delegation to undertake investigation. Cross also understood that USA representatives had made it clear that USA was "urging" investigation by Commission. Except in sense that Unger has been urging this on Laotian Government both these latter statements are also incorrect. I let all this pass at that time; Unger's proposed letter made me feel that it might be designed to place USA authorities in position to make some similar statement in future.

4. Unger took my point but was reluctant simply to give me memorandum without any covering letter. He said he would write letter omitting part to which I objected and that he would continue forwarding information from time to time. Following procedural decision reported in reference telegram we thought such information could probably best be used in support of complaints received from Laotians.

5. I find USA tactics puzzling. My best guess is that Unger, who has participated in consultation here on timing and procedure and who agrees with decisions taken nevertheless still has instructions which made it necessary for him at least to address letter to me in terms now used. This leads me to wonder if Washington may not repeat not want to be in position at later stage to say publicly that USA did everything possible to keep Commission informed re Vietminh presence requiring investigation. This is perhaps unexceptionable in itself but manner in which USA has proceeded leads me to feel Canadian delegation or Commission could obliquely be put in somewhat invidious light. This would no repeat no doubt depend on style of any USA statement if by that time Commission had taken initiative re investigation. I hope that any discussion of this question by our Embassy in Washington would preserve friendly informality of my discussions of it with Unger.

6. Text of letter is in following telegram. † Please advise if acknowledgement.

<sup>23</sup> Voir/See "U.S. Seeks Inquiry on Troops in Laos," *New York Times*, October 11, 1962, pp. 1, 3.

487.

DEA/50052-B-8-40

*Le conseiller à l'ambassade aux États-Unis  
au chef de la Direction de l'Extrême-Orient*

*Counsellor, Embassy in United States,  
to Head, Far Eastern Division*

PERSONAL AND SECRET

Washington, November 13, 1962

Dear John [Teakles],

In our telegram No. 3336 of November 9, we reported that we had informed State Department of your instructions regarding the inception of Commission action on alleged foreign forces in Laos and had discussed your views on appropriate means for consultation between Canadian and United States authorities in relation to Commission action in Laos. During our interview Cross, of the Laos desk, was friendly and appeared to accept our viewpoint without demur.

However, he not unnaturally asked some fairly searching questions about the circumstances of Ambassador Unger's letter to Paul Bridle, which, as we reported, he had not known about. I attempted to answer as fully as I could on the basis of Paul Bridle's telegram No. 423 of October 26. In the course of doing so I pointed out that it might become invidious for the Canadian Commissioner alone to receive written statements of the views of the United States Government. When Cross enquired why this might be so, I said that it would depend, of course, upon whether the fact became known, but that assuming it did, the Canadian Commissioner might be made to appear unnecessarily responsive to the interests of the United States Government rather than to his terms of reference under the Geneva Protocol, which clearly was intended to impose international, rather than national, obligations upon the individual members of the Commission.

Cross seemed to find this point of view somewhat disturbing. He said that United States officials had believed that the Canadian role in the Laos Commission, in the light of the second Geneva Conference, would be distinctly different from, and "more forceful" than, the Canadian role in the other two Indochina Commissions. He thought that Canadian efforts in the Laos Commission to avoid the appearance of being a spokesman for Western, or even United States, interests, would fool no one. I agreed that in all three Commissions, and perhaps especially in Laos, we might readily be identified as representing a Western point of view in many instances, simply because we did share many objectives with Western countries and with the United States in particular. However, I pointed out that formally, and for tactical reasons (especially in our relations with the Indians), it was necessary for the Canadian role to be related as closely as possible to the relevant terms of reference and to avoid unnecessary identification with particular Western interests.

Cross did not pursue his line of argument and readily agreed that for tactical reasons our position of independence within the Commission had to be protected. Also, in the specific case in question (Unger's letter to Bridle), Cross seemed to appreciate fully our position.

I do not believe that we have at the moment a serious problem in explaining to the Americans our role in the Laos, or other Commissions. There have been perhaps undertones of Cross's suggestion in other conversations we have had with State Department officials, although never so bluntly expressed. At the same time senior State Department officials, and in particular Assistant Secretary Harriman, have as a rule been carefully correct in making

suggestions to us about what the United States would like to see achieved in specific situations under consideration in the Commissions. Until now Cross himself has never more than tacitly implied that United States and Canadian interests in Laos are identical, or that we should somehow be the avowed exponent of a United States point of view. Accordingly we are not disposed to be alarmed at Cross's statement to me on November 8, but we thought you should be aware of this attitude so that you, as well as we, may be alert to any further development of it. Naturally if you think there is anything we could usefully say to Cross or others on this subject, we should be glad to hear from you.

I am attaching a copy of this letter in case you wish to send it to Candel Vientiane.<sup>24</sup>

Yours sincerely,

TED RETTIE

488.

DEA/50052-B-8-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 462

Vientiane, December 11, 1962

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Our Tel 460 Dec 5† and Washington Tels 3545 Dec 5† and 3576 Dec 7.†  
Repeat for Information: London, Washington, Paris (OpImmediate), Laosdel Geneva, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa, Delhi (OpImmediate).

By Bag: Warsaw, Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

#### COMMISSION INVESTIGATIONS

On December 5 at Unger's house there was general discussion of ICSC investigations of presence of foreign forces with Alexis Johnson who passed through from Bangkok en route to Saigon and Washington. Hopson, Morris (Australian Minister), Avtar Singh and I participated. While Hopson (having in mind possible utility of report to Co-Chairmen as means of bringing Russian pressure to bear on PL) favoured ICSC initiative as best way of maintaining its moral authority, consensus was that aim should be to get ICSC into action without much further delay on best possible basis. Johnson seems to have left Vientiane convinced that, while issue should be brought to head, it would be best if National Commission could reach agreement thus activating RLG request to ICSC.

2. On December 6 Hopson discussed with Unger, Avtar Singh and me telegram he had received from Foreign Office which inter alia took exception to National Commission attempting to lay down conditions for ICSC investigations and asserted that ICSC should itself take initiative and tell Government where it proposes to investigate and how it intends to do it. Upshot of discussion and of discussion following day at weekly meeting of Western

<sup>24</sup> Note marginale :/Marginal note:

Seen by Mr. Glazebrook Nov 14/62 [Auteur inconnu/Author unknown]

ambassadors was that Hopson sent telegram to Foreign Office saying that it was general view of his Western colleagues that RLG should be given two or three more days to reach agreement if it can and if not repeat not ICSC should take initiative. Unger sent Washington long telegram which he subsequently showed me which attributed to his Western colleagues, Avtar Singh and me general view that it is possible (and from point of view of time desirable) that there be prompt request from RLG to ICSC to investigate and that following these initial investigations which would be carried out under less than optimum conditions ICSC would take initiative with view to making further investigations of Vietminh presence on basis of what was described (presumably without clinical overtones) as Bridle's complaint; but that if there were no repeat no prompt request from RLG (and prompt was elsewhere defined as "in coming days") ICSC should take initiative on basis of my complaint with view to investigating at one or more points where Vietminh are suspected and if warranted would follow this up with proposal to make further investigations of this kind.

3. Following Phoumi's return to Vientiane December 6 National Commission discussed foreign forces December 7. Vientiane side would not repeat not accept proposal that RLG request ICSC to investigate at two specified places without mention of perimeter and maintained demand for ten km radius; according to USA source they also increased demand re duration of renewable visits to seven days. We have also unconfirmed report that Vongvichit will not repeat not agree to visits to places without specified perimeter and that he still wants two km radius; at any rate daily renewable visits seems all he is prepared to contemplate with regard to duration.

4. On December 7 following meeting of National Commission Phoumi told me in his view time had come to accept disagreement there leaving it to ICSC to approach Government. Quinim told Hopson it was unlikely National Commission would not repeat not meet again [sic] until three leaders had met to discuss implementation of November 27 agreement and related matters. Meeting of leaders scheduled December 8 was postponed because Phoumi was indisposed.

5. On December 9 at Souvanna's dinner for Malcolm MacDonald (here on short private visit) Hopson informed Souvanna of gist of Foreign Office telegram mentioned in paragraph 2 above. Souvanna asked Quinim re latest developments in National Commission and on being informed of continued impasse told him and subsequently Ngon that time had come to stop haggling over details and to reach agreement on basis for RLG request to ICSC to commence investigations. Souvanna thought that if this involved imperfect modalities ICSC would make its views known at appropriate time and RLG should then try to cooperate in providing additional facilities needed by ICSC.

6. Following morning I saw Phoumi at his request. He said both Pushkin in Moscow and MacDonald here had impressed on him desire of their respective governments to see Geneva Agreement fully implemented and to support coalition government. In Delhi Nehru had emphasized desirability of government affording ICSC cooperation it needs to fulfill its task as part of implementation of agreement. Phoumi told me he is impressed with need to get ICSC into action on best possible basis without further delay and that consequently after talking to Ngon he was prepared to have Ngon agree in National Commission to RLG request to ICSC mentioning modalities re place and time while PL have indicated they would be prepared to accept. However Phoumi said there is alternative of ICSC approach to RLG in which case he thought issue would be posed in same terms but, he suggested, his side could then accept modalities PL had indicated they would accept. He would like me to reflect on these alternatives and give him my views; he would also like to have views of Avtar Singh and Unger. He himself was now endeavouring to persuade his group that first alternatives should be adopted. I again said that in this case Ngon could protect Vientiane side by emphasizing,



when indicating agreement in National Commission, that he did not repeat not consider modalities satisfactory.

7. On returning to my office I found that Hopson wished to see me to tell me of development after dinner previous night. I told him of my subsequent conversation with Phoumi and he said it was his opinion that Ngon should now accept modalities PL have indicated they would accept. I then saw Unger and Avtar Singh. Three of us reached same view as Hopson though Unger wished to add rider that if at next meeting PL sought to introduce new restrictions and Ngon would not repeat not dissuade them Ngon should break off negotiations in National Commission and leave ICSC to take initiative. I was asked to see Phoumi and convey views accordingly.

8. Phoumi had gone to Luang Prabang to report to King on his tour and to bring to Vientiane Crown Prince whom he was to accompany today to Savannakhet for two day festival. I made every effort to see Phoumi between his return to Vientiane yesterday evening and his departure for Savannakhet early this morning but without success. However Hopson who had seen Unger at lunch yesterday saw Phoumi yesterday evening with MacDonald. At subsequent dinner given MacDonald by Commission Hopson told me he had informed Phoumi of view held by Unger himself, Avtar Singh and me, and that Phoumi had said that in Savannakhet he would endeavour to persuade Boun Oum and others of his group to adopt course we prefer.

9. I have told Unger of my inability to see Phoumi and of view Hopson had conveyed to him (which may have included Unger's rider). Unger and I are to see Hopson when he returns this evening from Luang Prabang (where he has taken MacDonald to see King) and we will see Phoumi on his return to Vientiane December 13.

10. Ambassadors and Commissioners have been invited to Kermesse at patronage of King. Phoumi told Hopson it is unlikely National Commission can meet again until after December 15.

[P.A.] BRIDLE

489.

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 3665

Washington, December 17, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 3607 Dec 12.†

Repeat for Information: London, Paris (Priority), Laosdel Geneva, Permis New York, Delhi (Priority) from Ottawa, Vientiane (OpImmediate) from Delhi, CCOS, CGS, DGPO, DND from Ottawa.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh from London.

LAOS – ICSC INVESTIGATION

On December 17 Koren, Director of Office Southeast Asian Affairs, accompanied by Cross of the Laos Desk, called us in to say that State Department had come to conclusion that failing

RLG request “within next day or so” to ICSC to conduct investigation in Houeisai and Sam Neua ICSC should take initiative to conduct investigation itself. Agreeing with recommendation of Ambassador Unger State Department was therefore asking Canadian Government to instruct Canadian Commissioner to proceed with action towards independent ICSC investigation.

2. In subsequent discussion it appeared that Unger had decided that continual delays occasioned by RLG National Commission could no longer be tolerated and that ICSC not repeat not having acted independently up to the present would be cast in a ridiculous light. State Department fully agreed. Officials understood that National Commission would have been considering question of investigations over past weekend and in any event at the latest on December 17. If RLG request to Commission were forthcoming and if it were “conditioned” (USA of course would prefer that no repeat no conditions be attached) ICSC investigation could proceed subject, they would hope, to clear statement by ICSC of its resistance to conditions and subject also to ICSC report after the investigations had been concluded as to any deficiencies in investigation arising out of conditions.

3. If however RLG request were not repeat not forthcoming State Department hoped that independent initiative would be taken by ICSC to conduct investigations and that these investigations would be “unconditioned.”

4. In further discussion Koren indicated that USA objectives were to secure adequate investigation or make plain source of frustration and obstruction of ICSC activities called for by Geneva agreements. He did not repeat not think that a further prior approach to Soviet Co-Chairman either by his British colleague or directly by USA representative would serve any useful purpose. Only course in his view was to equip Western representatives with actual instance of Pathet Lao frustration and obstruction in relation to specific investigations as a prelude to any further approach to USSR. He and Cross confirmed that Soviet position as conveyed to President Kennedy by Mikoyan (see also our telegram 3545 December 5† paragraph 6) was that Laos agreements should be observed and that USSR was carrying out its obligations.<sup>25</sup>

5. Another objective stressed by Cross was desirability of ICSC activity as a means of strengthening Souvanna Phouma’s position even though Souvanna might not repeat not be as active as he should be in taking advantage of ICSC role in support of his position. Cross and Koren however derived considerable satisfaction from reports they had had that Souvanna was now in favour of ICSC investigation. Koren was not repeat not sure of whether Souvanna wished investigation to proceed as a result of RLG request. However Cross agreed that Souvanna still seemed to be thinking of request by RLG.

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<sup>25</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Office, 1994), document 438.

490.

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], December 19, 1962

LAOS – COMMISSION INVESTIGATIONS

You will recall that in its unanimous report of October 22 (made public on November 10) the Laos Commission referred to radio and newspaper reports of “strong charges about the continued presence of thousands of foreign forces of various nationalities in Laos.” The report concluded: “If and when the Commission has reasonable grounds for considering that a violation of the relevant articles of the Geneva Protocol has occurred, the Commission will immediately take appropriate action about it as laid down in the Geneva Protocol.”

2. On November 15, in accordance with your instructions of November 7 (your telegram Y-363, copy attached†), Bridle formally proposed to his Indian and Polish colleagues that the Commission should “at once initiate investigations of the alleged presence of foreign military personnel.” He suggested that it should begin with two named localities, on the understanding that others would follow; and he urged the Commission to “make its intentions known to the Royal Laotian Government.”

3. On November 16 the Laotian Prime Minister, Prince Souvanna Phouma, asked Bridle “to impress on you that ICSC approach to RLG at this time would be poor strategy.” Recalling that he had spoken publicly of resigning if some tangible progress were not made in the direction of unity, Souvanna implied a wish “at this time to avoid disturbance within government which he considered ICSC intervention would create.” His main emphasis seemed to be “on ICSC refraining if at all possible in order to allow time for RLG to approach ICSC rather than vice versa.”

4. You replied on November 22 (telegram Y-371 attached†) that in the light of Souvanna’s views you were “prepared to agree that Canadian initiative should not be pressed to a vote before he (Souvanna) has had an opportunity” to exert further pressure on the fractious extremists in his government. You instructed Bridle, however, to “resume pressure when in your opinion this would help advance overriding objective of strengthening Souvanna’s authority and implementing terms of Laos Agreement.”

5. A further month has now elapsed. During this time the Laotian factions have continued to haggle – partly over the localities to be investigated, but principally over the extent of the areas to be investigated and the length of time the teams should remain at each place. The Canadian and Indian Commissioners and the Western ambassadors in Vientiane are all agreed that these matters should be decided by the Commission (subject of course to a right of dissent by the Laotian Government). The Pathet Lao, however, probably supported by the Russians and Poles, firmly maintain that it is for the Government of Laos to decide such matters. On this question they can count on some support from Phoumi’s faction, which attaches importance to its own right of veto. It has seemed to Bridle that, in the interest of getting investigations started, the best course would be to accept in practice such limitations as the Laotians can agree on, criticize these as necessary, and seek to remove them as investigations proceed.

6. I think that Bridle is probably right in his judgement that insistence on the Commission’s right to send teams where in Laos it sees fit, and to have them stay there as long as it considers necessary, is likely to result in no investigations for the time being – and probably in a report

to the Co-Chairmen explaining the obstruction. Souvanna Phouma might not like this and would probably prefer to continue pressing his recalcitrant colleagues. I also think, however, that a bold assertion by the Commission of its rights, with suitable attendant publicity, might in the long run prove more valuable than immediate investigations; and I think that the risks in this course, which undeniably exist, are worth running.

7. Attached for your consideration is a telegram of instructions to Bridle.<sup>26</sup>

G.P. DE T. G[LAZEBROOK]  
for  
N.A. R[OBERTSON]

491.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-384

Ottawa, December 19, 1962

CONFIDENTIAL. EMERGENCY. OPIMMEDIATE.

Reference: Your Tels 463, † 464, † 465 † Dec 13.

Repeat for Information: Delhi, London, Washington, Paris (OpImmediate), Geneva, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND (Routine).

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh.

#### LAOS – ICSC INVESTIGATIONS

I think that disadvantages of further inaction on this question now outweigh risks of proceeding decisively in Commission. While I was prepared to wait in deference to Souvanna's wishes while he exerted further pressure on his recalcitrant lieutenants (your telegram 441 November 17 † and my telegram Y-371 November 22), only tangible result seems to have been continued bickering between Laotian factions on how far ICSC teams may go from chosen localities and how long they may stay there.

2. These are questions on which, as all Western representatives and Avtar Singh agree, ICSC itself should make proposals "in relation to requirements of particular investigation" (Article 16 of Protocol). Our view is that having decided under Article 15 that reasonable grounds exist for considering that a violation has occurred, ICSC should request RLG to render "all possible assistance" and to take "all necessary measures" as specified in Article 13 (my telegram Y-363 November 7). We believe also that concurrence of RLG required by Article 15 should be assumed rather than asserted, and I am glad to note general agreement with this view by Western representatives (your telegram 466 December 14. †) Relevant sections of your memorandum of November 15 to ICSC † have my full approval.

<sup>26</sup> Note marginale :/Marginal note:

Tel Y-384 to Vientiane signed by SSEA Dec. 19/62 and sent Dec. 19/62. M. N. B[ow]

3. I realize of course that PL probably supported by Russians and Poles strongly hold contrary view that questions of time and place should be decided by RLG, and that in this they can probably expect some support from Phoumi's group. If RLG could agree on request to ICSC to investigate, even on inadequate basis, I would see some advantage in acceptance so that investigations could commence and restrictive conditions could be protested and reported. But having taken position that one month after terminal date for withdrawals was time enough for Laotian factions to agree (my telegram Y-363 November 7), and then at Souvanna's request waited for a second month, I am now convinced that further delay would be seriously detrimental to position of ICSC and injurious if not dangerous to prospects for implementation of Geneva agreement.

4. In reaching this conclusion I am influenced by fact that investigations have been requested in principle by Souvanna (your telegram 422 October 26), by DRVN (your telegram 429 October 29†), by Phoumi's group (your telegram 433 November 4†) and by PL (your telegram 438 November 16†), while Russians, Chinese and Western powers concerned have all reiterated support for full observance of agreement. This consensus is certainly more apparent than real, but ICSC as organ of Geneva Conference (Article 14) should make every effort to give it effective expression.

5. There are two risks, as I see it, in pressing ahead with insistence by ICSC on its right to decide (subject to dissent by RLG) how its investigations shall be conducted.

(a) It may result in no investigations at all for time being. This would be unfortunate; but since I agree with you that we cannot reasonably assume teams even with utmost zeal will be able to produce proof of continued large Vietminh presence, I would regard this as less important than well publicized assertion of principle that representatives of Geneva Conference powers have right and duty to investigate suspected violations of agreement.

(b) It may increase dissension within coalition government. As I said in my telegram Y-371 November 22,† I think Souvanna's expressed views on such matters must be given every consideration. This does not mean however that we must necessarily accept them. Assertion of international interest in full observance of Geneva Agreement, symbolized and embodied in ICSC, should in my view have effect of contributing to stability and authority of Souvanna's Government; failure to make that assertion can only tend to consolidate existing fission of Laos with consequent dangers.

6. Unless therefore request for investigation has been received from RLG, you should press for immediate reconsideration of proposals in your memorandum of November 15, suitably amended as to locality but unrestricted in principle as to scope. You should inform Souvanna of action you are taking, using above arguments as appropriate and on my behalf, and making every effort to secure his cooperation.

*For London, Washington, Paris, Delhi*

Please convey gist of this telegram to Foreign Office/State/Quai/External.

[H.C.] GREEN

492.

DEA/50052-B-8-40

*Note du chef de la Direction de l'Extrême-Orient  
pour les Services de liaison*

*Memorandum from Head, Far Eastern Division,  
to Liaison Services*

CONFIDENTIAL

[Ottawa], December 26, 1962

## NOTE ON LAOS FOR SELECTED DOCUMENTS

After the October 7 terminal date for the withdrawal of foreign forces passed, reports reached the International Commission regarding the continued presence in Laos of foreign military personnel. On November 15 the Canadian Commissioner proposed the immediate initiation of a Commission investigation; it was agreed, however, that this proposal should be held in abeyance pending agreement amongst the various factions in the Laotian government to request the Commission to conduct an investigation. The Laotian request, containing highly restrictive conditions, was finally made on December 20. It has been accepted by the Indian Chairman, with the Canadian Commissioner concurring and the Pole dissenting. The Chairman, in his letter of acceptance, noted the restrictions imposed on the Commission (with a view to underlining these in an eventual report to the Co-Chairmen) and re-asserted the Commission's right under the Protocol to initiate investigations (telegrams 470† and 472‡ from Vientiane).

J.M. TEAKLES

493.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-1

Ottawa, January 3, 196[3]

CONFIDENTIAL. OPIIMMEDIATE.

Reference: Your Tel 483 Dec 29.†

Repeat for Information: Delhi, Laosdel Geneva, London, Washington, Paris, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Saigon, Phnom Penh.

## LAOS – ICSC INVESTIGATIONS

Now that investigations have commenced on conditions which we accepted reluctantly and with full recognition of their inadequacy, emphasis must in our view be placed on importance of early report to Co-Chairmen setting out clearly and in precise detail nature of restrictions under which ICSC has had to begin its field enquiries. This report must not repeat not be open to interpretation that any valid conclusions as to continued presence in Laos of foreign military personnel can be drawn from these two limited enquiries. On contrary, report should very clearly imply if not expressly state that no repeat no such conclusion can possibly be drawn from enquiries of this nature. While we would hope that you can persuade Avtar Singh to

accept wording in this sense, if this is not possible you should ensure that Canadian view is expressed in agreed report as provided in Article 15 paragraph 3 of Protocol.

2. We are not repeat not impressed by Chairman's arguments for separate initial report to RLG. Tone and content of Foreign Minister's notes December 18 and 22<sup>27</sup> appear designed to emphasize subordination of ICSC to RLG and to minimize its independence as organ of Geneva powers. Avtar Singh's reply December 20 seems to us defective not so much for what it said as for what it did not say. In particular, while drawing attention to those restrictions related to length of investigations, it ignored more serious restrictions related to radius of movement permitted. It seems to us that a separate report to RLG would be almost certain to confirm impression, which Quinim is evidently seeking to create, that right of ICSC to initiate enquiries and to propose means, clearly set out in Protocol, is purely formal and without practical effect of any kind. We find it difficult to see what advantage there could be in continuation at present of direct dialogue between ICSC and RLG to compensate for this grave disadvantage. Accordingly we strongly favour earliest possible report to Co-Chairmen. RLG might be given copy simultaneously as courtesy.

494.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 11

Vientiane, January 10, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel Y-1 Jan 3 and our Tel 6 Jan 5.†

Repeat for Information: London, Washington, Paris (OpImmediate), Laosdel Geneva, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa, Delhi (OpImmediate),.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

## ICSC INVESTIGATIONS

Foreign Forces: Report to Co-Chairmen. On January 7 anticipating aggressive Polish draft I introduced very strong Canadian draft. After argument negotiation proceeded on basis of Chairman's draft which on whole was more favourable to Canadian than to Polish view.

2. Following strenuous negotiation involving several redrafts commissioners have agreed on text in my case *ad referendum*.

3. After introductory paragraph referring to previous report of October 22, report indicates towards end of October Commission became aware RLG considering number of allegations re foreign forces in different parts Laos with intention referring same to Commission for investigation.

<sup>27</sup> Il s'agit de lettres du ministre laotien des Affaires étrangères Quinim Pholsena à la CISC.  
These were letters from Laotian Foreign Minister Quinim Pholsena to the ICSC.

4. Report continues: on November 15 Commission received memorandum from Canadian delegation stating it had received information indicating number of foreign military personnel in several areas of Laos contrary to Protocol and proposing that as start Commission initiate investigations in at least two areas. Commission considered memorandum and in (circumstances?) felt it advisable first to investigate cases Government expected to refer to Commission. Canadian delegation accepted this view reserving right to revive its proposal or part of it after Commission had carried out first investigations on request of Government.

5. Next paragraph indicates Polish delegation stressed Canadian memorandum included only part of complaints before RLG and that Polish delegation reserved right to bring before Commission complaints about foreign military personnel in other parts Laos.

6. Report then states December 19 Foreign Minister presented letter to Chairman requesting Commission send two teams one to Longkou other to Ton Pheung to investigate whether foreign military personnel still present in those villages after October 7 contrary to Article 2 Protocol, and that on December 20 Commission sent reply confirming it was ready to send teams immediately for purpose mentioned. Paragraph contains sentence indicating Longkou is village included in one of areas listed in Canadian memorandum.

7. Following paragraph indicating when investigations took place there are two paragraphs reporting results of investigations in the two villages. Paragraph on Ton Pheung indicates some Kuomintang forces which arrived about beginning of 1962 rainy season were driven out by RLG troops toward end rainy season. While weight of evidence indicates this happened prior October 7 this not repeat not absolutely clear.

8. Paragraph on Longkou indicates evidence was uniform and all witnesses stated no repeat no troops had been stationed in village.

9. There follows paragraph briefly reporting firing at Commission helicopter January 3<sup>28</sup> and Commission note of January 5 to RLG about this. Reproduces language of note some of which has weak flavour but this was best I could get.

10. Final paragraph reads "with respect to actual conduct of investigations which Commission has just undertaken at request of Royal Government, Commission wishes to record with appreciation that Commission and its teams received full cooperation from Government and from local authorities. Commission considers that these investigations constitute useful beginning. Aware of its obligations in Geneva Protocol, Commission looks forward to continuing its activities and to conducting further investigations in manner which will be helpful to Royal Government and which will make constructive contribution to implementation of Geneva agreement."

11. Pole, who made general effort to include or annex material with propaganda content, wished to annex team reports clearly for propaganda purposes. To obviate this it was necessary to analyse reports more fully than I wished but I think we have managed reasonably good presentation.

12. Problem of correspondence with RLG was handled by sending reply to Quinim's letter December (22?) in following terms. After acknowledging letter and clarifications contained in it, reply states "at this stage International Commission does not repeat not wish to make any further comments on the points covered in your letter. In any case I am sure RLG and International Commission agree that investigations have to be carried out in accordance with Geneva Protocol." This brings discussion of modalities back to dead centre on basis of Protocol while reserving Commission's position re further comment if necessary. This done it

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<sup>28</sup> Voir/See [A]ntoine Yared, "American Mercy Plane Is Shot Down in Laos," *Washington Post*, January 7, 1963, p. A10.



was decided not repeat not to annex correspondence to report, and that comment on it in report was unnecessary. This consigns correspondence to Commission and RLG files and does not repeat not lend it whatever currency it might have acquired from being forwarded to Co-Chairmen and circulated to Conference members.

13. On central consideration covered in your reference telegram I made repeated and determined efforts to include language explicitly drawing attention to restricted nature of initial investigations and indicating their results have no repeat no real significance in relation to general question of presence of foreign forces in Laos. This proved impossible. However in my judgement minimum requirement in paragraph 1 of your reference telegram is met by contrast between areas desired by Canadian delegation [texte manquant/text missing] actual investigations in villages (and both words are mentioned several times) coupled with last two sentences which though I tried to make them stronger) indicate Commission regards recent investigations as only beginning of what it intends to be (constructive?) investigation process.

14. I therefore do not repeat not consider it desirable to include explicit statement of Canadian minority view and recommend that I be authorized to approve report as drafted.

15. Hopson, though he has not repeat not had time to consult London re final text, is satisfied I have got best possible. Unger is seeking Washington reaction and will do his best to convey it to me January 11.

16. Most grateful receive your instructions January 11 if all possible since I wish to make proposal re further investigations soonest.

[P.A.] BRIDLE

495.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 17

Vientiane, January 16, 1963

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Your Tel Y-1 Jan 3 and our Tel 11 Jan 10.

Repeat for Information: Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa, Delhi (Priority).

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

ICSC INVESTIGATIONS FOREIGN FORCES: REPORT TO CO-CHAIRMEN

On January 11 Unger read me telegram conveying strongly unfavourable State Department reaction to draft report. He has also conveyed Washington's views to Avtar Singh who nevertheless maintains that draft though imperfect is adequate and who does not repeat not wish to add majority Canadian-Indian views. He considers that draft makes clear very limited area of investigations and that it was at request of Government that Commission so investigated; also that question of limitation in time did not repeat not arise in fact. Since ICSC is free to propose further investigations of wider scope he sees no repeat no need in draft to reflect further on scope of those already conducted.

2. I understand from Unger that USA views have been conveyed to you.<sup>29</sup>

3. Avtar Singh has now told me he has received telegram from Delhi saying that Americans wish report to Co-Chairmen to draw attention to limitations of recent investigations and that he is to hold report pending receipt of letter from Delhi. This letter may arrive any time. Avtar Singh has also told me that if Delhi instructs him to add to or modify report in above sense (presumably on majority basis) he will do so but will protest his instructions.

4. Pending receipt of your further instructions on report and discussions which may now be anticipated with Avtar Singh, I recommend that additional language to be sought if report should be in sense that two limited enquiries which have just been conducted can have very little significance.

5. As indicated in my reference telegram I consider that report as drafted meets minimum requirements of your reference telegram. Also, as you know, I did utmost to have included language explicitly stating ICSC view that no repeat no valid conclusions regarding continued presence in Laos of foreign military personnel can be drawn from limited enquiries just conducted.

6. In my judgment even if Avtar Singh on receipt of instructions is prepared for majority opinion it would be mistake to press for statement in above terms. I prefer statement of kind outlined in paragraph 4 above because even if ICSC conducts future investigations under vastly improved conditions it will never be possible to draw valid conclusions from these investigations regarding presence of foreign military personnel in Laos as a whole. All that ICSC can do is attempt to prove or disprove specific charge thus providing basis on which appreciation of situation re foreign forces can be made by it or other interested parties. If we assert no repeat no valid conclusions re presence of foreign military personnel in Laos can be drawn from recent enquiries we enunciate general principle which even under optimum conditions ICSC could never fully implement.

7. This observation also applies to any Canadian minority view in current report though I am still of view that this would add so little to report as drafted that it would not repeat not be worthwhile.

[P.A.] BRIDLE

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<sup>29</sup> Pour connaître le point de vue des États-Unis sur la façon dont Bridle et Singh ont géré leurs tâches de la CISC, voir *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Office, 1994), document 440.

For an American perspective on the way in which Bridle and Singh had been handling their ICSC tasks, see *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Office, 1994), document 440.

496.

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 16, 1963

## LAOS COMMISSION – REPORT ON INVESTIGATIONS

You will have seen telegram No. 11 from Vientiane, in which Bridle recommends that he be authorized to sign the tentatively agreed draft report on the Commission's recent investigations. Although dated January 10, this telegram reached the Department only at noon yesterday. We immediately sent a brief reply confirming that he should take no action until he received instructions.

2. Bridle has, I am sure, made every effort to obtain a satisfactory text. I am not at all convinced, however, that the result meets the requirements which you outlined in telegram No. Y-1 of January 3 (copy attached). Since the Protocol lays down that the 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 only way in which we can be sure that the Canadian position is made clear and explicit is to have drafted for inclusion in the report a separate section for which the Canadian Commissioner alone would be responsible. This is what the attached telegram instructs Bridle to do.

3. I might add that the State Department shares strongly our view on the importance of this question and expressed "shock" when it learned from Vientiane the nature of the proposed report.<sup>30</sup>

N.A. R[OBERTSON]

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<sup>30</sup> Note marginale :/Marginal note:

Tel. Y-20 signed by SSEA Jan. 16/63 and sent 6.16 p.m. M. N. B[ow]

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-20

Ottawa, January 16, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel 11 Jan 10.

Repeat for Information: Delhi, London, Washington, Paris, Laosdel Geneva, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh.

LAOS – ICSC INVESTIGATIONS

We consider it essential that this first report to Co-Chairmen on investigations by Commission into alleged violations of Agreement should set out clearly and unambiguously both Commission's own understanding of its responsibilities to Geneva Powers and precise nature of restrictions so far imposed on its investigations by RLG. If these basic points are not clearly made now, we foresee likelihood that (a) impression would be created ICSC tacitly accepts dependent role implied in Laotian Foreign Minister's notes of December 18 and 22, and (b) inference might be drawn that essentially negative results of these two restricted enquiries demonstrate lack of foundation for reports of violations.

2. As indicated in our telegram Y-1 January 3, we would prefer to have at least Indians associated with us in expression of these essential points, but whether or not this is possible we think it necessary to insist that report, so far as we are concerned, be explicit and not open to interpretation mentioned in paragraph one above.

3. While appreciating strenuous efforts you have made to secure inclusion in draft report of suitable agreed wording on these points, I consider that tentatively agreed text summarized in your reference telegram falls well short of what is required. I hope that Indians (who have been spoken to by USA Embassy in Delhi) may yet be persuaded of advantages of being more explicit. Since this cannot be assumed, however, I would like you to draft suitable paragraphs for inclusion in report under Canadian responsibility and to telegraph them urgently to Ottawa for my approval.

4. With regard to significance of these two investigations in relation to general question of presence of foreign forces in Laos, I do not repeat not think it necessary to make a positive statement provided implication is clear. To go further might merely give rise to debate on whether a positive statement was a "conclusion" requiring unanimity under Article 15 paragraph 4 of Protocol.

5. If our emphasis on restricted nature of these investigations leads to inclusion of references to further allegations of violation, I would see no objection. Indeed insofar as this would provide justification for further investigations it might have some merit.

6. I entirely agree that proposal for further investigations should be made as soon as possible. You should not wait for adoption of report to resume initiative in Commission on this matter. To do so would increase probability that ICSC will receive further unsatisfactory requests for investigation from RLG. I realize of course that decisions on initiating and carrying out investigations must be taken by majority vote and that Indian Chairman may be unwilling to

participate in decisions on further investigations until report has been agreed and despatched. Nevertheless I think we must keep up the pressure.

[H.C.] GREEN

497.

DEA/50052-B-40

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

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

TELEGRAM 72

New Delhi, January 18, 1963

CONFIDENTIAL. CANADIAN EYES ONLY. EMERGENCY.

Reference: Your Tel Y-20 Jan 16 and Vientiane Tel 17 Jan 16.

Repeat for Information: Vientiane (Emergency), London, Washington, Paris, NATO Paris (OpImmediate) from Ottawa.

By Bag: Saigon, Phnom Penh from Vientiane, Moscow, Warsaw from London.

LAOS – COMMISSION INVESTIGATIONS

Before either reference telegram received Miss Mutthama, Indochina Desk in External Affairs Ministry, called in one of my officers yesterday to make a strong plea for Canadian support for the Laos Commission draft report and for Canadian assistance in explaining the situation to Americans. Miss Mutthama said Gundevia had wished to approach me on this subject but could not repeat not because of his involvement with Indo-Pakistan talks. Miss Mutthama expressed considerable concern about American attitude to current Commission effort. She asked us for Canada's moral and practical support in face of what Indians consider an American failure to recognize that India has same objectives in Laos as USA and other Western countries. Indians want to stabilize the situation, to see the real integration and strengthening of RLG and to prevent Pathet Lao falling back into arms of Chinese. Indians felt that if Commission at this stage lost its unanimous approach and thus seemed to be beset by the same divisive forces which affect Laotian Government, this would mean a serious set back in the hopes for Laotian unity. Disagreement in Commission would, they felt, serve seriously to weaken Souvanna Phouma's chances of achieving integration. Indians, she said, held no brief for Souvanna Phouma. He seemed incapable of firmness and decision. But there was no repeat no alternative leader available. Even Americans had finally admitted this. Indians feared, however, Americans were now once again prepared to scupper Souvanna Phouma because they felt things were not repeat not moving quickly enough.

2. Indians believed that ICSC efforts should be directed to bolstering régime and that ICSC could move only as quickly as RLG. Indians were grateful for Canadian cooperation in Commission and were prepared to seek our assistance in putting position to Americans because they felt we shared Indian view that Commission's balanced approach to Laotian Government problems could help to establish atmosphere in which RLG could make most constructive steps forward. Although situation in Laos was by no repeat no means satisfactory, Indians drew some hope for future from developments such as Phoumi's visit to Communist bloc countries. The uneasy balance could however easily be disturbed by differences within ICSC which would only serve to make factions more intransigent.

3. Miss Mutthama showed us Avtar Singh's telegram sent in reply to Delhi enquiry after USA démarche here. He argued strongly against adding anything more specific to current Commission report on grounds mentioned in Vientiane reference telegram. Judging from Miss

Mutthama's remarks, Indians here are prepared to back him up. She repeated several times Indian hope that Canada would not repeat not only support draft in present form but also use influence to persuade Americans to understand genuine Indian belief that only adverse results could come from rocking Commission boat at the present time.

4. I appreciate the need to get on the record at an early stage the Canadian view of ICSC responsibilities and of limited approach taken by RLG as result of Pathet Lao obstruction. I am inclined to believe however that this is not repeat not the appropriate time or occasion to bring this matter to a head. My views are of course affected by the Indian request for our assistance and support and my own feeling that minority Canadian positions can usefully be taken in Indochina Commissions only as a last resort. I also believe that hardening of positions in ICSC could have an adverse effect on the vital question of cooperation amongst the three Laotian groupings. Apart from these political considerations there is one other factor which occurs to me as being of some importance. I suggest that an exposition of Canadian views on Commission responsibilities (it is apparent that in this case it will not repeat not be a Canadian-Indian majority opinion) should not repeat not be made in connection with a set of investigations resulting formally from an RLG initiative. It seems to me that we would be on firmer ground (and more likely to obtain Indian cooperation) if we worked for a statement of those views in connection with a report on investigations in which Commission, rather than RLG, has taken initiative, presuming, of course that RLG turns out to be uncooperative. From Vientiane telegram 16 January 15,† it would appear that Avtar Singh is sympathetic to Canadian investigation proposal and if some agreement on area can be achieved will back us, even in face of Polish opposition. If area agreement with Indians can be achieved, Chairman would be more committed to supporting our position than he is by facts of investigations now under discussion. My own view is that area question and maintenance of principle of Commission's unrestricted scope might be (group corrupt) by proposing specified but different size and shape (of?) areas for each point to be investigated. This would maintain Commission's freedom of action while at same time meeting need to give RLG some specific requirements to go on in arranging logistic support.

5. As far as current draft report is concerned, I see another danger in our using these investigations to outline our views. As a natural riposte, Poles will, I think, press for publication of the correspondence with RLG, contents of which are unsatisfactory. Move would be difficult to resist because our own statement would have to refer to RLG attitude. I think that Avtar Singh's point that time limitation is irrelevant because teams, in fact, had plenty of time, is well taken. If you agree that Canadian minority statement might be postponed, I wonder whether we might not repeat not partly avoid the inferences or implications mentioned in paragraph 1 your reference telegram in present report by laying greater stress on fact that investigations took place at RLG request and were limited by Government's limited interests, thus drawing distinction with Commission's future initiatives. This might be achieved by repeating in final paragraph that this was a Government request for investigation of two villages.

6. In considering the Indian request for Canadian support which I have outlined in this telegram, you might take into consideration its relation to the question of the Vietnam Commission legal report to which I referred in my telegram 53 January 15.† The possibility of establishing a quid pro quo cannot repeat not be excluded and it is possible that our efforts in regard to the Vietnam Commission could be considerably assisted by our attitude to the present Indian request.

[C.A.] RONNING

498.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 24

Vientiane, January 19, 1963

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Your Tel Y-20 Jan 16† and our Tel 16 Jan 15.†

Repeat for Information: Delhi (OpImmediate), Laosdel Geneva, London, Washington,  
Paris (OpImmediate), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND  
(Priority) from Ottawa.

By Bag: Warsaw, Wellington, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra from  
London, Saigon, Phnom Penh from Vientiane.

## FOREIGN FORCES: FURTHER ICSC INVESTIGATIONS

Following is operative part of Canadian memorandum which I am sending today to  
Chairman, copy to Polish Commissioner, for consideration in Commission at earliest  
convenient date. Begins:

It is therefore recommended that the Royal Government be informed that the Commission  
proposes to conduct an investigation into the alleged presence of foreign military personnel in  
the area of Nape, as follows: (a) in Nape (approximately VF0824) and its vicinity (b) in  
Laksao (approximately VF9812) and its vicinity (c) in Banbo (approximately VF8313) and its  
vicinity (d) in Kham Keut (approximately VF7119) and its vicinity. To avoid misunder-  
standings on the ground, it might be further explained to the Royal Government that the points  
to which the teams would go for purposes of investigation would be related to the requirements  
of the investigation and that the Commission expects that these points would fall within a  
radius of 15 kms around each place.

It is recommended that, in requesting the assistance of the Royal Government, the  
Commission indicate: (a) that the Commissions team would be transported to Nape in  
helicopters (b) that the team might be accommodated in Nape or elsewhere as seemed  
appropriate (c) that the duration of the team's stay would be determined in relation to the  
requirements of the investigation, and that the Commission expects that it would be  
approximately two weeks. Ends."

[P.A.] BRIDLE

499.

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 21, 1963

## LAOS – COMMISSION INVESTIGATIONS

Attached for your signature, if you agree, is a telegram to Ronning commenting on the Indians' plea for our support in the Laos Commission. We have just learned that Ronning will be seeing Gundevia at noon tomorrow, Tuesday: the sooner he receives your comments, therefore, the better.

2. Bridle's response to your request for suggestions as to textual amendment of the report has evidently been delayed in transmission. As soon as we receive it we shall draft a further telegram for your consideration.<sup>31</sup>

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

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

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

TELEGRAM Y-25

Ottawa, January 21, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel 72 Jan 18.

Repeat for Information: Vientiane (Emergency), London, Washington, Paris, NATO Paris (OpImmediate).

By Bag: Saigon, Phnom Penh, Moscow, Warsaw.

## LAOS – COMMISSION INVESTIGATIONS

We have given careful and sympathetic consideration to strong Indian plea for our support of draft ICSC report and for our assistance in explaining situation to Americans. With Indian statement of objectives (stabilization, integration, prevention of Chinese interference) I am of course in broad general agreement. Their specific requests however seem to me to be based in large part on a misunderstanding of our position and I think also of USA position.

2. Canadian position is based firmly on Geneva Agreement. A central feature of that Agreement was formation of Laotian Government of National Union, and I remain anxious at all times to do whatever we can to strengthen stability and authority of that government (my telegram Y-371 November 22† and paragraph 5 my telegram Y-384 December 19†). I do not believe however that this requires members of Commission to act only at behest of that government, much less to consider itself bound by views expressed by whichever faction in

<sup>31</sup> Note marginale :/Marginal note:

Tel. Y-25 signed by SSEA Jan. 21/63 [and sent] Jan. 21 2:30 p.m. M. N. B[ow]



government happens to be most recalcitrant at any particular time. Such a view of Commission's responsibilities seems to me clearly at variance with Protocol, which assigns to Commission certain defined duties as organ of Geneva Conference (Article 14). Scrupulous performance of those duties by the Commission cannot but have effect of contributing to stability of settlement reached at Geneva.

3. With regard to particular question now under consideration, I believe that Geneva Agreement imposes on Commission three specific duties: (a) to investigate when there are reasonable grounds for considering that foreign military personnel are present in Laos in violation of Protocol, (b) for this purpose, to seek from RLG all possible assistance and all necessary measures so that investigations may be conducted where and when required, (c) to report to Geneva Conference through Co-Chairman all significant steps taken by it and any other important information. Commission need not do more than this; it cannot do less without being remiss in fulfilling its obligations to other Geneva signatories. I can see no contradiction between these obligations and need to sustain government coalition, particularly as all Laotian factions agreed (in Zurich communiqué and again in RLG statement on neutrality) to "require the withdrawal" from Laos of foreign military personnel.

4. It is true that initial investigations on this matter were conducted at request of RLG and under restrictions as to place and time which we regarded as most unsatisfactory. These restrictions reflected highest common denominator of agreement in RLG at that time, and there was perhaps some advantage in starting on that basis. My own view is that these restrictions imposed by RLG can hardly be regarded as constituting "all possible assistance" (Article 13) or as being appropriate to "requirements of particular investigations" (Article 16). I recognize however that this is a matter of opinion, and in interest of harmony and cooperation in Commission (Article 14) I would not regard it as essential that this opinion should be expressed in report. What I do think essential, in view of importance of question of foreign military personnel, is that report should set out precisely what conditions were, so that other Geneva signatories may form their own opinions about their adequacy. This could be achieved simply, and I should have thought uncontentiously, by annexing to report texts of communications exchanged between ICSC and RLG. I recall that Avtar Singh himself suggested this (Vientiane telegram 483 December 29†).

5. Similarly, though I regard results of initial investigations as having very little significance in relation to general question whether or not foreign military personnel are present in Laos, I would not insist on any statement of opinion on this being included in report and would be content to have it emerge by inference (my telegram Y-20 January 16 paragraph 4). Other Geneva signatories can however make their own assessments on this important question only if all relevant factual information about scope of investigations is included in report. In particular, I think it important report should make clear that initial investigations took place, on request of RLG, only at two villages and within limits of those villages.

6. Indians have expressed concern lest differences within ICSC should make Laotian factions more intransigent and undermine Souvanna's position. Apart from general observations above as to nature of Commission's responsibilities, two comments might be made. First, there is no apparent reason why a full and factual report on these investigations along lines indicated above need cause differences within Commission, at least between Indians and ourselves. Second, Souvanna himself has made clear on several occasions (e.g. Vientiane telegram 462 December 11) his view that if conditions proposed by RLG are regarded by ICSC as unsatisfactory, ICSC should say so and RLG should then try to cooperate in providing additional facilities needed.

7. I am convinced that Souvanna's position would be weakened not strengthened if important relevant information reflecting attitude of Laotian factions to implementation of Geneva

Agreement were withheld by Commission from Geneva signatories. His position and such authority as he has derive essentially from international compromise embodied in Geneva Agreement. He more than anyone else needs support of signatories, particularly of Co-Chairmen who have formal responsibility for supervising observance of whole Agreement (Article 8). Commission can help by providing all relevant information to other signatories.

8. As you know, we have consistently held views outlined above (e.g. my telegram Y-384 December 19 and Y-1 January 3). When USA representatives here approached us recently about ICSC report, we explained very fully position we had already developed: so far as we know, this is accepted in Washington. While I am of course principally concerned that Indians should understand Canadian position and reasons for it, there might be some danger of further misunderstanding if we let pass without comment Miss Mutthamma's remark that USA may now be prepared to scupper Souvanna. I think Indians should be told we have discussed Souvanna's role from time to time with USA representatives, saying to them (as Indians have said to you) that whatever his faults there seemed no alternative, and Americans have invariably agreed with us this is so. Our understanding of USA Government's position is that it remains firmly resolved to support integral implementation of Geneva settlement by all concerned.

9. We shall comment on Bridle's recommendation regarding text of report as soon as his delayed telegram No. 20 is received.

[H.C.] GREEN

500.

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-28

Ottawa, January 22, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Vientiane Tels 20† and 21† Jan 18.

Repeat for Information: Vientiane (Emergency), London, Washington, Paris, NATO Paris (OpImmediate).

By Bag: Saigon, Phnom Penh, Moscow, Warsaw.

LAOS COMMISSION REPORT

If Gundevia can be brought to recognize that what we are insisting on is no more and no less than a report containing all relevant information, so that other Geneva signatories will be able to make their own assessments of conditions under which initial investigations were conducted and of their results, it should then be possible to examine together existing draft with view to seeing whether it fulfils adequately Commission's obligations to other signatories of agreement.

2. In our view (based on summary of draft in Vientiane telegram 11 January 10) it does not contain all information which Geneva Powers have a right to expect from Commission. In particular it appears (a) to omit any mention of stringent restrictions set out in Quinim's note of December 18 to purpose, radius and duration of team activities; (b) to omit any reference to Commission's insistence in its note of December 20 that investigations are to be carried out in

accordance with provisions of Protocol. These omissions could be rectified by annexing texts of communications exchanged between RLG and ICSC.

3. In addition we consider that reference in final paragraph of draft to “full cooperation” of Laotian authorities, though related to actual conduct of investigations, is seriously misleading in context of persistent efforts by certain elements in RLG to place Commission in dependent position. We think this sentence should either be deleted or heavily qualified by emphasis on restricted scope of investigations undertaken at request of Government.

4. Finally, we think phrase in final paragraph about the investigations being a “useful beginning” should be amplified. Report should go on to say that ICSC will be considering in consultation with RLG what further investigations may be required, and will look forward to receiving from RLG, in accordance with provisions of Protocol, all necessary assistance in connection with these further investigations.

5. If Indians are prepared to amend draft as suggested above, there will be no need for separate statement of Canadian views. If they are not, or if Poles insist on introducing contentious expressions of opinion, we shall be obliged to make our own position clear.

[H.C.] GREEN

501.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 32

Vientiane, January 22, 1963

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Our Tels 24, 25† and 27† Jan 19.

Repeat for Information: DM/DND from Ottawa.

By Bag: Warsaw, Tokyo, Kuala Lumpur from London, Saigon, Vientiane.

FOREIGN FORCES: FURTHER INVESTIGATIONS

Yesterday Commissioners discussed Canadian memorandum of January 19. Following my presentation Pole argued ICSC should not repeat not propose further investigation to RLG until it has completed report to Co-Chairmen on investigations requested by RLG and informed it accordingly. He also said further delay in completing report is being interpreted in Communist circles as having political significance.

2. Thee then referred to one of introductory paragraphs in Canadian memorandum which emphasizes restricted scope of investigations just conducted and limited significance which can attach to them and which indicates future investigations must be of scope which will enable Commission properly to discharge its functions. I had made clear that this part of memorandum was not repeat not intended for transmission to RLG but Thee said he thought it might be my intention to have memorandum annexed to next report to Co-Chairmen. He stated generally that coalition is delicately balanced and that ICSC should be careful not repeat not to act in manner which will stimulate controversy among Laotian factions thus upsetting coalition and further reducing its capacity to cope with central issues such as integration of forces.

3. Thee's third point was that in response to Canadian memorandum he will follow through on his earlier intention to bring before ICSC problem of Air America which he alleges is paramilitary organization which may not repeat not in fact be operating with approval of coalition government. In his view its activities are example of unilateral support to one faction by outside powers which ought by now to have been replaced by full support of coalition government.

4. Thee said that consulting his government he is preparing memorandum covering these three points which he intends to present at formal Commission meeting as comment on Canadian memorandum. He hoped to be able to present his memorandum January 25.

5. Chairman took position that decision on Canadian memorandum should be reached earliest and that, though he would have preferred to complete report before putting new proposal to Government, it is not repeat not necessary to await completion of report. He supported initiative by Commission at this stage and thought investigations into alleged presence of foreign forces should assist integration process by helping to remove potential obstacle. On Air America he was not repeat not persuaded that ICSC should investigate since it seems Government wanted existing supply arrangements to continue pro tem and even Russians had kept up own supply flights for time. More generally Chairman urged Thee to state his views on Canadian memorandum without delay and if possible before January 25.

6. I kept up pressure for earliest decision on Canadian memorandum, unrelated to completion of report, and denied delay on report had any political significance. On paragraph in our memorandum mentioned by Thee I said it had not repeat not been included with the object of annexing it to future report to Co-Chairmen. I made no repeat no direct comment re Air America but generally urged Thee to confine his memorandum to matters relevant to Canadian memorandum and to cooperate in enabling Commission to reach early decision on it.

7. Thee may be trying to buy time to facilitate possible RLG approach to ICSC re further investigations before ICSC takes initiative. However, this approach may not repeat not easy to arrange and I think his main objective is to get Polish views on investigations and related matters, possibly accompanied by some material such as a complaint to National Commission, on record in Commission for possible inclusion in next report to Co-Chairmen. From this point of view it seems best to await his statement and, making whatever comments are necessary at time, to give notice of intention to make subsequent statement in reply if this seems necessary.

8. On one ground or another Thee will probably oppose action on our memorandum at this time but Chairman will vote with me when this becomes necessary. Thee will probably also advocate some sort of Commission investigation into activities of Air America. Question therefore arises whether we should oppose such investigation and if so on what grounds. I am consulting informally with Chairman and USA Embassy on this and will endeavour to formulate views soonest.

[P.A.] BRIDLE

502.

DEA/50052-B-40

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

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

TELEGRAM 88

New Delhi, January 23, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tels Y-25 and Y-2[8] Jan 21 and Jan 22.

Repeat for Information: Vientiane (Emergency), London, Washington, Paris, NATO Paris (OpImmediate) from Ottawa.

By Bag: Saigon, Phnom Penh from Vientiane, Moscow, Warsaw from London.

## LAOS COMMISSION INVESTIGATIONS

I had preliminary conversation with Gundevia soon after receiving your reference telegrams. He told me he was very disturbed by great pressure from Americans whom he thought still did not repeat not understand the disruptive effect which their proposals would have on Commission and RLG. Gundevia stressed that Poles had agreed unconditionally to present draft. He could not repeat not therefore accept any changes in current draft which Poles would not repeat not accept. He had hoped that Canadians would also be in favour and unanimity could thus be achieved. I explained that our main objective was to ensure that Geneva signatories were given a clear picture of circumstances surrounding recent investigation so that they could form their own opinions regarding conclusions to be drawn from report. I suggested that attaching RLG-ICSC correspondence was one way of achieving this and Gundevia thought Poles might not repeat not be unwilling to let correspondence go forward. He personally had no repeat no objection but wondered whether correspondence might not repeat not go separately. I replied that I could not repeat not express an opinion on this suggestion.

2. In sum, Gundevia's attitude was that he was prepared to negotiate changes in the draft report provided these changes were accepted by the Poles. He is very anxious for unanimity now in Commission, especially in regard to a request for investigation submitted by RLG. He thought position of ICSC would be seriously undermined if differences within it were revealed at this stage. He agreed that it was important that Co-Chairmen should have all the facts before them so that they could use their influence to bring about the expulsion of foreign troops from Laos in cooperation with ICSC and Laotian Government. But he then laid stress on relationship between Polish attitude and that of USSR Co-Chairman. Poles represent USSR in Commission and if Polish delegation casts dissenting vote this clearly shows where USSR stands on same question.

3. Judging from this conversation there is some room for negotiation of draft report's contents. Because Indians are so anxious for unanimity we can expect them to exert some influence on Poles to move from their present position. Indian pressure on Poles will, however, be limited by fact that Poles and Indians are agreed on present draft and it is Canadians who will be responsible for a split in the Commission if this occurs. Personally I do not repeat not think that the stakes are high enough in present circumstances to warrant a Canadian minority position. I hope that we can concentrate on obtaining as many of the changes outlined in your telegram Y-28 as possible. Although I am as reluctant as Bridle (Vientiane telegram 29 January 21<sup>+</sup>) to see unsatisfactory RLG-ICSC correspondence given wide publication, I think attaching this correspondence to report is, as you have pointed out, the simplest and least

contentious way of ensuring that all facts are available to Geneva signatories. I can see no repeat no advantage whatsoever in forwarding correspondence separately.

4. Subject to your concurrence, I propose following procedure:

(a) I shall submit to Gundevia the amendments outlined in general terms in your telegram Y-28, stressing that non-acceptance of this result in Canadian minority;

(b) I shall ask him to rescind his instructions to Avtar Singh (Vientiane telegram 27† January 20) and to authorize latter to negotiate these amendments with Bridle;

(c) I shall also urge him to use Indian influence with the Poles to accept a compromise solution.

5. I am suggesting that substantive negotiations be transferred to Vientiane because I think it is only in the circumstances pertaining there that details of satisfactory wording can be worked out. Grateful for early instructions.

[C.A.] RONNING

503.

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-26

Ottawa, January 23, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel 88 Jan 23.

Repeat for Information: Vientiane (Emergency), London, Washington, Paris, NATO Paris, CCOS, CGS, DGPO (OpImmediate).

By Bag: Saigon, Phnom Penh from Vientiane, Moscow, Warsaw from London.

LAOS COMMISSION INVESTIGATIONS

Please proceed as suggested in your paragraph 4.

2. As background for your further conversation with Gundevia it may be helpful if we briefly reiterate our views:

(a) Though our position is similar to that of the Americans it was arrived at independently.

(b) We do not consider that we are expressing a partisan position but merely asking that the whole record be accurately included.

(c) We agree on the desirability of unanimity if that can be achieved consistently with an accurate report.

(d) We do not think it wise or helpful to mislead the Co-Chairmen or the Geneva Powers by giving the impression that no problems exist in relation to investigations.

(e) If the present draft were accepted we would have every reason to apprehend that future investigation would be under whatever restrictive conditions the RLG might impose.

(f) We regard the present report as basic for the future work of the Commission and not merely recording two minor investigations.

504.

DEA/50052-B-40

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

TELEGRAM 117

New Delhi, January 30, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Vientiane Tel 47 Jan 28.†

Repeat for Information: Vientiane (OpImmediate), London, Washington, Paris (OpImmediate) from Ottawa.

By Bag: Warsaw, Moscow from London, Saigon, Phnom Penh from Vientiane.

## LAOS COMMISSION INVESTIGATIONS

Gundevia called me in this morning and asked me what I thought of the draft outlined in reference telegram. I told him Bridle had recommended acceptance and that I personally was prepared to do same. Gundevia said Indian Government approved present draft but he wanted to make it clear that they could go no repeat no further. He told me M.J. Desai had been reluctant to see publication of correspondence with RLG for fear of adverse effect this might have on Commission's future position. Since, however, Poles had agreed to attach correspondence, Indians were prepared to accept their addition.

2. My own view is that text meets our basic requirements and that addition of paragraphs on helicopters serves useful purpose of pointing up Commission difficulties even more clearly. I would recommend acceptance.

[C.A.] RONNING

505.

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 30, 1963

## LAOS COMMISSION – REPORT ON INITIAL INVESTIGATIONS

Bridle has secured acceptance by the Polish Commissioner as well as the Indian Chairman of our amendments to the draft report, i.e.:

(a) Attachment of the main correspondence between the Commission and the Laotian Foreign Minister, thus putting on the public record the precise nature of the restrictive conditions attached to the initial investigations;

(b) Expansion of the reference to “full co-operation” of the Laotian authorities to make clear that this co-operation was merely within the limits of the two villages;

(c) Inclusion of a reference to the Commission's intention to consider what further investigations may be required and to request “all necessary assistance” from the Laotian Government.

2. The amended draft does not include the texts of the Laotian Foreign Minister's two requests for a report on the investigations, though it does refer to them. It does include the text

of a strong Commission note to the Government about firing at, and wilful damage to, Commission helicopters.

3. In my opinion the draft report, as now amended, is a very much more satisfactory document than the original. I believe that it meets our essential requirements and I recommend that Bridle be authorized to sign it. Attached for your signature, if you agree, is a telegram† to this effect.<sup>32</sup>

N.A. R[OBERTSON]

506.

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-32

Ottawa, January 31, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 117 Jan 30.

Repeat for Information: Geneva, London, Washington, Paris, NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND, Vientiane.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Saigon, Phnom Penh.

LAOS – COMMISSION REPORT

You should inform Gundevia of our acceptance of report as amended. When doing so I should like you to say how pleased we are it has been possible to reach unanimous agreement within Commission on a report which places on record for information of all Geneva signatories full account of developments to date concerning implementation of this important part of Geneva Agreement.

2. Doubts expressed by M.J. Desai about advisability of publishing RLG-ICSC correspondence have of course been shared to varying degrees in several quarters (including USA State Department, which had qualms, according to USA Embassy here, about publication of Quinim's second letter of December 22). While recognizing possibility that publication of correspondence may entrench parties in positions taken, I continue to think that responsibility of Commission requires, and long-range prospects for implementation will be improved by, placing full story on public record. Short-term disadvantages should in any case be substantially reduced if not eliminated by unanimity of report. Souvanna's remarks to Avtar Singh (paragraph 16 Vientiane telegram 47 January 28†) suggest that he at least will not be disturbed by report of kind now agreed.

3. At this juncture I think it particularly important that Indians should recognize (as you seem to have been able to persuade them to do) that our reasons for pressing for changes were related to our own assessment of Commission's obligations under Protocol and of need for doing everything possible to ensure that Geneva Agreement is fully carried out.

[H.C.] GREEN

<sup>32</sup> Note marginale :/Marginal note:

Tel Y-30 signed by SSEA Jan. 30/63 and sent 2:30 p.m. M. N. B[ow]



507.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 55

Vientiane, January 31, 1963

CONFIDENTIAL. PRIORITY from Delhi.

Reference: Your Tel Y-103 Jan 26.†

Repeat for Information: Delhi (Priority), Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa. By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

## FOREIGN FORCES: FURTHER ICSC INVESTIGATIONS

Canadian submission January 19 is designed to restore ICSC initiative as such. At same time in substance it is intended as counter-offensive to RLG's presumption in its recent request to ICSC and as strong negotiating position for discussions which must be anticipated possibly in Commission and certainly with RLG on actual modalities of investigation.

2. Achievement of general aim outlined your reference telegram would provide precedent for future investigations, at least those on ICSC initiative. However resistance of recalcitrant elements in RLG even to conditions of this kind will be strong. Basic Pathet Lao attitude is that ICSC should investigate by going *seriatim* to single places and doing little but examine witnesses some of whom might be brought in from surrounding area. Apart from design to use negative results of such investigations for propaganda purposes they harbour genuine suspicion of ICSC personnel spying on them for unfriendly powers and prying into their area for non-ICSC reasons. Quinim abets Pathet Lao by systematic effort to give Protocol sort of interpretation desired by Communists at Geneva.

3. Souvanna's attitude is that ICSC should have better conditions but in view of RLG troika his own appreciation seems to be that most we can get is facilities for fairly frequent inspection visits to various places for quite short periods of time. He thinks problem of foreign forces can be solved only through integration of Laotian forces but considers ICSC inspections valuable for their moral effect.

4. In principle rightwing stand is for ICSC investigations under really effective conditions but during earlier negotiation in National Commission they first held out for more than West thought essential at that stage and finally collapsed by allowing Quinim to write letters which in substance, in tone and in their embarking on restrictive doctrinal assertions were far worse than minimum terms which Pathet Lao had been saying they would accept.

5. In short, modalities in Canadian memorandum will never be accepted by Pathet Lao and Quinim as they stand and quality of support to be expected from friendly elements is uncertain. Only tactics which will have any hope of success will be to pursue aim outlined in your reference telegram by attempting to negotiate with help of friendly RLG elements an acceptable compromise between full Canadian proposals and Pathet Lao counter-proposal if this materializes. If initial Pathet Lao reaction is flat rejection ICSC should use appropriate tactics to get negotiation started.

6. As indicated in paragraph 3 our telegram 25 January 1971 there is considerable negotiating fact [sic] on Canadian memorandum not repeat not only with respect to radius but also with respect to number of points and estimated time. Total area now covered is about 2000 square kilometres or about 800 square miles. In my view we could negotiate if necessary (the?) investigation in vicinity of one place with say 8 kilometre radius lasting say approximately one week. I think also we might if necessary accept actual rather than estimated area for each particular investigation and that if it came to one area we might wish to substitute for circle an area of different shape but similar size.

7. Additional advantage of proceeding in this manner would be that if RLG would not repeat not agree to minimum requirement of latter sort ICSC report to Co-Chairmen on RLG failure to provide assistance considered necessary to conduct of investigation would place RLG in worst possible light and give UK Co-Chairman maximum grounds on which to seek USSR cooperation in intervention by Co-Chairmen.

8. If it should be thought that Commission would give appearance of too great willingness to be accommodating by bargaining down from area approximately 2000 square kilometres to area of order of 200 square kilometres, or by leaving out of investigation suspected areas, following is relevant. By creating situation in which RLG would not repeat not know until toward end of its discussion with Commission which of proposed areas would actually be subject to investigation at this time, Commission would make it more difficult for Pathet Lao to cleanse area effectively before investigation actually took place. Moreover in accepting to investigate in one area Commission could give notice that it might wish to investigate in other areas at later stage and that it would expect to do so under conditions at least as favourable as those for forthcoming investigation.

9. My conversations with Unger lead me to believe that USA would not repeat not look with favour on eventual ICSC decision to scale down if necessary to conditions such as those in paragraph 6. I think that they would rather ICSC dug in at much higher level and that they would by no repeat no means be displeased to see this result in decision not repeat not to investigate but to refer to Co-Chairmen. Reason may be that they are increasingly sceptical of willingness to use Co-Chairmen role as lever against intransigence of Communist extremists or more generally as the way of bringing whole issue of Laotian settlement to head one way or other.

10. Another reason for this analysis of USA attitude is in following telegram. I add here only that until we are persuaded that general situation is as nearly hopeless as USA may think and that it is therefore desirable for Commission to act so as to precipitate showdown, we should continue to pursue our objective of bringing about investigations under acceptable and if possible increasingly advantageous conditions accepting need for reference to Co-Chairmen if RLG is recalcitrant on this. I would be grateful for your further instructions.

[P.A.] BRIDLE

508.

DEA/50052-B-1-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 56

Vientiane, January 31, 1963

SECRET. PRIORITY from Delhi.

Reference: Our Tel 55 Jan 31.

Repeat for Information: Delhi (Priority), Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa. By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

## FOREIGN FORCES: FURTHER ICSC INVESTIGATION

You will recall that Tchepone was one of two places selected for early investigation in memorandum November 15. This was done because it was one of two places which Vientiane side was then putting forward in National Commission.

2. Because it is of first importance now to establish satisfactory conditions for investigation, I considered and discarded Tchepone in favour of Nape when preparing for next step in ICSC. My reason is that Tchepone (which is adjacent to South Vietnam) is important to Vietminh mainly as staging point in South Vietnam and that consequently ICSC effort to penetrate this area would encounter special obstacle of North Vietnamese determination to protect it as a vital to continuing use of Laos as corridor into South Vietnam. At this stage when ICSC must seek to conduct investigations under satisfactory conditions it would be mistake to entail this special obstacle. It therefore seemed advisable to go now for area of Nape (which is adjacent to North Vietnam) and where there are in any case substantial reports of Vietminh presence. Tchepone might be our next choice there. Rightwing sources have told us that neutralist forces are now kept away from Nape area by Pathet Lao and USA Embassy has said there is considerable area near Tchepone from which Pathet Lao have recently been excluded by Vietminh. This confirms importance of Nape area as appropriate for investigation and bears out our appreciation of special obstacles to be encountered re investigations at Tchepone.

4. At one stage Souvanna talked rather lightly of ICSC soon being able to go to Tchepone and both Ngon and Unger urged Tchepone on me. However Souvanna almost certainly imagined relatively brief visit of very modest scope and all three accepted my preference for Nape at this stage. Unger added it also makes sense now because it is area where Vietminh are exerting pressure on neutralists through Pathet Lao – i.e. which is clear case of Vietminh interference in Laotian affairs as such.

5. Forrestal of White House and Hilsman of State Department were here in course of tour January 10-13.<sup>33</sup> I met them at Unger's house night before their planned departure. In conversation with me Forrestal talked in very general terms and it was only following evening when I met him again after his plane had been delayed by accident that he remarked to me that

<sup>33</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Office, 1994), document 440.

he hoped that we were going to make next step test case (in?) investigations and that he hoped Commission would propose next investigation at Tchepone. He recommended it because "it has nothing to do with Laos." He referred to part of Geneva Agreement prohibiting use of Laos for interference in other countries and said that it is important to bring "full Geneva machinery" into operation quite soon. He implied this was his reason for hoping ICSC would head for Tchepone now and said if ICSC were unable to investigate under proper conditions it would presumably so report to Co-Chairmen who would be urged to persuade RLG to be more cooperative. It seems probable that he also had in mind facilitating move by USA to persuade Russians to implement their private undertaking at Geneva re use of Laos for interference in South Vietnam. Forrestal said he fully understood my reasons as Commissioner for preferring Nape now but when I remarked that if Russians failed to respond satisfactorily as result of appeal to Co-Chairmen over Tchepone or any other place eventual upshot might conceivably be recourse to renewal of Geneva Conference. Forrestal replied that this is prospect from which one should not repeat not necessarily shrink.

6. This may be indication of present trend of USA thinking on Laos especially in relation to South Vietnam and possibly explanation of apparent USA tendency to seek to bring Laotian issue to head. If so, sense of urgency evinced in Forrestal's remarks may relate in some way to American appreciation of likely developments in Vietnam in next few months. Whether this is so or whether USA attitude is geared simply to their appreciation of situation in Laos I have certainly sensed in recent conversations with Americans here positive interest in seeing whole issue of ICSC investigations thrown up to Co-Chairmen in most clear cut terms possible. They want ICSC to succeed in its efforts to investigate on satisfactory basis but they give impression they regard our efforts in this direction as more means to end than attainable end in itself.

[P.A.] BRIDLE

509.

DEA/50052-B-40

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

TELEGRAM 125

New Delhi, February 1, 1963

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Your Tel Y-32 Jan 31.

Repeat for Information: Vientiane, London, Washington, Paris from Ottawa.

By Bag: Warsaw, Moscow from London, Saigon, Phnom Penh from Vientiane.

LAOS COMMISSION

I saw Gundevia this afternoon and gave him message in your reference telegram by reading to him your first two paragraphs. Gundevia replied that he found it difficult to express in words the very great appreciation he had for the Canadian position in regard to the draft report. Canadian position had been particularly appreciated during what he described as a very difficult time with Americans. Referring to your paragraph two, Gundevia said that in the light of M.J. Desai's doubts about publication of the correspondence with RLG, Gundevia had asked Avtar Singh to sound Souvanna Phouma's views on this subject. When neither he nor the Poles had any objection, it was decided to go ahead.

2. I agree with your view (paragraph 3 your reference telegram) that at this juncture it is particularly important that Indians should recognize that Canadian reasons for seeking

amendments arose entirely out of Canadian assessment of Commission's responsibility and obligations. I think Indians appreciate this fact. However, I am not repeat not at all sure that they will continue to hold this view if we have a repetition of the events of past two weeks in connection with subsequent Commission reports. I have been increasingly disturbed by manner in which USA pressure has been exerted on Indians in connection with draft report and negative results which this pressure has had and I wonder whether something could be done in Washington to persuade Americans to change or modify their tactics in the future.

3. I have in previous telegrams described resentment shown by Gundevia at USA methods and his belief, which seems to have been reinforced by each American démarche, that Americans (50 groups missing) [Tim]mons, USA Deputy Chief of Mission, told me last weekend that he had been instructed to see Gundevia Friday January 25 in order to state American position for third time. When Timmons spoke to me he was still very shaken by Gundevia's sharp reaction. Apparently the latter mentioned nothing about Canadian-Indian discussions (which had taken place the day before) and gave Timmons impression that Indians would stand firm on their own draft and could see no repeat no reason for re-opening the subject. Fortunately I was able to give Timmons a brighter picture. I gave him copy of paper contained in my telegram 96 January 25,† stressing that Gundevia had seemed personally sympathetic, although bound by his desire for Polish agreement in the light of their support for original draft. Timmons used this information, I believe, to soften contents of his report to Washington regarding the conversation with Gundevia. Timmons was unhappy about possible harmful effect of American pressure but pointed out he was bound by his instructions.

4. When I saw Gundevia January 29 he gave me his version of Timmons interview. Timmons had read to him what was obviously his telegram of instructions. It contained a sentence expressing USA view that Indians' continued insistence on unanimity was making ICSC a farce. Gundevia said he stopped Timmons at this point to say ICSC had not repeat not been, is not repeat not, and would not repeat not become a farce as long as India served on it. If it threatened to become a farce Indians would be the first to pull out. He told Timmons that certainly Indian Government desired unanimity in the present circumstances. They, however, always reserved their right to go into majority with Canadians, or for that matter with Poles, if circumstances warranted taking of such a position.

5. Gundevia told me that Canada, as a member of the Commission, had a perfect right to bring up any question it wanted and that, regardless of the strength or divergence of our opinions, Indians would always be prepared to listen and come half way. Gundevia could not repeat not understand, however, how an outside government, not repeat not a member of Commission, felt it had the right to exert the kind of pressure Americans had indulged in. Governments were certainly entitled to state their position and Indians appreciated being informed of positions taken by various Geneva co-signatories. But USA had gone far beyond this by arguing the details of the case and suggesting drafting changes in a Commission document.

6. A clear illustration of Indian annoyance with USA tactics is fact that Gundevia was not repeat not even prepared to give Timmons the satisfaction of knowing that Canadian-Indian discussions had reached state where there was a good chance that draft report would be amended to include all relevant factual information. I think you will agree that this is an unfortunate state of affairs which, if it is repeated, may seriously hurt our chances of obtaining Indian agreement to various Canadian proposals regarding Laos Commission activities. Certainly, it has not repeat not made our recent discussions with Indians here any easier. I had the impression each time I spoke to Gundevia, that Americans had been there just before me and that the effect of their approach had been to sour the atmosphere. Because American démarche came first (paragraph your telegram Y-20 January 16), Indians were probably

tempted to suspect that our attitude had been influenced by USA position. I very much hope that this situation can be avoided in the future and that Americans can be persuaded to hold off at least until Canadian opportunities for persuasion have been exhausted. It could be argued that an extreme USA position assists us in obtaining Indian agreement to a more moderate Canadian proposal, but this is a risky method of operation which requires previous and close consultation if one is to avoid the danger of pushing Indians into extreme positions.

[C.A.] RONNING

510.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 62

Vientiane, February 2, 1963

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Your Tels Y-30 and Y-32 Jan 30 and 31.

Repeat for Information: Delhi (Priority), Laosdel Geneva, London, Washington, Paris (Priority), NATO Paris, Perm New York, CCOS, DGPO, CGS, DM/DND from Ottawa. By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

COMMISSION REPORT

Report amended as in our telegram 47 was signed January 31 and forwarded to Co-Chairmen. Copy was sent to RLG. Full text in our telegram 59 February 1.<sup>34</sup>

2. Possible risk of difficulties arising from annexure of correspondence with RLG will I think be minimized if recipients do not repeat not embark on doctrinal discussion which could be used by unfriendly elements in RLG as means of justifying continuing assertion of their views. We cannot repeat not control Communist reaction to report but it would seem best on our side, having made situation clear, to act in greatest possible degree so as to let doctrinal argument die leaving issue to be put to more practical test in expected Commission effort to conduct successful investigation. While propaganda field will be of some importance it would also seem desirable to avoid doctrinal dispute at Co-Chairmen level. You might wish to consider suggesting to UK and USA authorities some are in discussion of report with USSR authorities [sic].

[P.A.] BRIDLE

<sup>34</sup> Voir Vientiane aux Affaires extérieures, télégramme 59, 1 février 1963, MAE/50052-B-1-40, partie 3.1. See Vientiane to External, telegram 59, February 1, 1963, DEA/50052-B-1-40, part 3.1

511.

DEA/50052-B-40

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

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

TELEGRAM 416

London, February 7, 1963

CONFIDENTIAL. CANADIAN EYES ONLY. PRIORITY.

Reference: Vientiane Tel 59 Feb 1.

Repeat for Information: Permis New York, Washington, Paris, NATO Paris, Delhi (Priority), CCOS, CGS, DGPO, DM/DND Ottawa (Priority) from Ottawa, Vientiane (Priority) from Delhi.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh from London.

## LAOS: REPORT TO CO-CHAIRMEN

Following arrival of report to Co-Chairmen we saw Simons Laos Vietnam desk in order to obtain preliminary reaction of Foreign Office. Foreign Office seems to be quite satisfied with the report. Simons observed that the more investigations the Commission can carry out the better. He did not repeat not think there should be too much concern as to whether the Commission can find evidence in favour of West or not repeat not. The main thing was for the Commission to go out in the field as often as it can and thereby assert itself and become factor contributing to stability in Laos. If there are many investigations carried out obviously the Commission also stands a better chance of making findings. On Vietminh presence, he was not repeat not too concerned either with the suggestion that KMT forces may have been in Laos or with the possible use that the other side might make of this. He thought that in fact this possibility may help the Commission to initiate more investigations. We are of course keeping Foreign Office informed of efforts of our delegation in this respect.

2. We took liberty of transmitting to Simons the views of our Commissioner concerning the kind of approach which should be made to Russians (Vientiane telegram 62 February 2). Simons merely smiled and observed that there seemed to be a united front in Vientiane. He read to us part of a telegram from Hopson, British Ambassador Vientiane, which expresses substantially the same views as Bridle. Simons said that he had discussed the matter with Warner, Head Southeast Asia Department, and that Foreign Office now tends to disagree with this line.

3. Foreign Office feels that it is their responsibility as Co-Chairman to raise any irregularity or deviation from Geneva Protocol. As this is first report to the Co-Chairmen this is even more important as Russians might use later the fact that no repeat no objection was made now. Simons said that Russians realised very well that they had come to a compromise with West over Laos for fear of worst and that they would expect us to make sure that they live up to their part of the bargain. He thought that in the context of Laos Conference and of the numerous discussions between Pushkin and MacDonald it was important to reassert point of view of West. He added however that Foreign Office has not repeat not yet reached final views on this and would not repeat not do so until Warner's return from Washington in approximately 10 days' time. Warner will probably raise this question with Harriman and obtain his views.

4. We observed, as personal comment, that much depended on the way this matter was presented to Russians as to whether or not repeat not a protracted doctrinal discussion on interpretation of Geneva Protocol was likely to follow. Simons agreed strongly with this and

pointed out that Foreign Office did not repeat not intend to rush headlong into a discussion on fundamentals with Russians. Foreign Office will probably agree with Russians next week to circulate report to members of Geneva Conference and any points of substance would probably be taken up following week or even later. His thinking at the moment was that Foreign Office would point out restrictions under which investigations were carried out and stress necessity for Commission to be completely unhampered in its task. Simons welcomed our views on this matter. We should be grateful for any views you may wish us to pass to Foreign Office.

5. As an aside Simons said that Co-Chairmen have now agreed to circulate, each on its own, documents concerning Laos Commission to all nations of the world. Russians had originally proposed that both should divide task between "your friends and our friends." Foreign Office was somewhat dismayed to receive from Russians rather short list of Britain's friends which included among other bizarre items "Tchiang Kai Shek clique." Foreign Office of course objected to this and as they were also afraid that USSR might send out only selected reading material to "their friends," both reached this compromise.

512.

DEA/50052-B-40

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

TELEGRAM Y-39

Ottawa, February 12, 1963

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 416 Feb 7 and Vientiane Tel 62 Feb 2.

Repeat for Information: Vientiane, Washington (Priority), Paris, NATO Paris, Geneva, Delhi, Permis New York (Routine), CCOS, CGS, DGPO, DM/DND.

By Bag: Canberra, Wellington, Warsaw, Moscow, Djakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh.

## LAOS: REPORT TO CO-CHAIRMEN

When report on investigation was being written our objective was to have facts recorded as fully as possible in order that they might be brought formally to attention of Co-Chairmen and other members of Geneva Conference for such action as they considered appropriate. We have carried out this policy to best of our ability and do not repeat not believe that it would now be consistent with it or with our position as Commission member to attempt to restrict use made of report. We were of course aware even before investigation took place that Foreign Office intended to use resulting report as means of opening discussion with Soviet Co-Chairman with view to persuading Russians to use their influence with left wing in Laos in constructive way (see your telegram 4484 December 20/62†) and that State Department were also thinking of using it in further approaches to USSR (Washington Telegram 3665 December 17† paragraph 4). If UK and USA consider such approaches could yield useful results we would not repeat not wish to dissuade them.



513.

DEA/50052-B-40

*Le conseiller à l'ambassade aux États-Unis  
au chef de la Direction de l'Extrême-Orient*

*Counsellor, Embassy in United States,  
to Head, Far Eastern Division*

PERSONAL AND SECRET

Washington, February 15, 1963

Dear John [Teakles],

At a dinner party over the weekend, Assistant Secretary of State Harriman sought out the Ambassador to speak to him about Laos. Making it clear that he was not registering "a complaint," Harriman disclosed dissatisfaction with developments in relation to the ICSC. He did not elaborate on the basis for this dissatisfaction, but implied that an over-conscientious exercise of judicial impartiality in the Commission would be playing into Communist hands.

2. To find out the background for Harriman's remark I spoke on February 12 to Charles Cross of the Laos desk, who is usually very frank with us. In the course of a long conversation which included a review of many of Ambassador Unger's reports from Vientiane, I gathered that United States authorities were unhappy about the Commission's unanimous report of January 31; were extremely anxious to see the Commission make more effective investigations, or failing that, disclose emphatically the reasons why investigations were ineffective; and that pending such a demonstration by the Commission, would strenuously oppose an investigation by the Commission into Air America operations. I gathered that a telegram of instructions bearing on the last two points had been sent to Delhi and Ottawa, the latter, however, to be used at the discretion of the Ambassador. By this time you may have heard from the Embassy but in case you have not I thought you should have an informal report from us.

3. As regards the Commission's January 31 report Cross said the United States authorities, including Governor Harriman, were very disappointed that the Commission, or at least an Indian/Canadian majority, had not seen fit to disclose in the text of the report the limitations imposed by the RLG on the Commission's investigations at Ban Long Kou and Ban Ton Pheung. They were not impressed by the argument that these limitations were apparent from the annexes to the report. In their minds proof of the inadequacy of the report had been supplied when Secretary Rusk raised the question of Laos with Soviet Ambassador Dobrynin on February 9. Dobrynin had simply said that the unanimous report of the Commission had established that evidence of the presence of KMT troops had been found, whilst there had been no evidence of the presence of Vietminh troops or charges of Pathet Lao obstructionism. To Cross this showed the impossibility of relying on "implication or inference" in reporting the Commission's operations. In fact, at various points in our conversation Cross referred to the operations of the Commission so far as farcical.

4. Cross said that in the light of the ineffectiveness of the Commission in its first efforts, Unger on February 7 had had a long detailed discussion with Bridle and Avtar Singh. Unger had reported that Singh had been elated at having achieved Polish agreement to a formula for describing the scope of investigations to be conducted by the Commission. The formula was to the effect that the Commission would investigate a point "and its vicinity." It appeared that Paul Bridle's efforts to adopt the term "vicinity" in the Commission had been opposed by the Pole, who had, with admittedly considerable justification, argued that since the Protocol used the term "points" in Article 16, the Commission should simply indicate that it was going to investigate "points." Singh thought that the addition of the phrase "and its vicinity" was a considerable victory. Unger nevertheless questioned Singh very closely on the attitude he

would adopt in applying this new formula. For instance, how would he react to RLG attempts to impose “ridiculous limitations” on the scope of investigations by the Commission’s teams? If the team wished to examine a place at the point of investigation and the local authorities argued that this place was “outside the vicinity,” what would be Singh’s attitude? If the team received *prima facie* evidence during an investigation of the existence of a situation “nearby” that required investigation, would Singh regard this as within the vicinity? – and so on. Unger reported that Singh had given a categorical assurance that in all these hypothetical situations he would base himself solely on the terms of the Protocol. In reply to Unger’s question Singh also said that he thought the adoption of the term “vicinity” would enable the Commission to conduct much more effective investigations than in the two cases already dealt with by the Commission. In the light of this discussion Unger reported to Washington that whereas previously he had opposed the use of the “vicinity” concept, he was now prepared, in the light of Singh’s assurances, to recommend that the United States go along with it.

5. We gathered that at a discussion on the same date Unger, Singh and Bridle had noted that the Pole had put in a request to the Commission for investigation of Air America operations. Unger reported that he had made it plain that the United States was willing “in principle” to have an investigation of Air America, but was not prepared to agree that the Commission should decide to conduct such an investigation until it had demonstrated its ability to act effectively on other investigations involving the Vietminh. In particular such a demonstration would have to include some use of the right of the Commission to act by majority decisions and a clear refusal by the Commission to accept unreasonable limitations on its freedom of action. When this had been done the United States would be prepared to see Air America investigated, although when such an investigation commenced, the United States would want it clearly understood that:

(a) the investigation was not merely to provide the Pole with an opportunity for a “fishing expedition”;

(b) the Pole would have to specify (preferably in writing) what he meant by his allegations that Air America was a “para-military” operation; and the Commission would have to be prepared to define for future reference what it understood by the term “para-military” because of the very vague and imprecise connotation of this term;

(c) October 7, 1962 would have to be the relevant date for determining the status of Air America. (Cross commented that the United States had “cleaned up” Air America operations prior to that date, in order to be certain of complying with the requirements of the Geneva Accords); and

(d) it must be clearly understood that the activities of Air America outside Laos were irrelevant.

6. It appeared that Bridle and Singh had been doubtful whether the Polish request for an investigation of Air America could be deflected at that stage. However, they apparently undertook to try. According to Unger’s report of February 9 the Commission had presented the RLG Foreign Minister with its plan to investigate two places at Canadian suggestion, two at Polish suggestion, and Air America operations at Polish suggestion. Singh and Bridle had represented this agenda as part of a package deal. On receiving Commission plans, Quinim had accepted them and asked what the Commission could do to investigate Phoukate and Tchepone. Unger had expressed his disappointment at the failure of Singh and Bridle to avoid reference to investigation of Air America. He said it would be essential that the Commission take no action to investigate Air America until it was clear that the Commission’s other proposed investigations, especially at Nape, were proceeding “effectively.” He also urged that there be prompt and effective action towards investigating the Tchepone area (a development which Bridle had already concluded was desirable).

7. Cross said that State Department had fully approved the stand taken by Unger in his talks with Singh and Bridle, as well as a further recommendation of Unger's that investigation of the possible presence of Chinese Communist troops in Northern Laos "should not become part of the present equation." State Department had then prepared instructions for Embassies in Delhi and Ottawa, as noted in my paragraph 2 above. These instructions indicated that there was concern "at the highest level of the United States Government" over the prospects in the Commission. It went on to say that since the Indian and Canadian members had, against the advice of the United States, agreed to the investigation of Air America operations, it was the position of the United States Government that it would refuse to permit co-operation in respect of any investigation of Air America until the Commission had made some progress in an effective investigation of the Vietminh presence in Laos. Cross said that the Ambassador in Ottawa, however, had discretion not to communicate this to the Department of External Affairs.

8. I tried, without, I am afraid, very much success, various arguments with Cross. He was reluctant to see any virtue whatsoever in unanimous action by the ICSC, even as a preparation for firm Indian/Canadian majority action, or for a statement of Canadian minority views. He believed that the Communist side from Vientiane to Moscow would press as hard as they could to exploit any failure of the Commission to ensure, by majority decisions as necessary, the rigorous implementation of the clauses of the agreements. Any failure to apply the letter of the agreement was, in his view, simply playing into the Communist hands. He thought this had been the net effect of the Commission's January 31 report. What the United States now feared was that an investigation of Air America operations would give the Pole and the Communists generally a propaganda heyday from which would emerge at best a strong Polish minority position, a weak straddling position by the Indians, and an insufficiently strong Canadian minority position. Obviously, in his view, the Air America operation could and would be conducted rapidly and effectively in comparison with investigations directed against the Vietminh presence. The United States was not prepared to have the sum total of effective investigation by the Commission directed against them without any balancing effective investigation against the Vietminh. Nor was he prepared to concede that, once having been raised, the Air America situation had to be proceeded with, the alternative being a propaganda barrage against the United States for failure to co-operate in the investigation. In this respect Cross said it made little difference to them, and they were quite prepared to take this opprobrium.

9. In the course of discussion Cross also threw in some thoughts on Laos generally in order to demonstrate that the problem concerning the Commission was only one of a number of anxieties about Laos. In rather broad terms he complained about Souvanna Phouma's indecisiveness, unscrupulous Communist pressure and failure of the right wing in Laos to play a useful role. He commented somewhat ruefully that the United States had practically broken the right wing in Laos in order to get agreement at Geneva and had extracted agreement from General Phoumi to co-operate with Souvanna Phouma. Phoumi was now taking the position that co-operation meant simply agreeing with whatever Souvanna Phouma agreed to.

10. As usual Cross was rather vague as to the alternatives to the use of the Commission as a means of stabilizing the situation in Laos and ultimately making progress towards desired Western objectives. About all he had to say was that if the Commission was not going to be effective, it was better not to have it and the United States held up to ridicule. He also spoke rather vaguely of the need for the United States to "beef up" the right wing in Laos.

11. I think there can be no doubt about the concern of the State Department over what they regard as a less than faithful execution of the Laos agreement, and I think that there is no doubt that they would like to see a rapid, and, perhaps, even immediate, transformation of the

Commission into a more effective instrument. I am sure that the Indian and Canadian authorities would agree that this is a desirable objective. I suspect that the somewhat greater sense of urgency shown by the State Department is related to fear of congressional pressure in the event of a deterioration of the situation in Laos, especially because the Laos agreement was, at its inception, viewed by the United States (and by the President in a personal sense) as a first test of Soviet good faith towards the present Administration. There may also be a certain element of gamesmanship in the State Department approach, based on the thesis that the Indians and ourselves will only move as rapidly towards effective operations in the Commission as circumstances seem to demand, and that one element, therefore, must be a continuation of strong pressure from Washington.

12. On the whole we are inclined to think that United States concern is largely related to a question of tactics in the Commission and that there has not yet been any very serious thought given to alternatives to working through the Commission. The rather strong views put forward by Cross (which, he took pains to make clear, bore Harriman's imprint), and the remarks made by Harriman to the Ambassador were clearly intended to ensure that we did not lose sight of American hopes for the effective working of the Commission, but there was no suggestion that the Administration was facing an immediate test, either in Congress or in Laos itself, of the validity of the peaceful course chosen by the United States. Our preliminary view would be that these intimations of the United States position should be taken seriously, but not as cause for alarm or agitation.

13. As you know, the Royal Laotian tour will take place here toward the end of next week. It will be necessary to see whether there is any further stiffening of the United States position after the Laotian party leaves.

Yours sincerely,

TED RETTIE

514.

DEA/50052-B-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures  
pour le chef de la Direction de l'Extrême-Orient*

*Memorandum from Assistant Under-Secretary of State for External Affairs  
to Head, Far Eastern Division*

CONFIDENTIAL

[Ottawa], February 15, 1963

LAOS

The High Commissioner for India called on me today, in part to speak of Laos. He spoke of some difficulty that had been reached and it was only after a period of confusion that I found he was not aware that there had been an agreed report to the Co-Chairmen. I took the opportunity of reading to him some sentences from Mr. Ronning's report of his conversation with Mr. Gundevia and then indicated that we had some concern about the situation regarding investigations which is now current.

2. In brief, I explained to Mr. Jha that while we were anxious to avoid unnecessary disputes with the RLG, we were not prepared to allow a position to develop under which the International Commission would be the creature of the RLG. I suggested that the boundary between compromise and a firm stand was not always easy to determine and then turned to our favourite theme of the common interest between India and Canada. One thing on which Mr. Jha had evidently been informed in some detail was the American pressure in New Delhi, and I explained to him that while we of course kept in touch with the Americans our attitude toward

the report to the Co-Chairmen, and in general on Commission affairs, was our own whether or not it bore any similarity to that of the United States.

3. Mr. Jha reminded me that he had previously been in charge of Indochina affairs in his Department of External Affairs and offered to take any part here that was useful. Since New Delhi is notoriously slow in informing its Missions I said I was sure that the Far Eastern Division would be more than happy to keep any of his officers up to date on the developments in Vientiane. I said too that we would from time to time like to discuss Laos with him and he said he would welcome this.

4. You will recall that in the past we took some advantage of Mr. Chakravarty's interest to relay our thoughts to New Delhi. While it is evident, as Mr. Jha himself suggested, that the main conversations must be in New Delhi, we can well supplement these by occasional conversations here.

G. DE T. G[LAZEBROOK]

515.

DEA/50052-B-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 19, 1963

LAOS COMMISSION INVESTIGATIONS – U.S. REACTIONS

On Friday, February 15, Rufus Smith, Counsellor of the U.S. Embassy, called on the Far Eastern Division and said (not, he emphasized, under instructions) that the State Department had been surprised and disturbed by the most recent decisions of the Laos Commission concerning further investigations. Washington was particularly unhappy about the Commission's decision – taken on Polish initiative and communicated to the Laotian Government on February 10 – to propose “an investigation with the object of determining whether Air America is a foreign para-military formation ...”.

2. When reminded by Teakles that the possibility of an investigation into Air America had been discussed by Canadian and U.S. officials in Ottawa, Washington and Vientiane on a number of occasions in the preceding weeks, and that we had been given to understand that the United States saw no objection to such an investigation and perhaps even some advantage, Smith confirmed his understanding that this had in fact been the position. The concern now felt in Washington, he thought, was related mainly to the timing of the Commission's decision: the State Department's impression was that it had formed part of a “package deal” on which the Poles had insisted, and, in view of the very unsatisfactory nature of the field investigations already undertaken by the Commission, it considered that the balance of Commission action was being shifted heavily against the United States. A subsidiary cause of irritation was that U.S. officials did not appear to have been consulted on the wording of the proposal to investigate Air America.

3. Bridle's emergency telegram 86 of February 15<sup>†</sup> confirmed the strong U.S. objections to the course taken by the Commission. These objections had been made known to Bridle on February 9. He had immediately called a meeting of the Commission at which he did his utmost, with Avtar Singh's support, to persuade the Pole to postpone the Air America investigation. The Pole however had insisted that all the proposals or none should go forward. Finally, Bridle had agreed to all being presented simultaneously. On February 14 the U.S.

Ambassador had informed both Bridle and Avtar Singh, under instructions, that since the decision on Air America had been taken “against Washington’s wishes and advice” the U.S. would not cooperate in any such investigation until the Commission had conducted meaningful investigations of the Vietminh presence in Laos and had reported on such investigations to the Co-Chairmen.

4. A letter dated February 15 from Rettie in Washington on the same subject was received yesterday by Teakles. This letter reported that Mr. Harriman had spoken to Mr. Ritchie over the weekend of February 9-10 of his dissatisfaction with developments of the Laos Commission (although he had made it clear that he was not registering “a complaint”). On February 12, in a conversation with the Laos desk officer, Rettie had been told that “U.S. authorities were unhappy about the Commission’s unanimous report of January 31; were extremely anxious to see the Commission make more effective investigations or, failing that, disclose emphatically why investigations were ineffective; and pending such a demonstration by the Commission (which would have to include some use of the Commission’s right to act by majority decisions and a clear refusal to accept unreasonable limitations on the Commission’s freedom of action) would strenuously oppose an investigation into Air America operations.” Instructions to speak along these lines had been sent to U.S. representatives in Delhi and Ottawa – with the proviso for Ottawa that they were to be used only at the discretion of the Ambassador.

5. Yesterday afternoon, February 18, I called in Ivan White and Rufus Smith of the U.S. Embassy, and in a discussion lasting almost two hours went over with them in detail the whole sequence of recent events in the Commission.

6. I referred first to the limited expectations which we had had at Geneva that it would prove possible to conduct “meaningful investigations” into the presence in Laos of foreign military personnel. I quoted to them an authoritative U.S. assessment of last September to the effect that the Commission would be unlikely to be able to carry out effective inspections in the vicinity of the Ho Chi Minh trail, although occasional visits of Commission teams would make communist activity in the corridor “somewhat more difficult.” I said this was in general agreement with our own assessment.

7. Nevertheless, I went on, we were determined to make such investigations as meaningful as the circumstances permitted; and I gave them a copy of our telegram Y-105 of February 16,† which instructed Bridle to propose that the Commission’s reply to the Laotian Government’s latest request for investigations be in more explicit terms than the drafts previously considered. It was our opinion, I said, that this R.L.G. request of February 6 could provide an excellent opportunity for the Commission to make a stand for its rights. We would decide in the light of the Indian and Polish reactions to our proposal what our next step would be.

8. Turning to the Air America question, I pointed out that we had been careful to consult the Americans well in advance as to their views on an investigation into its operations. I showed them a copy of Bridle’s telegram 40 of January 25,† which reported that the State Department had informed the U.S. Embassy in Vientiane that “U.S.A. Government would have no objection to ICSC investigation of Air America and think this might enable ICSC to play part in search for constructive basis for air supply operations.” We were conscious, I said, that our role in the Commission was in a sense that of the Western representative. We had always maintained, however, that our actions in the Commission must be consistent with the provisions of the Protocol. We would not be prepared to act “illegally.” It had seemed to us that the proposal to investigate Air America was a valid proposal under the Protocol; and indeed this was not, so far as we knew, questioned by the U.S. Government. In agreeing to place the proposal before the Laotian Government, therefore, we had acted in accordance with our obligations under the Protocol, as we saw them, and we had certainly not been aware that

we were acting contrary to the wishes of the U.S. Government in a matter which directly concerned them.

9. As for the Commission's report of January 31 on the two initial investigations requested by the Laotian Government, we had insisted that it contain full and precise information concerning the restrictive conditions laid down by the Laotians. We knew that the U.S. Government would have preferred that these conditions be commented on critically by the Indian and Canadian Commissioners in the body of the report; but since, for reasons with which the State Department was familiar, the Commission had accepted the conditions in this instance in order to get investigations started, we had not felt that that was possible. Nor, in our view, was it necessarily desirable; public criticism of the Laotian Government by the Commission could well have the effect of making the Commission's activities less rather than more effective.

10. I then turned to the question how consultation between our two governments on Commission matters might be improved in future. I said that what was principally needed, in our view, was a fuller and more constant exchange of views between officials in Washington and Ottawa who were responsible for recommending policy on these matters. This did not mean that we wished to limit in any way the exchanges between our Commissioner in Laos and the U.S. Ambassador; it did mean, however, that we thought it desirable, from both our points of view, that discussions which might be reflected in instructions for action should take place between the State Department and the Department of External Affairs, and that neither Department should have to learn of the other's decisions indirectly from Vientiane.

11. Another question of a procedural nature which had caused us some concern in this connection, I said, was the most effective means of influencing Indian thinking. I said frankly that in dealing with the Indians on the report of January 31 (and also in other earlier instances relating to the Indochina Commissions) we had found that the Indians were prepared to listen to arguments from us as a fellow-member of the Commission while being impatient and resentful of interventions by non-Commission powers. I read, from Ronning's telegram 125 of February 1, the remarks attributed to Gundevia to the effect that the Canadian attitude had been particularly appreciated during "a very difficult time with the Americans," and that he could not understand "how an outside government ... felt it had the right to exert the kind of pressure the Americans had indulged in."

12. I then said that on February 16 we had asked Bridle to come to Ottawa for consultation before the end of February, if possible; and I wondered if the State Department would think it useful for one of their responsible officials to come to Ottawa at the same time, so that we could have a frank, informal discussion about the whole range of problems concerning us both in Laos.

13. Ivan White replied that he very much welcomed this suggestion, which he was sure would be appreciated in the State Department. It might be that the most appropriate official would be Henry Koren (Director of the Office of South-East Asian Affairs) or Koren's Deputy, Norman Hannah. Another possibility would be Edward Rice, the Deputy Assistant Secretary for Far Eastern Affairs. He would immediately inform Washington of our suggestion.

14. White and Smith made only a few comments of a general nature on the substance of my remarks. They said that at each stage of the Commission's activities to date the United States had been able to derive only "minimal satisfaction"; that the United States entirely rejected the doctrine, put forward so persistently by the Indians, that unanimity within the Commission was essential if relations within the Laotian Government were not to be disturbed; that the Laotian settlement was one of the few tangible results of the meeting at Vienna between Mr. Kennedy and Mr. Khrushchev; that it was consequently very important, for international relations in

general, that the settlement should be made to work; and that if it broke down, a long shadow would be cast over prospects for accommodation of some sort on wider problems.<sup>35</sup>

G. DE T. GLAZEBROOK

516.

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], February 21, 1963

LAOS COMMISSION INVESTIGATIONS

The ICSC in Laos has now completed its first two investigations (on the presence of foreign military forces) and has reported on them to the Co-Chairmen. These investigations of two small villages discovered no evidence of the presence of North Vietnamese troops but found that Kuomintang troops had been in one of the villages (probably before October 7, 1962, the deadline for withdrawals under the Protocol). We were not at all satisfied with the conditions under which these investigations were carried out, for the Royal Laotian Government, in requesting them, had restricted the area which the Commission could visit to the confines of the two small villages and had limited the time the investigations could take to two days each. Our dissatisfaction with these limitations was, however, counter-balanced by our desire to end the Commission's long initial period of inaction and get it off the ground. We considered, and the British and Americans agreed, that it was better to get some sort of investigation under way, even at the cost of accepting the RLG restrictions, than to dig in our heels and refuse to go along with any investigation unless our interpretation of the rights of the Commission were met. This latter course would have meant, at least, a much longer delay in the holding of any investigations and, possibly, a complete deadlock between the Commission and the RLG or within the Commission itself.

2. Now that investigations have been started (though initially under unsatisfactory restrictions and with inconclusive results) there would seem to be much to be said for taking a firmer stand on the Commission's rights and duties under the Protocol with respect to future Commission action. In particular we think it will be advisable to resist much more strongly the attempts of the Poles and the RLG (under left-wing pressure) to impose restrictions of time and area on Commission investigations. We are also considering whether it will be desirable to protest any such restrictions to the Co-Chairmen, if necessary as Canadian minority views, in a Commission report.<sup>36</sup>

3. There are, of course, certain pitfalls in the way of a more vigorous policy. One of these is the danger that serious disagreement between the Commission and the RLG, especially criticism of the latter by the former (e.g. in a report to the Co-Chairmen), could weaken the already shaky Government perhaps badly enough to contribute to its downfall and place in jeopardy the whole Laotian settlement. We must remember that Prince Souvanna Phouma's Government is a very loose coalition of antipathetic factions and that Souvanna himself could

<sup>35</sup> Note marginale :/Marginal note:  
Noted. N.A. R[obertson]

<sup>36</sup> Note marginale :/Marginal note:  
O.K. [H.C. Green]



very well, in the face of Commission criticism and dissent within the Government, carry out his oft-repeated threat to resign and go to live in France.

4. We must also consider our relations with the Indians, for no progress on a majority basis can be made without their co-operation. If we take what they may consider too rigid an attitude we will not only find ourselves in a minority but will also lose any power we have to persuade them to move in our direction and will, on the contrary, throw them into the arms of the Poles.

5. Because of the complexity and delicacy of the issues involved, and because our decisions now will provide the framework for our Delegation's action for some time to come, we have asked Mr. Bridle to come to Ottawa for consultations. He will arrive on Monday, February 25.

6. We have recently had indications here, in Washington and in Vientiane, that the Americans are unhappy about developments in the Laos Commission. They fear in particular that, because of the relative openness of their operations and the tight control exercised by the Pathet Lao in their area, the balance of Commission findings will tend to be against them and their friends rather than against the Vietminh. They have even suggested that they will not co-operate in a Commission investigation of one of their operations (Air America) until the Commission has taken effective action regarding alleged Vietminh presence in Laos. We therefore thought that it would be useful to take advantage of Bridle's visit to discuss Laotian matters of common interest with the Americans and have suggested that they send to Ottawa one or two officials from the State Department during the latter part of next week.<sup>37</sup>

G.P. DE T. G[LAZEBROOK]

for

N.A. R[OBERTSON]

517.

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 603

Washington, February 22, 1963

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Paris, NATO Paris, Permis New York (Priority), CCOS Ottawa, CGS, DGPO, DND Ottawa from Ottawa.

By Bag: Vientiane, Delhi, Saigon, Phnom Penh, Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London.

LAOS

When I was seeing the Secretary of State on other matters February 21 he made a particular point of expressing the anxiety of USA Administration over situation in Laos. Rusk's tone was one of unmistakable concern and at one point he said he would appreciate it if I would express to the Minister personally how apprehensive Administration are about Laotian developments and how much they are counting on the International Commission, and particularly Canadian member, to help stabilize the situation.

<sup>37</sup> Note marginale :/Marginal note:  
O.K. [H.C. Green]

2. Rusk explained urgency of his concern by drawing attention to implications of growing tension between Souvanna Phouma and the Pathet Lao. The confrontation in the Plaine des Jarres was “ominous.” If the tension were to continue the situation could “blow wide open.” He intended to talk to Souvanna Phouma on Monday February 25 on the latter’s arrival in Washington in an effort to enlist his cooperation in achieving greater stability.<sup>38</sup> He had already spoken in this sense to the Polish Ambassador here who was returning to Warsaw for consultations.

3. Rusk said that a vigorous operation by the International Commission could be a very important factor in preventing Laotian situation from getting out of hand. He emphasized the high importance which USA places on securing the widest possible freedom of action for the Commission in an effort to forestall further deterioration.

4. I said that I knew Canadian Government wished to do everything possible to ensure an effective role for the Commission and that we were not satisfied with conditions under which Commission investigations had been conducted. I added that I was sure the concern he had expressed would be seriously and sympathetically received in Ottawa and that his references to the Commission would reinforce Government’s already firm determination to work for satisfactory arrangements to permit Commission to carry out its functions. I also knew that the Canadian representative was doing his utmost to achieve this result.

5. Rusk then observed that one uncertain factor was the degree to which USSR was able to control developments in Laos. USA was not repeat not fully informed on such questions as whether Moscow or Peking had the greater influence in Hanoi and as to the source of outside control of or influence on the Pathet Lao. As we knew, Khrushchev had made certain commitments in regard to Laos but it might be that he was inhibited from carrying them out to the full. One way in which Geneva agreement could be supported and Khrushchev helped to deliver on his undertakings was for the International Commission to utilize its terms of reference to the fullest limit. Without implying any dissatisfaction with Canadian policy in the Commission, he made a strong appeal to Canadian Government to do whatever might be possible at this and succeeding stages to resist efforts by the Communist side to limit the Commission’s effectiveness.

[C.S.A.] RITCHIE

518.

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], February 25, 1963

LAOS – COMMISSION INVESTIGATIONS

You will recall that on February 6 the Laotian Foreign Minister asked the Commission to undertake fresh investigations “at Tchepone and Phoukate” and to inform him “of measures that you would like to take in the matter.” The Commissioners considered several possible replies without being able to reach agreement. On the basis of our telegram Y-105 of February

<sup>38</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Office, 1994), document 440; *ibid.*, Vols. XXII/XXIV Microfiche Supplement (Washington: United States Government Printing Office, 1997), document 312.

16,† Bridle submitted a fresh draft to his colleagues. This has been referred to Delhi and Warsaw. Initial reactions to our draft are reported in Vientiane telegram 95 of February 19.† Copies of these two telegrams are attached.

2. Since the Indian position is crucial, we have thought it advisable to prepare for your consideration a telegram to Ronning indicating the line on which he should speak in Delhi. Also attached is a copy of telegram 180 of February 18 from Delhi,† giving Ronning's comments on our proposal.

3. The telegram to Delhi leaves open the important question of what we will do if the Indians decline to go along with us on a majority basis. A decision on this will have to be taken within the next few days. Since the question has implications of some importance, it occurs to me that you may wish to discuss it with interested departmental officers and with Bridle, who is now in Ottawa.<sup>39</sup>

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

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

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

TELEGRAM Y-46

Ottawa, February 25, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 180 Feb 18,† Vientiane Tel 97 Feb 20.†

Repeat for Information: London, Washington, Paris, Geneva, NATO Paris, Permex New York, Vientiane, CCOS, CGS, DGPO, DM/DND (OpImmediate).

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh.

#### LAOS – ICSC INVESTIGATIONS

It seems to us that recent developments and impending decisions in Laos make it imperative to take a careful look at whole trend of events there in order to determine whether there is anything more Commission can usefully do to foster stability and generally to promote objectives approved by Geneva Conference. We have called our Commissioner to Ottawa for consultation, and we would very much like to share our thinking with Indian Government.

2. Central fact is that seven months after formation of coalition government and signing of International Agreement, Laos is very little if any nearer to real unification. Factional attempts to intimidate, suborn and harass other elements in coalition are unfortunately a persistent reality; understanding in principle on integration of administration and forces remains at best an aspiration and at worst a façade. Dangers of this situation are illustrated by present apparently critical situation at Plaine des Jarres, in which Indian Chairman has taken an initiative which has our full support (Vientiane telegram 100 February 22†). Another cause for anxiety is continuation of allegations from various quarters that substantial numbers of foreign military personnel remain in Laos in violation of agreement. Also disturbing, especially for Commission members, is evident reluctance of Laotian factions (particularly Pathet Lao but also to some extent right wing) to agree to investigations by Commission teams except on

<sup>39</sup> Note marginale :/Marginal note:

Tel. Y-46 to Delhi signed by SSEA Feb. 25/63 and sent Feb. 25. M. N. B[ow]

terms calculated to produce negative or inconclusive results which can be exploited for propaganda purposes; these terms seem also designed to demonstrate Commission's dependence on RLG agreement to most minute details of arrangements.

3. We are of course well aware from whole experience since 1954 that patience is indispensable in dealing with Laotian problems. We are also fully conscious of difficulties experienced at last Geneva Conference in reaching agreement on degree to which ICSC could independently make decisions on need for and scope of investigations. Nevertheless present situation in Laos, while not entirely devoid of hopeful elements, seems to us sufficiently precarious to justify examining with greatest care every possibility of bringing Commission influence to bear more effectively. We are convinced, for instance, that unless future investigations can be carried out under conditions much more satisfactory than those conducted on December 30 and 31, Commission's prestige and influence may be seriously and perhaps irreparably impaired. Since Commission represents Geneva Powers, whose agreement made settlement possible, such an impairment could have far-reaching results. We are also convinced that ICSC need not and should not move only at pace of most recalcitrant Laotian faction. No doubt it should refrain from action which might place an unbearable strain on internal cohesion of coalition. But it should not hesitate, in our view, to take decisions on matters within its competence designed to stimulate and prod Laotian factions in direction of real compliance with Geneva Agreement. Nor do we think relevant provisions of Protocol should be interpreted so as to give any one member of ICSC a right of veto. Had Geneva Conference intended ICSC to operate on same principle of unanimity as provisional RLG, it would have drafted Protocol differently.

4. This emphasis on constructively independent role for ICSC is not new for us, as Indians will recognize. At Geneva it was Canadian delegation which argued more insistently perhaps than any other for maximum freedom of movement for Commission teams. We did not fully share opinion of some other Western delegations at Conference on importance of having fixed team sites, operational centres, etc. We did however press as hard and as long as we could for specific provision that teams could move freely in any part of Laos as required. While not satisfied that last sentence of Article 16 was an adequate substitute, we finally accepted it as best that could be obtained. Performance to date unfortunately falls well short even of what Communist delegations at Geneva professed themselves willing to accept. It was Pushkin who said ICSC teams should be free to travel to any part of country and stay there as long as necessary, e.g. five or six weeks or perhaps longer (Laos delegation Geneva telegram 1645 October 15/61); he went so far as to suggest provision for ICSC supply depots and housing "in some centres" (Laos delegation Geneva telegram 1793 October 27/61). Confinement of teams within villages designated by agreement of factions is practically antithesis of what we regarded then, and still regard, as necessary to optimum influence and effectiveness of Commission.

5. Having agreed to defer action on our proposal of November 15, 1962 in order that Laotian factions might reach some initial agreement, and having then accepted unsatisfactory conditions laid down in Foreign Minister's letter of December 18 in order to get investigations started, we are now most reluctant to become involved in another series of investigations so narrowly circumscribed that results might be misleading or appear derisory to Geneva Powers whom Commission represents. This is why we thought ICSC reply to Quinim's letter of February 6 should be along lines proposed by Bridle February 18. (His draft text in Vientiane telegram 96 February 19<sup>†</sup> has our full approval.)

6. We want to make it clear to Indians that our purpose is not to enter into dispute with RLG over interpretation of Protocol or deliberately to invite rejection by RLG of arrangements proposed by ICSC. Indeed we see some merit in Chairman's contention that it is more

appropriate for Commission to propose arrangements when it is initiating investigation than when it is responding to request from government. But in present case, when RLG letter asked ICSC to define measures it wished to take, it seems to us quite proper for ICSC to respond by giving information requested. We consider moreover that specific arrangements proposed in Canadian draft are inherently reasonable and wholly consistent with letter and spirit of Protocol.

7. We very much hope Indians will agree with us on this matter, which we regard as particularly important not only because of precedents now being established but also because of substantive importance of Tchepone as nodal point on Ho Chi Minh trail. If they share our objectives (as we believe) but have reservations about our draft, can they suggest other means of achieving same ends? For example, would they be prepared to send reply along lines of Chairman's compromise (paragraph 2 Vientiane telegram 81 February 12<sup>†</sup>), following this promptly with specific proposals from ICSC for further investigations in vicinity of Tchepone – both if necessary on majority basis?

[H.C.] GREEN

519.

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 650

Ottawa, February 28, 1963

CONFIDENTIAL. NO DISTRIBUTION. PRIORITY.

Reference: Telecon Glazebrook-Robinson.

USA – CANADIAN TALKS ON LAOS

This to confirm that following discussion with Sullivan of Harriman's staff, a team composed of Unger, Forrestal (White House), Czyzak (State Department) and possibly Cross (State Department Laos desk) will be available in Ottawa for talks Monday March 4 and as necessary morning March 5.

2. We think that this is as well-balanced and well-connected a team as could be got together here short of direct participation by Harriman himself.

3. We are told by Sullivan that as a member of McGeorge Bundy's staff in the Executive Committee of the National Security Council Forrestal is directly responsible for coordination of activities of agencies (State, Defense, CIA) concerned with Far Eastern Affairs.

4. Forrestal has a particular interest in Southeast Asia and is said by State Department to be intimately connected with formulation of policy on Laos. As to experience he has toured the area at least twice and attended the last Geneva Conference. He evidently serves as the President's "expediter" in a field where, as you know, presidential interest dating back to Vienna and reflecting current congressional pressures is both personal and anxious.

520.

DEA/50052-B-40

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

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

TELEGRAM 235

New Delhi, March 1, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel Y-46 Feb 25.

Repeat for Information: London, Washington, Paris (OpImmediate) from Ottawa, Vientiane (OpImmediate).

By Bag: Moscow, Warsaw from London, Phnom Penh, Saigon from Vientiane.

## LAOS: ICSC INVESTIGATIONS

I outlined to Gundevia yesterday afternoon in general terms our views regarding situation in Laos and Commission's role. I told him Bridle was in Ottawa at the moment discussing these problems with you and would be returning through Delhi to brief me on situation. I asked him whether Bridle and I could call on him to discuss problems facing Laos Commission. He stressed that meeting would have to take place before March 9 in view of his departure for Calcutta on March 10.

2. I think an approach to India along lines suggested in reference telegram would be much more effective if Bridle were present to provide first hand account of Laos situation and of practical steps which he considers might meet both Canadian and Indian interests. I hope therefore that it will be possible for Bridle to arrive in Delhi on either March 7 or 8.

3. Gundevia said he was glad I raised question on Laos because it gave him opportunity to tell me about yet another American démarche regarding Commission's activities which Galbraith and Timmons had made recently. He described American action as triple onslaught. Following original démarche two senior American officers presented Laos desk officer with written document followed by a second visit by Galbraith and Timmons to get Gundevia's reaction. Gundevia asked whether Americans had approached Canadian Government again on this subject. I said I was not repeat not aware of any approach apart from Unger's discussion with Bridle on Air America investigation. Gundevia gave me copy of American paper (text in immediately following telegram<sup>40</sup>). You will note it reiterates already familiar American argument regarding ineffectiveness of Commission. Gundevia was as usual enraged with this further American intervention in Commission's business. He wondered how Commission could possibly be expected to operate when it was constantly subjected to these outside pressures. He referred again to Indian Defence Ministry's desire to cut down commitment in Laos and his own personal view that Indians might just as well pull out if they are to be continuously high-pressured to support USA policy. Gundevia particularly resents USA attitude (which I gather has been made fairly clear to Indians) that they now expect Indians, who are receiving USA aid to resist Chinese aggression, to accept USA interpretation of political situation in Southeast Asia hook, line and sinker. He stressed Indian desire to maintain as friendly relations as possible with USA but was obviously determined to maintain Indian view of Laos questions regardless of USA attitude.

<sup>40</sup> Voir Delhi aux Affaires extérieures, télégramme 241, 1 mars 1963, MAE/50052-B-40, partie 47.  
See Delhi to External, telegram 241, March 1, 1963, DEA/50052-B-40, part 47.

4. USA interventions and Indian reactions are now becoming all too familiar and I describe this latest incident in detail only to emphasize the kind of situation and atmosphere in which Canada must try to negotiate with Indians for most effective Commission possible.

[C.A.] RONNING

521.

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-108

Ottawa, March 2, 1963

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tels 235 and 241† of March 1.

Repeat for Information: London, Washington, Paris, NATO Paris, Permis New York, Vientiane (Priority).

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh.

Because of Laotian King's visit to USA,<sup>41</sup> American officials cannot be here before March 4, 1963. Consequently, Bridle (who will be going first to Paris and London) cannot reach Delhi before Gundevia's departure on March 9.

2. We had anticipated that you would put before Gundevia the full argument in our telegram Y-46 but recognize the difficulties created by USA pressure. We are impressed by neither the Indian nor the USA attitude in this connection. The Indian doctrine that the Americans should not repeat not express their views on the Laotian problem cannot repeat not readily be defended in logical terms. On the other hand, the tone of the American paper is such as to cause irritation and resentment. In some respects (e.g. the reference to the Canadian proposal having being delayed and to a package deal) the paper is simply inaccurate. What is particularly unfortunate is that the argument in the USA paper is sufficiently near to our own to suggest collusion, though put in terms that we would neither use nor fully accept. Specifically we cannot repeat not accept the penultimate paragraph in your telegram 341. We regard the phrase in Article 15 "which is acting with concurrence of RLG" as subject to conflicting interpretation and have consistently maintained at Geneva and since, that the best course is not repeat not to press for the solution of an insoluble legal argument, but rather to press whenever the question of ICSC-RLG cooperation arises for the best possible conditions.

3. In spite of the unfavourable climate, we see no repeat no alternative to asking you to put in detail to Gundevia the argument in our telegram Y-46, pointing out, perhaps, that he could recognize the elements in it as Canadian points already made. The timing is influenced both by Avtar Singh's request for instructions and by the unwisdom of allowing the ICSC to appear as inactive and indecisive.

4. You should in particular put to Gundevia specific alternative proposals in final paragraph of our telegram Y-46. We would very much prefer that our draft reply (Vientiane telegram 96 of February 19†) be accepted: if the Indians object to it, they will presumably do so on ground that to define scope of investigation in space and time would be appropriate in an investigation

<sup>41</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Office, 1994), documents 444-445; Warren Unna, "Laotian King Starts U.S. Visit This Afternoon," *Washington Post*, February 21, 1963, p. A2.

initiated by ICSC, but not repeat not in investigation requested by RLG. Since an argument can be made both on legal and political grounds for such an interpretation, we are not repeat not prepared to insist on a reply of this kind to point of going into minority (though we might wish our proposal to be mentioned in subsequent report).

5. Alternative suggested in paragraph 7 of Y-46 has already been accepted in ICSC by Chairman, subject to Polish consent; if Indians therefore continue to object to such a reply going forward on majority basis, they would in fact be insisting on right of one member of ICSC to a veto on such questions. This principle we cannot repeat not accept.

6. However, we realize that the Indians are as anxious as we to make the Commission fully effective, and we would be interested in any alternative suggestion which would take cognizance of the principles we have attempted to outline.

522.

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 677

Washington, March 2, 1963

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tels 587 Feb 21† and 608 Feb 25.†

Repeat for Information: London, Paris, Delhi, Vientiane from Ottawa.

By Bag: Warsaw, Moscow, Saigon, Phnom Penh from London.

## LAOS

You will have seen from our reference telegrams that the attention of the press and Congress is being drawn to developments in Laos. Reports have also appeared concerning USA policy in South Vietnam i.e. that USA military personnel were, under present rules of conduct, unable adequately to protect themselves, that large USA aid payments to Vietnam were being wasted, and that USA press representatives in Vietnam were not repeat not being given a fair deal.

2. These reports bear out apprehension expressed privately to us over the past few weeks by USA officials that the Administration stands in danger of a barrage of criticism of its policy towards Laos. The continuing harassment of the Administration over its Cuba policies are taken as an indication of the kind of tactics that would likely be adopted by critics of USA policy on Laos.

3. At present it may be too soon to say whether apprehensions of officials will be borne out. Both in Congress and in the press over the past year or so there has been only more or less sporadic sniping at Administrative policy on Laos. Also Cuba continues to be a popular point of attack. On the other hand the visit of the Laotian Royal party to USA and press reports of the deteriorating situation in Laos may tend to focus public interest on the Administration's policy and provide a solid base in public opinion for Republican charges against the Administration. Furthermore the political debate over Cuban policy has at least had to give full marks to the Administration for the resolute manner in which Soviet intrusion with offensive weapons was handled. On the contrary although USA forces were rushed to Thailand in May 1962 to induce Communists to negotiate over Laos, there was no repeat no dramatic Communist response comparable to the Soviet weapons withdrawal from Cuba to take the edge off criticism of the Administration.



4. The concern of State Department officials derives not repeat not only from consideration of likely congressional attitudes but also from fact that amongst various USA agencies involved State Department was probably the foremost advocate of a neutral Laos. State Department was moreover according to information we can gather acting as the chosen instrument of the President in bringing the Laotian settlement about. The degree of State Department concern that the chosen policy should succeed is we think heightened by the fact that the President's first meeting with Khrushchev in Vienna had brought about mutual undertakings to work for a neutral solution in Laos. Failure of the Administration's policy in Laos would therefore represent not repeat not only a setback in objective terms but also a personal setback for the President. State Department officials have in addition told us on a personal basis that not repeat not least among critics of the Administration's policy on Laos would be elements of the Pentagon and CIA.

5. USA officials have made it clear to us that a central point to be made by the Administration in the event it comes under congressional fire in regard to Laos will relate to the effectiveness of the ICSC in supervising and controlling the 1962 Geneva Accords. As we understand it, USA based its decision to accept a negotiated settlement in Laos not repeat not only on a realistic appreciation of the difficulties of a military solution but also on its belief that

(a) USSR had no repeat no such vital interests at stake in Laos as to militate against Soviet observance of its obligations under the Geneva agreements;

(b) Souvanna Phouma with intelligent Western support could hold the country together with some prospect of avoiding a political conquest by the Communists; and

(c) the ICSC would have and would be prepared if necessary on a majority basis to act on greater authority than the Commissions in Cambodia and Vietnam and formerly in Laos itself.

6. The current emphasis on effective operation of the ICSC reflects some disenchantment with Souvanna Phouma and even with the USSR in respect of signs of deterioration in Laos. It seems now that USA officials are coming more and more to believe that a stronger performance by the ICSC is the only means for inducing more satisfactory performances by the Russians and Souvanna Phouma.

7. For these reasons there can be no repeat no doubt that USA authorities will press vigorously for maximum effectiveness in the operation of the ICSC. They do not repeat not suggest that ICSC can hope to ensure fully the observance of each and every provision of the Geneva Protocol. However they would hope that the Commission would have full freedom of movement throughout Laotian territory and that it would exercise this freedom to the full as a means of inhibiting clandestine activities by foreign Communist military elements in Laos about the existence of which USA authorities are in no repeat no doubt.

8. Officials do not repeat not seem to be sure that a demonstration of freedom of movement by the ICSC would be sufficient to disarmament determined criticism in Congress. However they believe it would at least permit them to rebut criticism advanced within the Administration itself.

9. These apprehensions also appear to lie behind the State Department's reluctance to allow ICSC investigation of Air America, until ICSC has proved its effectiveness in investigations into Communist activities in Laos. Concern appears to be two-fold: State Department fears at best a majority ICSC report that would not repeat not give Air America the clean bill of health they consider it deserves and that Communists will make propaganda gains. In addition however State Department fears that its policy of relying on ICSC will be undermined by congressional and even internal Administration criticism if first effective ICSC investigation (which is what USA would expect Air America case to be since it is not repeat not a clandestine operation) were directed against USA.

10. State Department officials have also clearly implied to us their expectation that even if ICSC operations cannot repeat not be more effective immediately, at the very least that Indo-Canadian majority will make clear in reports where the blame for this lies, i.e. with the Communist elements in the RLG, the ICSC, or the country at large, as the case may be. They believe that only if armed with such information can USA or British attempt to hold USSR to its undertakings.

11. Ottawa talks March 4 and 5 with USA representatives should permit fuller exploration of foregoing and perhaps other points. For the moment therefore we should simply like to point out that growing sense of frustration in Washington highlights as never before the importance of Indian policy and tactics in the ICSC. Reports from Delhi have clearly reflected Indian irritation and even rage at USA representatives' efforts to register Washington's point of view. Indian officials appear to think that Canada should act as the channel for USA views. They also appear to have concluded that USA policy towards Laos is different from their own (Delhi telegram 235 March 1) which in general we do not repeat not believe to be the case so far as concerns major objectives like the maintenance of an independent neutral Laos.

12. We hold no repeat no brief for the tactics or forms of expression used by USA in approaches to Indians. At the same time we believe the Indians should be encouraged to recognize that as distinct from cases of Cambodia and Vietnam USA is a party to Geneva Accords on Laos; is moreover very closely identified with the Laotian settlement now being tested; and is facing potentially strong internal criticism. We would agree that Canada can and in its own interest probably must try to increase mutual awareness in Delhi and Washington of problems other faces. But we do not repeat not believe Canadian efforts should be exclusive or preclude a direct dialogue in which both USA and Indians can and indeed must learn a few lessons. Our view would be that such a dialogue would be wholly consistent not repeat not only with the broad cooperation between the two in the economic development field over past several years but also with the assistance extended by USA to India since the Chinese military attacks. Perhaps Ottawa talks might provide an opportunity for a discreet exploration of this general problem as well as of the problems on the ground in Laos.

523.

DEA/50052-B-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 689

Washington, March 4, 1963

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Telecon Glazebrook-Robinson Mar 4.

## LAOS

The other night I had a brief conversation with Averell Harriman on Laos. Harriman was in a state of considerable agitation about the general Laotian situation and expressed some pretty pointed views about the role of the International Commission in recent months. He said more plainly than we have heard it from other officials that USA authorities are impatient with what they regard as an excessively scrupulous tendency to search for compromises in the interest of preserving Commission unanimity. It seemed implicit in his comments that Administration would prefer a showdown with the Poles in the Commission so as to set the stage for a direct

USA approach to Soviet Government on Laos. Harriman said frankly that it was his personal inclination to go to Moscow for this purpose if conditions warranted it.

2. I mentioned Harriman's comments to Arnold Smith, who saw Llewellyn Thompson this morning and sought to draw him out on what Administration really aims to achieve by the tactics outlined by Harriman. Thompson confirmed what we already know about Administration's dissatisfaction with the way matters have been developing. He said that USA concern over Laos was closely connected with the problem in Vietnam in the sense that USA's difficulties in Vietnam could be considerably lessened if a way could be found to stop Vietminh infiltration through Laos. While he did not repeat not say that the Administration had given up on Laotian neutrality or that they were thinking in terms of bringing an end to the operations of the Commission, he also said nothing specific to deny these propositions.

3. Thompson did not repeat not relate current USA tactics on Laos to any particular objective in the broad pattern of USA-Soviet relations, nor did he lay emphasis on Laos as a test case in the Administration's assessment of the possibilities of reaching satisfactory accommodations with USSR on major issues. It may be significant, in terms of what Harriman had said to me, that Thompson remarked to Arnold Smith that Harriman was always looking for an opportunity to revisit USSR.

4. In speaking to Arnold Smith, Thompson was careful to emphasize that he had kept out of Laotian matters and that his comments, therefore, did not repeat not reflect direct familiarity with details of Administration intentions. I think what he said is nonetheless of some interest, not repeat not only as a postscript to Harriman's remarks to me but also because, if Administration policy on Laos were being developed deliberately in context of USA relations with USSR, Thompson would certainly be directly involved. I am afraid however that despite these conversations and earlier explanations we have received of USA policy, it is still difficult to be certain what long term purpose the Administration is pursuing by its current tactics on Laos.

[C.S.A.] RITCHIE

524.

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-53

Ottawa, March 5, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 243 Mar 4.†

Repeat for Information: London, Washington, Paris, NATO Paris, Permis New York (Priority), CCOS, CGS, DGPO, DM/DND, Vientiane from Delhi.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Saigon, Phnom Penh from London.

To meet your request Bridle will arrive Delhi morning March 8.

2. All our plans now for more effective operations by Commission depend on reaching some agreement with Indians. Unless it is possible to reach agreement in yours and Bridle's conversations with Gundevia, and for the latter to arrange for Indian implementation, there would be a risk that the whole matter remain inactive until after Gundevia's return from Calcutta. This would mean an unacceptable delay in investigations by Commission. We trust therefore that some means of providing continuity can be found.

3. Bridle is fully informed of developments here and of our views. He will be able to give you a full account of both. We will add only our expectation that any agreement with Indian Government on course of action would be sufficiently precise to ensure against any future misunderstanding.

525.

DEA/50052-B-40

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

TELEGRAM 248

New Delhi, March 5, 1963

SECRET. CANADIAN EYES ONLY. EMERGENCY.

Reference: Washington Tel 677 Mar 2.

Repeat for Information: Vientiane (OpImmediate), London, Washington, Paris (OpImmediate) from Ottawa.

By Bag: Warsaw, Moscow from London, Saigon, Phnom Penh from Vientiane.

## LAOS

Washington reference telegram and your telegram Y-108 March 2 both show that our reports of talks with Indian officials have not repeat not conveyed clear picture of their attitude towards approaches by USA. Although I have tried to correct any misapprehension in my telegram 243 March 4,† I consider matter of sufficient importance to warrant longer emergency telegram to reach you at start of second day of Ottawa talks with USA officials.

2. Gundevia's irritation derives from persistent USA attempts to impose policy. Instructions to Galbraith evidently require him to do much more than present USA point of view. Understandable concern of State Department at situation described in Washington reference telegram seems to have prompted them to try to solve their problems by forcing ICSC policy. In my view their prospects of influencing Indians would be better if their methods were less forceful.

3. I entirely agree with our Embassy Washington that dialogue between Indians and USA is desirable. I believe Gundevia and other officials would welcome relations on dialogue basis. None of them have ever suggested or implied that Canada should be channel for USA views although they have upon occasion implied that Canada was sometimes being used as such. Indian complaint is that USA officials come only to talk about USA position and not repeat not to listen to Indian views.

4. Above all, Indians resent crude USA thesis that because they give aid they automatically possess wisdom and sound judgement in all areas. Indian appreciation of USA munificence is tempered by something close to resentment as Indian need to depend for economic development and now for defence upon outside which means mainly USA assistance. Any hint that USA economic and defence contributions should influence Indian policy in ICSC only reminds latter of their dependence and has the effect of strengthening their will to independence. On Laos in particular Gundevia and others freely and frequently recall that USA policy record only began to look good after USA started taking Indian advice.

5. You may consider it useful to discuss with USA officials desirability of framing Galbraith's instructions so that he may discuss problems with Indians rather than present cut and dried solutions. Among other things, such an approach would diminish some of the difficulties I have encountered when seeing Gundevia after Galbraith has been in. A further

point is that as we and USA are usually aiming at substantially same detailed objectives, we might be able to coordinate better our tactics for achieving them. In particular as cooperation of Indians is indispensable for successful use of ICSC in attaining those objectives, I would hope that there could be closer consultations before USA takes decisions concerning action in Delhi.

[C.A.] RONNING

526.

DEA/50052-B-40

*Compte rendu de réunions avec des représentants américains*

*Record of Meetings with US Officials*

SECRET

[Ottawa], March 11, 1963

MEETING OF CANADIAN AND UNITED STATES OFFICIALS  
ON LAOS, MARCH 4 AND 5, 1963

*Present*

Canadians:

Mr. G.P. de T. Glazebrook, Mr. J.M. Teakles, Mr. H.B. Singleton – Department of External Affairs.  
Mr. P.A. Bridle – Canadian Commissioner, ICSC in Laos.  
Brig. H. Love – Department of National Defence.  
Mr. E.R. Rettie – Canadian Embassy, Washington.

Americans:

Mr. Leonard Unger – U.S. Ambassador to Laos.  
Mr. Michael Forrestal – White House Staff.  
Mr. Rufus Smith – U.S. Embassy, Ottawa.  
Mr. John Czyzak, Mr. Charles Cross – State Department.

PURPOSE

The purpose of these meetings was to exchange views and information on a question with which both Governments were concerned, and to arrange for more frequent inter-governmental consultations on Laos.

THE SITUATION IN LAOS

In the American view the present situation in Laos gave cause for serious concern. Prince Souvanna Phouma's neutralist party was weak and suffering from internal dissension and even its military force, the army of Kong Le, was tending to split into left and right wing factions. The coalition government had not been able to exert its authority throughout the country which was still in fact ruled on a regional basis by the three factions. No effort was being made to deal with the very grave economic situation.

The Canadians agreed that the Royal Laotian Government was unstable and that there had been little progress toward unification of the country. They did not believe, however, that there was any immediate cause for alarm and indeed wondered whether, given the background, the general situation was much worse than might have been expected.

THE ROLE OF THE ICSC

The Americans looked on the ICSC as the "enforcing element" of the Laotian agreements and had believed that, under the 1962 agreements, the Laotian Commission could play a much more effective role than had been possible for it under the 1954 agreements or was possible

even now in Vietnam. They had therefore been greatly disappointed when the Laotian Commission's performance had not fulfilled their expectations. Indeed they thought that the Commission machinery was in danger of deteriorating through disuse. They recognized that the principal reason for the limited role the ICSC had so far played was the unwillingness of the Pathet Lao, the North Vietnamese and probably the Chinese to allow the Commission free access to the parts of Laos held by the left wing forces. They had reason to believe, however, that the Russians were trying to live up to their undertakings and were willing for the Commission to function properly. What the Americans had in mind, therefore, was that the Commission, if necessary by Canadian-Indian majority vote or even by a Canadian minority statement, might report formally to the Co-Chairmen that, because of RLG obstruction, the ICSC had been unable properly to carry out its functions under the Protocol. Armed with such a report the Americans could then approach the Soviet Government to determine whether the Russians still intended to fulfil their obligations and, if they did, to urge them to use their influence to persuade the Pathet Lao, the North Vietnamese and the Chinese similarly to honour the agreements. The American intention was evidently to use the vehicle of an ICSC report to the Co-Chairmen to raise the issues again to what they called "the level of international concern"; they intimated that if this did not produce satisfactory results they might regretfully be obliged to conclude that the Agreements were unworkable.

The Canadians agreed that the ICSC had an important contribution to make to stability in Laos but pointed out that the Commission dealt with only one aspect of the problem and that its role therefore should not be exaggerated. The Protocol was perhaps better than might have been expected in view of the political and military situation in Laos at the time of the Conference. In some respects it was an improvement over the agreements of 1954. Nevertheless it was an imperfect instrument and contained many articles which were ambiguous and which therefore gave rise to conflicting interpretations and difficulties of application. The Canadians also suggested that an Indian-Canadian majority report or, especially, a Canadian minority statement might not carry sufficient weight with the Russians to serve the purpose the Americans had in mind. It seemed to the Canadians that an appeal to the Co-Chairmen was not a step to be taken lightly especially when there was no guarantee that the results would be helpful to the Commission or would contribute in any other way to the stability of the situation.

#### THE PROBLEM OF INVESTIGATIONS

##### 1. *Investigations So Far Conducted*

The Canadians noted that the ICSC had so far undertaken only two investigations and that these had been carried out under most unsatisfactory conditions imposed by the RLG. After attempting unsuccessfully to have the conditions improved the Canadian Delegation had finally agreed to accept them as the only means of getting investigations under way.

The Americans said that they had not objected to these investigations but had thought that the limitations would be made known to the Co-Chairmen. What had happened was that two unsatisfactory investigations had taken place, one on the Pathet Lao side which had found no evidence of Vietminh presence and one on the right wing side which had found indications of the earlier presence of Kuomintang forces. The results of these investigations were reported but the limitations which invalidated them were not brought out clearly in the report. This had led to the feeling in the United States that the ICSC was not only ineffective but was positively harmful to United States interests.

The Canadians pointed out that they were also strongly of the view that the report should have made clear the restrictions on the investigations. They had, in fact, after prolonged negotiations with the Indians, succeeded in achieving this result in some measure by attaching

the correspondence between the RLG and the ICSC but it had not been possible to get the Indians to agree to comment critically on the restrictions in the body of the report.

## 2. *Investigations on the Agenda*

The Canadians pointed out that further investigations which have been proposed fall into three categories, viz:

- (a) Proposed by Canadians – 4 places in the area of Nape.
- (b) Proposed by Poles –
  - (i) 4 places in 4 different provinces.
  - (ii) 1 place where KMT forces were alleged to be.
  - (iii) Air America.
- (c) Proposed by RLG – Tchepone and Phoukate.

The Americans thought that the ICSC should send a letter to the RLG pressing for a reply on the Nape proposal. The Canadians said they would try to have such a letter sent.

With regard to the first of the Polish proposals, the Americans had no objections. They also did not object to the Polish second proposal because they felt no responsibility for the KMT. However, because the Communists always tried to associate the KMT with the U.S. Government the Americans hoped that the investigations would not be given too much prominence.

The Americans regretted very much, however, that the proposal for an investigation of Air America had gone forward to the Government from the Commission. While they did not object in principle to such an investigation, being confident that Air America was not contravening the agreements, they did consider that the Communists would gain a propaganda advantage from the mere fact that an investigation was taking place. The U.S. Government could not, therefore, accept an investigation of Air America until effective investigations of the Vietnam presence had been carried out by the ICSC.

The Canadians noted with regret that there appeared to have been a misunderstanding of the American position on Air America. From earlier discussions in Washington, Ottawa and Vientiane they had gained the impression that there were no American objections to an Air America investigation; only after the Commission had agreed to propose such an investigation had they become aware that the American position was conditioned by considerations of timing. The Americans in turn expressed regret that, when telling the Canadians of their agreement in principle to an Air America investigation, they had not indicated the importance they attached to timing. The Canadians explained that, while the Air America investigation could not be set aside, both the Canadian and Indian Commissioners were agreed that it would require a good deal of preliminary work so that the Americans need not fear that the investigation would go forward too quickly.

With respect to the Tchepone and Phoukate investigations, the Canadians said that they were approaching the Indians in Delhi to try to obtain their support for a Canadian draft reply to the RLG which would say that the ICSC, in undertaking these investigations at the request of the Government, wished to visit areas within a radius of X kilometres from Tchepone and Y kilometres from Phoukate. If the Indians would not accept this or something very similar, the Canadians would agree to carry out the investigation within the limitations indicated by the RLG provided that the Indians gave formal assurances that they would support, promptly and if necessary by majority vote, supplementary investigations in the Tchepone area proposed by the Canadian Delegation.

The Americans considered that this latter procedure would meet minimum Western requirements but emphasized the importance of the supplementary investigations taking place

in conjunction with or at least immediately following and related to the original investigation. They thought that any appreciable delay between the original investigation and the supplementary investigations (such as might be caused by a delayed response from the Government to the Commission's proposal) would not be acceptable.

#### OTHER MATTERS

It was agreed by both sides that increased consultation in Ottawa and Washington was desirable.

It was also agreed that it would in general be desirable to consult closely regarding Canadian and U.S. representations in Delhi on Laotian questions to avoid the danger of working at cross purposes.

The Canadians mentioned that they had always assumed that the U.S. Government would not expect them to take an "illegal" or otherwise indefensible position in the ICSC in support of Western interests. The Americans confirmed that the Canadian assumption was correct and that United States proposals with respect to Canadian action in the Commission would relate only to tactics and timing.

527.

DEA/50052-B-40

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

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

SECRET

[Ottawa], March 9, 1963

#### LAOS

Since your discussion of Laotian problems with Mr. Glazebrook, Mr. Bridle and Mr. Teakles on February 25 there have been no significant changes in the political situation in Laos and no developments in the Commission.

2. The talks which you agreed might be held between Canadian and American officials took place in Ottawa on March 4 and 5. These meetings provided an opportunity for a very frank exchange of views and laid the groundwork for more regular consultations in future. The Americans expressed in strong terms their concern at the way the situation in Laos was developing. They were particularly worried about the instability and ineffectiveness of the coalition government and about the continued presence of North Vietnamese and Chinese forces. They felt that the Commission was not playing the role they had envisaged for it and thought that its best course would be to bring its difficulties to the attention of the Co-Chairmen. It would then, they believed, become clear whether the Russians still intended to honour the obligations undertaken at Vienna and Geneva and, if so, whether they could make their friends comply with the agreement. A summary of the discussions will be sent to you shortly.

3. At the first meeting the Americans produced a letter to you from Mr. Harriman on current problems in Laos. The letter and a draft reply<sup>42</sup> are attached.

<sup>42</sup> Notes marginales :/Marginal notes:

Signed by SSEA Mar. 11/63 and sent. M.N. B[ow]  
Mar. 15 [Auteur inconnu/Author unknown]



4. Mr. Bridle left on March 6 for New Delhi where he will join Mr. Ronning in talks with Indian officials on Commission matters.<sup>43</sup>

M. C[ADIEUX]  
for  
N.A. R[OBERTSON]

[PIÈCE JOINTE I/ENCLOSURE I]

*Le secrétaire d'État adjoint des Affaires de l'Extrême-Orient des États-Unis  
au secrétaire d'État aux Affaires extérieures*

*Assistant Secretary of State for Far Eastern Affairs of United States  
to Secretary of State for External Affairs*

SECRET

Washington, March 2, 1963

Dear Mr. Green:

You will recall that, when we took leave of each other in Geneva last July, we both agreed that the situation in Laos would require the closest continuing attention if peace was to be preserved in that country. I know, from the constant contact we have had with your representatives, that this continues to be your view. Therefore, I am sure you share my current concern at the serious deterioration which has recently taken place in Laos.

In viewing this deterioration, I think both our governments can say without equivocation, that we have done our best to carry out the letter and the spirit of the Geneva Agreements. We have given unstinting support to Prince Souvanna Phouma and have urged those elements in Laos which were formerly associated with us to do the same. On the whole, I think we can be satisfied that General Phoumi and his colleagues have responded positively to this encouragement and have established themselves in close association with and support of Souvanna's government. In doing all this, we and they have acted on the assumption that the communists believed it in their own interests to preserve peace in Laos and to avoid violations of the agreement.

In similar fashion, your most able ICC Commissioner Paul Bridle and the Indian Chairman of the ICC, Avtar Singh, have attempted to preserve unanimity with their Polish colleague and cooperation with their Lao associates. They, like we, have bent over backward to avoid disruption and discord in the hope that a spirit of harmony could actually be developed, despite the violence which characterized the past.

All of us have now given the communists these several months to observe our good intentions and to reciprocate in kind. It seems, however, that they have chosen to interpret our generosity as weakness and our patience as vacillation. There is convincing evidence that the Viet Minh retain significant forces in Laos, and that, through these forces and their continued involvement in the internal affairs of Laos, they are influencing the Pathet Lao to disrupt the coalition government and frustrate the processes of demobilization and integration. By their actions within the Lao National Commission, they have intolerably impeded the work of the ICC, and, indeed, have infringed upon the prerogatives of that body.

I recall with admiration the vigorous efforts which you personally made at Geneva to ensure that the ICC would have the right and power, in circumstances like the present, to expose the violation of the Lao Agreements and to bring such violations to the attention of the

<sup>43</sup> Note marginale :/Marginal note:

Seen by the Minister Mar. 11/63 [Auteur inconnu/Author unknown]

international community. I believe your efforts, and the efforts of those of us who supported you, were successful in fashioning an ICC with an ability to act forcefully if necessary.

In the face of the deliberate design of the communist side not to facilitate but to prevent the ICC from exposing the continued presence of Viet Minh and Chinese Communist military personnel in Laos, I believe that the Free World must give as good as it gets both in and out of the ICC. To do less is to risk the loss of the whole country, a tragedy which would not be the less for having been carried out by indirection behind the facade of the Geneva Agreements rather than openly by military conquest. I shall not belabour the issue with quantities of detail which are available to you in any case from Commissioner Bridle's reports. I do hope, however, that you can find time to look into the problem personally with a view to ensuring that Commissioner Bridle's instructions are both strong and broad enough for the ruthless political warfare which is now being waged against an effective ICC by the communist side.

We are also enlisting the support of Prime Minister Nehru to make the ICC the effective instrument we had hoped it would be at Geneva.

With my warm personal regards,

Yours sincerely,

W. AVERELL HARRIMAN

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Le secrétaire d'État aux Affaires extérieures  
au secrétaire d'État adjoint des Affaires de l'Extrême-Orient des États-Unis*

*Secretary of State for External Affairs  
to Assistant Secretary of State for Far Eastern Affairs of United States*

SECRET

Ottawa, March 15, 1963

Dear Mr. Harriman,

Thank you for your letter of March 2 about the situation in Laos. I fully share your concern that every possible effort should be made to avert deterioration of the situation there and to promote the implementation of the objectives on which agreement was reached at Geneva. In working towards these objectives I believe it to be important that our two Governments should remain in the closest consultation.

I have learned with interest of the useful and timely discussions which took place in Ottawa on March 4 and 5 between officials of our two Governments concerning prospects for the more effective action by the International Commission which we both desire.

I recognize, as you do, that if the Commission, representing all the parties to the Geneva Agreement, is to make the contribution to the promotion of our common objectives which we anticipated at Geneva, it will have to find ways and means of bringing its influence to bear more effectively than has been possible so far. This is what we are now striving, in consultation with the Indian Government, to achieve.

During the meeting of officials in Ottawa the course we were following was described in some detail. I hope that it will commend itself to you and that it may achieve the results we both have in mind. I shall arrange that the State Department is kept in close touch with developments.

Yours sincerely,

H.C. GREEN

528.

DEA/50052-B-40

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

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

TELEGRAM 280

New Delhi, March 9, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel Y-53 Mar 5.

Repeat for Information: Vientiane (OpImmediate), London, Washington, Paris (OpImmediate) from Ottawa.

By Bag: Moscow, Warsaw from London, Phnom Penh, Saigon from Vientiane.

## LAOS: ICSC INVESTIGATIONS

I called on Gundevia today with Bridle who spoke in accordance with your telegram Y-46 in support of paragraph 4 of Canadian draft in Vientiane telegram 96.†

2. Both Gundevia, who was friendly and relaxed, and desk-officer Miss Mutthama, who was with him, spoke of great difficulty of conducting effective investigations even if their scope is widened but declared they nevertheless want better investigations. Gundevia did not repeat not specifically take issue with our draft addition to Chairman's draft reply to RLG but went out of his way to remark that ICSC can and has put investigation proposal to RLG.

3. More generally, he warned against Commission action of type likely to divide and weaken RLG and wondered what upshot would be if, while Commission sought vigorously to investigate more widely, coalition were to crumble. When Bridle reiterated our view that effective Commission action should strengthen RLG by demonstrating close interest of Geneva powers in implementation of agreement Gundevia made clear that it is major Commission actions taken on majority basis which he particularly fears would divide and weaken RLG. He stressed he is fully aware of facilities for majority decisions in Protocol but wishes to avoid these wherever possible.

4. Clearly having in mind USA desire to place issue of investigations squarely before Co-Chairmen as basis for demand that Russians follow through on their Geneva commitments, Gundevia said that Americans do not repeat not seem to grasp that, while Russians want Laos settlement to work, they will never try to force Chinese to be more amenable on an Asian issue in response to an American demand, particularly if this is done publicly. Indeed, Gundevia thought, very fact of USA taking increasingly strong stand on Laos at present time tends to make Russians less ready to accept whatever risks may be involved in their pursuing policy on Laos which no repeat no doubt seems to Chinese to be closer to that of Americans than to theirs.

5. Gundevia seemed interested in our readiness to consider modifications of our proposal. We consequently drew attention to Chairman's compromise mentioned in paragraph 7 of your Y-46 Gundevia finally said he would reflect on both this and our draft and get in touch with Avtar Singh. In view of general emphasis he placed on unanimity it seems likely that any latitude he gives Avtar Singh would not repeat not go so far as to authorize him to support us against Poles on issue now under consideration.

6. In light of your reference telegram, Bridle asked Gundevia if he could possibly let Avtar Singh have his views before he leaves for Calcutta. Gundevia said he hoped to be able to reach a considered view tomorrow and that he would in any case communicate with Avtar Singh as quickly as possible.

7. In event that Avtar Singh does not repeat not receive instructions permitting him to support kind of reply to RLG we want, and if he nevertheless has authority to negotiate without further instructions, Bridle intends, in accordance with your instructions when he left Ottawa, to secure sort of fallback position you discussed with him. While he would explore possibility of Avtar Singh being prepared to use technique Unger said he had told him he would be ready to adopt, if this proves unobtainable he will start from following general position which he had prepared for presentation to Gundevia today: "It would be understood that Indian Commissioner would support Canadian Commissioner in a proposal to RLG designed to ensure that, as an immediate follow-up to investigation carried out at Tchepone at request of RLG, there would be further investigation or investigations around Tchepone of a scope considered adequate by Canadian Commissioner." This formula is designed to cover all alternative ways of dealing with the problem in manner which gives maximum change of satisfactory result. At same time, as you have instructed, Bridle would make it clear that we had not repeat not abandoned principle embodied in our current draft.

[C.A.] RONNING

529.

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-55

Ottawa, March 11, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 280 Mar 9.

Repeat for Information: Vientiane, London, Washington, Paris, NATO Paris, Geneva, Permis New York (Priority), CCOS, CGS, DGPO, DM/DND.

By Bag: Saigon, Phnom Penh.

LAOS – ICSC INVESTIGATIONS

If Gundevia does not repeat not accept either our draft or "Chairman's compromise" we agree that you and Bridle may fall back on arrangement Avtar Singh told Unger he would accept, i.e. broadening of investigation in being on basis of information discovered by team in situ or sent to it from Vientiane by one Commissioner. Until every effort has been made to reach agreement on this basis (which may involve consultations with Avtar Singh) it would seem to us tactically unwise to fall back farther. What worries us, as you will realize, is possibility that Indo-Canadian agreement merely to propose extended investigation to RLG, even if proposal is made immediately, might result in indefinite delay while RLG deliberated on its reply. Any appreciable delay between original investigation and supplementary investigations, for whatever reason, would present grave difficulties.

[N.A.] ROBERTSON

530.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 118

Vientiane, March 11, 1963

CONFIDENTIAL. EMERGENCY from Delhi.

Reference: Delhi Tel 280 Mar 9.

Repeat for Information: Delhi (OpImmediate), London, Paris, Washington, Geneva (OpImmediate), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

## LAOS: ICSC INVESTIGATIONS

Following return to Vientiane March 10 I saw Avtar Singh and explained upshot of meeting Ronning and I had with Gundevia March 8. Avtar Singh said he had received telegram from Gundevia saying I had made strong plea for Canadian draft and asking for Avtar Singh's view. Avtar Singh had replied confirming his previous view that ICSC should carry out investigations requested by RLG but that investigation at Tchepone could be followed up by wider investigation proposed by ICSC. He recommended approval of this course.

2. When I asked how soon he expected Delhi to react he said he is certain that Delhi will accept his recommendation and that if he does not repeat not shortly hear to contrary he will assume this is case: it is Delhi's normal practice to allow him to operate within broad framework of Indian policy and to make specific decisions on his own responsibility. In present case reaction from Delhi would in any case be slow because in Gundevia's absence there is no repeat no one in Delhi who can make major decisions on Laos and, even if Gundevia were consulted in Calcutta where he is absorbed in Indo-Pakistani talks, it would probably take some time to obtain reply.

3. In light of your telegram Y-53 Ronning had already explained to me difficulty of obtaining continuity in decision-taking in Gundevia's absence and this was why I asked Gundevia to reach decision prior to his departure and to inform Avtar Singh accordingly. In circumstances outlined above you might wish Delhi to endeavour to ascertain from Miss Mutthama whether Avtar Singh's recommendation has been accepted. However for reasons outlined above and to be outlined below I think we may have to assume this and proceed accordingly.

4. Avtar Singh is concerned by continuing delay in decision on investigations, both those requested by RLG and those proposed by ICSC. When I raised question of prodding RLG on latter he said this would expose ICSC to counter-enquiry re delay in response to RLG letter of February 6 and that it is not repeat not easy to think of adequate rejoinder. Also he said Pole following recent visit to Hanoi has been taking line that delay in ICSC reply to RLG letter reflects Canadian-American desire to prevent ICSC investigation at Phoukate. (I found incidentally that Pole following his return from Hanoi had somehow become aware of our recent conversations with Americans.) He said Pole had expected I would return prepared to settle question of reply to RLG which had been outstanding when I left.

5. This morning I told Pole I was not repeat not yet in position to discuss this question further in Commission since I was awaiting further instructions which have not repeat not yet reached me. He said he would ask Chairman to arrange informal meeting tomorrow to discuss situation. I said I was agreeable but added that my instructions, though they should be here very soon, would not repeat not by then be received. (At meeting I will of course not repeat not allow sight to be lost of parallel delay on part of RLG in response to ICSC proposals.)

6. Re paragraph 7 our reference telegram: To expedite issue from current impasse I discussed with Avtar Singh several aspects of course he has recommended to Delhi. (I first raised technique of feeding information re other points to team at Tchepone which when in Ottawa Unger had said Avtar Singh had indicated he would be prepared to adopt. Avtar Singh said there must be some misunderstanding on this since most he had intended to envisage was team obtaining facility on spot to investigate other places with respect to which it itself might establish requirement.)

7. Avtar Singh's attitude on other questions I raised with him may be summarized as follows:

(1) Commission's authority might best be placed behind points to be investigated in vicinity of Tchepone by adding to written investigation proposal after "Tchepone and its vicinity" words such as "including points shown on attached trace." He thought Pole might accept this and gave impression he would support it by majority if necessary. In general he reiterated he would support my investigation proposals by majority if necessary and agreed that ICSC must make quite clear to RLG what it is proposing to do and that equally ICSC must receive clear indication from RLG of what it is prepared to facilitate.

(2) On substance there can be no repeat no doubt that he will support whatever Candel considers suitable both initially and in course of negotiation with RLG if any. His own disposition seems to be to favour ICSC putting forward points around Tchepone proper in first instance and pretty well insisting that this represents what ICSC considers it must do; if ICSC does this it could move on to other complexes in Tchepone area, building step by step though he recognizes that there may soon be quite a number of competing investigation proposals. He would not repeat not be opposed to all three complexes in Tchepone area going forward at same time but thinks that at best RLG would take attitude that one should be done initially along with place on other side.

(3) On timing of ICSC Tchepone proposal he would prefer it to be made at completion of investigations requested by RLG since they themselves might turn up further investigations possibilities and such time sequence would in any case seem natural. Nevertheless if we wish to put a Tchepone proposal forward now or at any other earlier time he will not repeat not object. On question of further Tchepone investigation immediately after first investigation there, he says that if desired by us he would support separate statement to RLG by ICSC to effect that it seems necessary to establish some priorities re investigations and that ICSC proposes to give priority to further Tchepone investigation. It is not repeat not yet clear to me whether he would carry this support to point of majority vote if we felt it desirable to assist this priority. On further question of whether ICSC would delay next report to Co-Chairmen until investigation at Tchepone including that proposed by ICSC had been completed or, alternatively, until it was clear RLG was not repeat not prepared to facilitate latter, Avtar Singh was only prepared to say he would agree to this at time if circumstances seem to warrant it. His caution on this point is I think largely dictated by feeling that delay in completing last report, and incidentally current delay in replying to RLG letter, is exposing Western side (with however little justification) to Communist charges that West is adopting delaying tactics. I impressed on him Americans' legitimate concern, which we share, re possibility of simple Tchepone investigation being conducted without any adequate follow up, and also without this being reflected in next report. My own feeling on this question of timing of ICSC-proposed

investigation at Tchepone is that essential requirement is that RLG's readiness or otherwise to facilitate be established very soon after first investigation is completed; this would mean Commission either to include in report on investigations requested by RLG report that RLG would not repeat not facilitate subsequent investigation proposed by ICSC or, alternatively, to report that RLG was ready to facilitate such investigation. In latter case question of priority to be assigned to second phase of Tchepone investigation would perhaps be of secondary importance.

8. This I think is most I can get at present in form of indications as to how Chairman would cooperate in putting forward and seeking to implement ICSC proposal for wider investigation at Tchepone. On whole I am inclined to think it provides basis on which we might be prepared to proceed and in light of which we might now decide to acquiesce in sort of reply to RLG letter of February 6 which other members or members of Commission favour. Text of such reply may be taken to be roughly that in draft† which Singleton prepared at my request when I was in Ottawa; it is I think entitled "Chairman's draft reply with minor amendments." If you decide to take this course I would take steps you have outlined to safeguard in principle Canadian position with respect to proper ICSC attitude toward investigations requested by RLG.

9. While I realize there may be aspects of course recommended by Avtar Singh which you will want me to discuss with him further at appropriate time I hope that decision may now be taken as to whether or not repeat not we are prepared to acquiesce in sort of reply which he has proposed ICSC send to RLG letter of February 6. I suggest that this decision need not repeat not wait upon confirmation from Delhi that Avtar Singh's recommendation in this matter has been accepted. Any further delay in reaching decision in ICSC as to how to respond to RLG letter will be increasingly embarrassing for us.

[P.A.] BRIDLE

531.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 120

Vientiane, March 13, 1963

CONFIDENTIAL. EMERGENCY from Delhi.

Reference: Your Tel Y-55 Mar 11 and our Tels 118 Mar 11 and 119 Mar 12.†

Repeat for Information: Delhi (OpImmediate), Laosdel Geneva, London, Washington, Paris (OpImmediate), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

LAOS: ICSC INVESTIGATIONS

On receipt of your reference telegram I again spoke to Avtar Singh about arrangement mentioned in first sentence of your telegram. He is prepared to go further than indicated in Paragraph 6 of our telegram 118 in that in advance of investigation at Tchepone he would inform Indian member of team of points in vicinity of Tchepone which Candel considers

require investigation. If in situ team by majority could establish need for such investigations on basis of evidence secured on spot he would support proposal to RLG for such investigations. Same of course applies to team requirement on basis of information discovered by it independently.

2. Canadian member of team would also be provided with above information and we would endeavour to arm him with questions designed to establish additional investigations requirements.

3. I have discussed this with Unger who feels it should provide basis for broadening investigation and favours ICSC now answering RLG letter without further delay.

4. Since we might also have to resort to extended investigation proposed by ICSC I should make clear, with reference to last part of (3) in paragraph 7 of our telegram 118 that, depending on Indian attitude, we may find ourselves in minority posture if we (seek?) to postpone report on RLG requested investigations to extent envisaged by me. Indians would certainly support inclusion in next report of fact that ICSC had proposed extended investigations but might well feel that report should not repeat not wait upon determination of whether or not repeat not RLG would facilitate this. I have discussed this with Unger and Hopson who are both inclined to regard question as somewhat hypothetical at present time.

5. While RLG ought by now to have responded to ICSC proposals made early February, ICSC is itself increasingly in default vis-à-vis RLG letter of February 6. Though Avtar Singh has accepted with some grace our inability to inform Souvanna and party, who returned today, of where matters stand he feels genuinely embarrassed by delay. You are aware of Polish pressure. All my Western colleagues hope ICSC reply may now go forward. While Indian reaction to arrangement mentioned in first sentence of your reference telegram falls somewhat short of what you would wish I am convinced we have now squeezed maximum out of Indians on this. In my judgment there is no repeat no point in attempting further negotiations with Indians before reaching decision on reply to RLG letter. Neither arrangement mentioned in first sentence of your reference telegram nor repeat nor alternative fallback provides certain prospect of avoiding difficulties apprehended by you. Nevertheless I am afraid further delay would create immediate difficulties which might jeopardize general prospect for further ICSC investigations. I would rather vote in minority than prolong indecision any further. Please instruct me prior to meeting of Commissioners Friday March 15.

[P.A.] BRIDLE

532.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-57

Ottawa, March 13, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Delhi Tel 280 Mar 9 and your Tel 118 Mar 11.

Repeat for Information: Delhi (OpImmediate), London, Washington, Paris, NATO Paris, Geneva, Permisis New York (Priority), CCOS, CGS, DGPO, DM/DND.

By Bag: Saigon, Phnom Penh.



## LAOS: ICSC INVESTIGATIONS

We were disappointed that Gundevia could not repeat not be persuaded to address himself specifically to texts of Canadian draft and Chairman's compromise or to make concrete suggestions of textual amendments that would be acceptable to Indian Government. All we have got for our pains is a lecture on the foolishness of American plans to bring investigation issue before Co-Chairmen and a polite hint that on questions of what Indians consider details of Commission operations we should deal with Avtar Singh who has full authority and not repeat not bother Gundevia.

2. While we realize that Indian Government normally do not send their Commissioner instructions on matters of detail we assume that they do so on major questions. We therefore wonder whether Gundevia fully appreciated that questions raised with him by you and Ronning are regarded by us as of fundamental importance to whole future of Commission. While we are aware of Indian reservations about discussing ICSC affairs with the Americans, they have insisted on their readiness to listen at any time to our views and to come half way to meet them (paragraph 5 Delhi telegram 125 February 1). We therefore assume that either Gundevia will take up these questions with Ronning again after his return from Calcutta or that he did not agree with us about importance of matters raised.

3. We are not prepared to abandon our stand on Commission's right to determine modalities of investigations proposed by RLG. Nor are we satisfied to proceed in this instance with alternative procedures on basis of vague assurances of support in hypothetical contingencies such as Avtar Singh has been prepared so far to give. You should accordingly seek precise assurances from Avtar Singh on following points:

(a) On same date reply to RLG letter of February 6 is sent ICSC will in separate letter inform RLG that it proposes to investigate presence of foreign forces at points in vicinity of Tchepone including "points shown on attached trace."

(b) All points in all three complexes will be included.

(c) Letter will also say that ICSC proposes to give priority to these further Tchepone investigations and that, while it would prefer for reasons of administrative convenience to carry them out in conjunction with initial Tchepone investigation, if this proves impossible the ICSC proposes to carry them out immediately following initial investigation.

(d) Report to Co-Chairmen on initial Tchepone investigation will also include either report on follow-up investigations or clear statement that latter could not repeat not be carried out because of lack of RLG concurrence or cooperation.

(e) Avtar Singh will carry out above undertakings by majority vote if necessary and will also be prepared to override by majority vote Polish attempts to introduce procedural obstructions such as debate on voting rules.

4. If above assurances are given you may, while reiterating preference for action along lines of your draft, accept text referred to in paragraph 8 of your reference telegram.

5. We have not of course abandoned our ideas of attempting to have initial investigation expanded by team in situ. We see no repeat no reason why Canadian team member should not propose visit to air field and other points in vicinity and we would hope Indian team member would have instructions to support him. Canadian team member should be briefed to grasp any reasonable opportunity to propose extension of investigation.

6. We gather from your paragraph 4 that Poles have something up their sleeves regarding Phoukate presumably opportunity for anti-American finding. You might try to discover, perhaps from USA Embassy, what the team is likely to find at Phoukate so that Canadian team member can be forearmed.

533.

DEA/50052-B-40

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

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

TELEGRAM 289

New Delhi, March 14, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel Y-55 and Vientiane 118 Mar 11.

Repeat for Information: Vientiane (OpImmediate), London, Washington, Paris, NATO  
Paris, Laosdel Geneva, Permis New York, CCOS, CGS, DGPO, DM/DND (OpImmediate)  
from Ottawa.

By Bag: Saigon, Phnom Penh from Vientiane.

## LAOS INVESTIGATIONS

I agree with Bridle that time has come to accept Chairman's draft reply to RLG letter February 6 with changes Avtar Singh himself will accept. We asked Miss Mutthamma how matter had been viewed by Gundevia before his departure for Calcutta. She said Gundevia had expressed intention of sending message to Avtar Singh following our talk but clearly had not repeat not seen text nor Avtar Singh's reply. However she stated that Avtar Singh had discretion in tactical matters within broad instructions and objectives laid down by Delhi. She indicated that text of reply fell into "tactical" category and that Gundevia was most unlikely to override Avtar Singh's judgment.

2. Miss Mutthamma was emphatic about Indian desire to conduct investigations on Commission initiative. She insisted that only difference with Canadians concerned best methods of securing results which would advance purposes of Geneva Agreement. She expressed confidence that because Bridle and Avtar Singh had common objectives they could work out mutually satisfactory procedures.

3. I doubt that we can create situation more to our liking by awaiting Gundevia's return and recommend that we accept substantially at their face value Indian oral assertions of intention to proceed with Commission initiatives.

[C.A.] RONNING

534.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-59

Ottawa, March 14, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Our Tel Y-57 Mar 13.

Repeat for Information: Delhi, London, Washington (OpImmediate), Paris (Priority).

By Bag: Saigon, Phnom Penh.

## LAOS: ICSC INVESTIGATIONS

If Avtar Singh will not repeat not agree to action proposed in paragraph 3 our reference telegram you should (a) request a formal meeting for consideration of ICSC reply to RLG letter of February 6 (b) at that meeting, if Chairman introduces simple affirmative reply propose amendments to bring his draft into line with your draft circulated February 18 (c) insist on vote on your amendment which will presumably be defeated by Indo-Polish majority. (d) vote in favour of Chairman's original draft explaining that you will not repeat not oppose investigations requested by RLG (e) as soon as Chairman's draft has been approved, introduce draft letter to RLG proposing investigation of presence of foreign forces at points in vicinity of Tchepone including all three complexes to be undertaken in conjunction with or immediately following initial investigation. We think it important that these steps be formally recorded so that reference may be made to them in next report.

2. You will of course appreciate that in using word "priority" in paragraph 3(c) of our reference telegram we did not repeat not intend that wider investigations around Tchepone should necessarily be undertaken or completed before other investigations into presence of foreign military personnel (which could in view of Commission resources take place simultaneously) but rather that it should be undertaken in conjunction with or immediately following initial investigation at Tchepone. Similarly, on timing of ICSC proposal referred to in our paragraph 3(a), what we regard as essential is that proposal go forward before initial investigation at Tchepone is organized; this would mean within two or three days of ICSC reply on initial investigation.

535.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 122

Vientiane, March 15, 1963

CONFIDENTIAL. EMERGENCY from Delhi.

Reference: Your Tels Y-57 Mar 13 and Y-59 Mar 14.

Repeat for Information: Delhi (OpImmediate), London, Paris, Washington, Geneva (OpImmediate), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

## LAOS: ICSC INVESTIGATIONS

This morning on receipt of your telegram Y-57 I sought precise assurances from Avtar Singh on points in your paragraph 3. He was agreeable to (a) except that he felt it would not repeat not be feasible to send separate letter on same date as reply since Pole would have to have time to consider ICSC proposal. Involved in this is intention to modify presently agreed vicinity formula by addition of words relating to points on attached trace. He is agreeable to (b). He would have no repeat no objection to (c) but warns that Pole would also demand priority for investigations proposed by him and would almost certainly place Air America at head of his list. On (d) he was not repeat not prepared to go further than indicated in paragraph

7 (3) of our telegram 118, his reason being that it is premature at this stage to decide when report should be made and what it should cover. On (e) he will carry out any undertakings by majority if necessary and, subject to Indian views on substance which seem similar to ours, will be prepared to override procedural obstructions by majority if necessary. At same time you realize that Indian disposition to seek unanimity wherever possible, because of their conviction that majority decisions unsettle government and achieve little with Co-Chairmen, is still very strong.

2. Clarification of your views on timing of ICSC proposal in your telegram Y-59 which I have just received brings your position close to what Avtar Singh would accept subject to time required to get ICSC proposal through Commission. Avtar Singh will support proposal as soon as we make it but no repeat no one can guarantee that (it) will be approved within two or three days. (Indeed it is also out of question to expect that RLG will make arrangements for initial investigation in time for it to commence two or three days after ICSC reply has been received. Nevertheless in view of Avtar Singh's reactions to (a) and (e) I think it would be fair to say that he is prepared to meet your view on timing of ICSC proposal to best of his ability. This leaves (d) on which I find he still feels unable to meet you.

3. It would therefore appear that I am to proceed as outlined in paragraph 1 of your telegram Y-59. Before receiving this telegram (in view of circumstances described in our telegram 119 March 12<sup>†</sup> which I hope you have by now received) I had with some difficulty succeeded in obtaining postponement of today's Commission meeting until March 18 or if necessary 19 to allow time for you to send me further instructions without which I was unable to act. I am taking advantage of this delay to comment on some implications of your latest instructions which I think are important.

4. As you no repeat no doubt realize registering of votes as envisaged in your telegram Y-59 will not repeat not only be accompanied by statements of Indian, Canadian, and Polish views on substantive issues but may also lead to introduction of procedural obstructions by Pole. These may include concurrence, reasonable grounds and probably (because of voting procedure required by you) issue of voting procedure. Avtar Singh would like if possible to avoid these complications which could further delay reply and wonders if your requirement might be met if, following decision at informal meeting to send simple affirmative reply, Canadian draft and position on it and actual reply were placed on record at formal meeting. Other Commissioners' views would doubtless also be recorded and reference to whole proceedings could appear in next report. I said I would forward this suggestion for your consideration. He wishes me at same time to make clear he is prepared to vote if you desire this.

5. With regard to timing of Canadian initiative on wider Tchepone investigation, whether as part of procedure in your telegram Y-59 or otherwise, I must draw to your attention effect of timing you have in mind on any efforts to expand initial Tchepone investigation as envisaged in paragraph 5 of your telegram Y-57. If you have by now received my telegram 120 March 13 (in reply to your telegram Y-55 in which you indicated that this was your first objective) you will have noted that Avtar Singh's latest response provides basis for expanding initial investigation not repeat not unlike that outlined in your telegram Y-57. I do not repeat not wish to exaggerate chances of doing this effectively but I think you should know that Unger attaches great importance to this method being tried to utmost and that he believes that forwarding of vicinity proposal by ICSC at time envisaged by you would provide unfriendly elements in RLG with plausible basis for refusing broadening since this would be provided for in separate Commission proposal. This effect would certainly be heightened by inclusion in relevant letter to RLG words to effect that investigations proposed by ICSC are to be undertaken in conjunction with or immediately following initial investigation. Inclination of both Unger and

Hopson is to hold ICSC proposal in reserve until we have better idea as to how initial investigation is going to work out. You may therefore wish to give further consideration to timing of ICSC proposal and Canadian initiative related thereto.

6. You may also wish to reflect on likelihood (mentioned in paragraph 1 above) that Canadian demand that Commission proposal on Tchepone indicate intention to conduct wider Tchepone investigation immediately following initial investigation would almost certainly give rise to Polish demand, however unreasonable, that Commission assert similar priority for Air America investigation. This is point which it might be desirable to discuss with Americans before taking action you now intend with respect to Tchepone. To save time I will discuss it with Unger here and send you his reactions soonest.

7. I have thought it necessary to raise these considerations because I think they deserve careful consideration before we proceed in manner indicated in your Y-59. I would nevertheless be grateful to receive your further instructions before morning of Tuesday March 19 at latest.

[P.A.] BRIDLE

536.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 125

Vientiane, March 16, 1963

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Your Tels Y-57 and Y-59 Mar 13 and 14.

Repeat for Information: Delhi (Priority), London, Paris, Washington, Geneva (Priority), NATO Paris, Permisis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Canberra, Wellington, Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur from London, Saigon, Phnom Penh from Vientiane.

LAOS: ICSC INVESTIGATIONS

I would like to inform you of following points which arise with respect on implementation of paragraphs of your reference telegrams.

2. Re (b) of paragraph 1 of Y-59 you will be aware that conditions for investigation advanced in my draft February 18 differ from those in Commission's recent investigation proposals in that latter do not repeat not include radius or estimate of time. In case of Nape precision as to scope was given through attachment of trace showing points (though Pole did not repeat not support this) and estimated time is to be asserted when RLG responds. Furthermore in discussion Pole might refer to compromise suggested by him (paragraph 3 of our telegram 81†) and ask why this is not repeat not acceptable to Candel.

3. I intend to propose amendments in terms of my draft of February 18 at same time making clear that we have been prepared to consider any modification of this which would constitute satisfactory alternative. If Pole raises above question I will say that without further precision his compromise was not repeat not adequate for our purposes.

4. Re (a) in paragraph 3 of Y-57 I intend to say “specifically” instead of “including” because this removes vagueness from proposal and makes it much more difficult for RLG to refuse. Any subsequent requirement to go to additional points established by team could be properly asserted at time.

5. Re (b) of same paragraph I am deleting small number of points on Tchepone trace which are too eccentrically placed. Also, it might be sufficient from point of view of conducting effective investigation to investigate first in one complex leaving others to be done subsequently. When in Ottawa I understood you to feel that this would be acceptable if RLG was not repeat not prepared to facilitate all three at same time and Unger with whom I have discussed matter is of this view. On other hand Avtar Singh (while fully prepared to support all three complexes) is of view that just as ICSC should not repeat not bargain with RLG over scope of investigations requested by it so RLG should not repeat not bargain with ICSC over scope of investigations proposed by ICSC. (For this reason though he recognizes that we have put forward four rather smaller complexes in case of Nape he would really prefer to put forward one complex at time at Tchepone.) I think he would generally be guided by us with respect to investigations we put forward and in present case he would be prepared to regard staggering of three complexes, if this proved possible and desirable following presentation of three, as question of timing rather than of substance, nevertheless nature of RLG response to three complexes cannot repeat not be predicted and I think we should be clear that in putting forward all three we incur some risk of simple RLG unwillingness to facilitate all three becoming basis [of?] report to Co-Chairmen re not repeat not cooperation. Until I hear from you further I will act in accordance with your Y-57 but would be grateful for your views.

[P.A.] BRIDLE

537.

DEA/50052-B-1-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-109

Ottawa, March 16, 1963

CONFIDENTIAL. EMERGENCY from Delhi.

Reference: Your Tels 122 Mar 15 and 123 Mar 16.†

Repeat for Information: Delhi (OpImmediate), London, Washington, Paris, NATO Paris, Geneva, Permis New York, CCOS, CGS, DGPO, DM/DND (Priority).

By Bag: Saigon, Phnom Penh from London.

LAOS: ICSC INVESTIGATIONS

As you point out in your telegram 122 assurances Avtar Singh is prepared to give do not repeat not meet our requirements and you will therefore have to proceed as outlined in paragraph 1 our telegram Y-59 Mar 14.

2. Reference paragraph 4 your telegram 122 we do indeed realize that our insistence on recording of votes may lead to introduction of procedural obstructions by Pole. We must nevertheless insist on vote and your explanation being formally recorded so there will be no repeat no doubt about our stand on Commission's rights in determination of modalities of investigations proposed by RLG. We are of course relieved to learn from paragraph 1 your

telegram 123 that danger of procedural problems is lessened. Pole doubtless sees that if he raises these issues responsibility for delay or reply to RLG will be transferred to him.

3. Reference your paragraph 4 we still hope that expansion of initial Tchepone investigation by team on ground will be possible and we expect Candel to do utmost to bring this about. We do not repeat not however rate very highly chances of achieving effective expansion in situ or even of obtaining majority team decision recommending extension in view of Avtar Singh's attitude (paragraph 1 your telegram 120 March 13) that such a team decision would have to be based on "evidence secured on spot." In view of the fact that the "spot" is a Pathet Lao stronghold we regard chances of teams finding useful evidence as minimal.

4. Reference latter part of your paragraph 5 while, in accordance with paragraph 1(e) our telegram Y-59, you would press for Canadian draft to be approved and sent to RLG immediately, Chairman will undoubtedly give Pole time to consider it. Your proposal may therefore not repeat not be in hands of RLG when team on ground is proposing expansion of investigation. (If initial investigation is in fact under way before your draft is sent, draft will have to be modified to delete "in conjunction with".)

5. Reference your paragraph 6 possibility of [Pole] requesting priority for Air America investigation is chance will have to take although you should propose that Air America be not repeat not further considered in Commission until reply is received from RLG. Perhaps Americans can persuade right wing representatives in National Commission to delay reply. We are pleased to note Unger's view (your telegram 123 paragraph 2).

6. As you will appreciate our effort has been not repeat not only to secure meaningful investigations but to avoid series of precedents under which restricted investigations proposed by RLG formed a pattern which could apply not repeat not only to those investigations but by extension to investigations proposed by ICSC. We have made every effort to explain to Indian authorities why we were so concerned that any steps now taken should be in light of above considerations. Not repeat not only have we proposed several alternative courses but we have explicitly invited alternative ones intended to achieve effective investigations. We can only regret that they have shown no repeat no readiness to face with us problem which we at least regard as critical.

7. On basis of instructions in paragraph 1 above we envisage following developments:

- (a) you will be overruled in attempt to amend draft letter to RLG
- (b) reply will go without any delay caused by us
- (c) you will then put forward proposals for further investigations by ICSC.

8. While we are now far from satisfied with course which has to be followed it should at least be clear

(a) that we are not repeat not now causing delay in the taking of the steps on which Avtar Singh has insisted and

(b) we have done everything we could to implement the views of those who agree with us that the ICSC should accept its full responsibility, under the Protocol, to ensure that investigations are designed and conducted in such a way and at such times as would carry out the purposes described in the Protocol.

538.

DEA/50052-B-40

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

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

TELEGRAM 305

New Delhi, March 18, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel Y-109 Mar 16.

Repeat for Information: Vientiane (Emergency), London, Washington, Paris, NATO Paris, Geneva, Permis New York, CCOS, CGS, DGPO, DM/DND (OpImmediate) from Ottawa.

By Bag: Saigon, Phnom Penh from Vientiane.

## LAOS INVESTIGATION

Although I have no repeat no wish to delay or complicate procedures in Vientiane I feel I should comment on final sentence paragraph in reference telegram. External Ministry here does not repeat not underrate importance of Commission conducting effective investigations. However they do not repeat not consider issue clear when RLG has requested investigation. They see no repeat no convincing argument based on Protocol or otherwise to refute contention that when RLG requests investigations it is entitled to prescribe their area and duration.

2. You recognize that by pressing for vote we create a majority decision which otherwise would not repeat not explicitly exist to effect that Commission does not repeat not enjoy rights we believe it should. This is the kind of reason why this mission generally has resisted moves to assume minority position in any of Commissions unless majority is insisting on taking decision. As I see it by placing our views on record by means of voting we run strong risk of foreclosing possibility that those views might later prevail.

3. It seems that Avtar Singh is ready to stand with us on Commission's right to prescribe modalities of investigations proposed by itself. Ministry here agrees with this position but contends that in practice RLG cooperation is essential especially for transport, interpreters etc. without which investigations are impossible. I hope apparent misunderstanding of Indian view of importance of Commission's rights may be removed. Their essential difference with us is that they do not repeat not consider RLG requests for investigations to be strong position from which to defend Commission's rights. I must say that I think we should give that position a fair test in an initiative taken by the Commission without prejudicing it in present investigation proposed by RLG.

[C.A.] RONNING



539.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-60

Ottawa, March 18, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel 125 Mar 16.

Repeat for Information: Delhi (OpImmediate), London, Washington, Paris, NATO Paris, Geneva, Permis New York, CCOS, CGS, DGPO, DM/DND (Priority).

By Bag: Saigon, Phnom Penh.

## LAOS: ICSC INVESTIGATIONS

Reference your paragraphs 2 and 3 we agree with line you intend to take. Since your proposal is doomed to defeat in any event there is no repeat no reason to weaken it to accommodate your colleagues. If of course Avtar Singh should suddenly appear willing to support his compromise (paragraph 2 your telegram 81†) by majority vote you should agree. You should not repeat not however accept anything weaker than this.

2. Reference your paragraph 4. While agreeing that change makes proposal more precise and more difficult in terms of Protocol for RLG to refuse we would not be happy about any implied abandonment of area concept and consequent restriction of teams' freedom of movement. You may on this occasion use wording you propose but you should bear in mind that we may wish to reintroduce area concept in Canadian proposals in future.

3. Reference first sentence your paragraph 5. Points for investigation should be chosen on basis of information re presence of foreign forces not repeat not on basis of administrative convenience. Eccentric points give advantage of team movement over wider area. We therefore hope you have not repeat not removed many of them.

4. Reference remainder your paragraph 5. Possibly Avtar Singh's use of wording "bargain" is casual but it is well to make clear that we have never suggested that ICSC should bargain over scope of investigations requested by RLG nor would we be prepared to do so. Our position is that it is duty of ICSC to suggest amendments to RLG proposals should the information available to ICSC indicate necessity for doing so. As to investigations proposed by ICSC we are puzzled by use of word "bargain." Our working assumption would be that if ICSC proposals were altered in such a way as to reduce seriously their effectiveness, ICSC might have to protest and refuse to make meaningless investigations. It would then so report to Co-Chairmen. On other hand it is conceivable that minor amendment by RLG might still give appearance of allowing for useful investigations although subsequent report to Co-Chairmen would still have to reflect objection by ICSC that its full proposal had not been accepted. While we find it hard to envisage acceptance of an altered ICSC proposal, we see no reason for ruling out possibility at this stage. Any group of proposals put up by ICSC would be submitted on their merits and not repeat not bargaining purposes. All three complexes around Tchepone must therefore be put forward and RLG refusal to permit ICSC to visit any points in them for any reason or pretext will be reported to Co-Chairmen.

540.

DEA/50052-B-40

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

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

TELEGRAM Y-61

Ottawa, March 19, 1963

CONFIDENTIAL. PRIORITY.

Repeat for Information: Delhi, London, Vientiane, Paris, NATO Paris, Geneva, Permisi  
New York, CCOS, CGS, DGPO, DM/DND.

By Bag: Saigon, Phnom Penh.

LAOS: ICSC INVESTIGATIONS

Linville and Kiselyak of USA Embassy called on us today apparently on instructions to discuss Laos Commission's activities. They said USA Government was unhappy that we were delaying investigation of Tchepone by our refusal to agree to Avtar Singh's draft reply to Quinim's letter of February 6 and that the longer the delay the less chance team would find anything in Tchepone. The burden of their argument was an elaboration of Unger's views as reported by Bridle.

2. As it seemed that Americans were arguing on basis of position in our Y-57 we brought them up to date with gist of our telegrams Y-59 and Y-109, reading them last three paragraphs of Y-109. We pointed out that our current instructions to Bridle should permit sending of reply to Quinim's letter without further delay. This explanation appeared to satisfy them that our course of action would involve no further delay.

3. We thanked them for coming in, noting that such conversations were in accordance with the recent agreement to maintain consultation between governments. We then explained at some length the steps we had been taking and the reasons for them as a back-drop to an expression of puzzlement at what seemed to be contradictory American views. We reminded them that when in Ottawa the USA group had described in highly critical terms the first two investigations leading from RLG requests. They had felt so strongly about them that they had urged in New Delhi major changes in the first report to the Co-Chairmen. We pointed out that our effort to amend the reply to the RLG was in order to avoid a series of acceptances of carefully tailored investigations and added that in fact we would never again have such a favourable situation since on this occasion the RLG had asked the Commission to describe the measures necessary to conduct the investigation. We said that we would like some enlightenment on why the USA condemned so strongly the acceptance of the first two RLG proposals and a few days later urged us to accept the second two.

4. We then looked at the situation as it would be after the failure of our efforts either to get the ICSC reply amended or to get a firm commitment from the Indians on investigations proposed by the ICSC. We said we had little confidence in the team finding evidence in Tchepone which would allow them to propose wider searches. Tchepone was completely controlled by the Pathet Lao and it was significant that it was the RLG that had proposed this investigation and a not unreasonable guess that they had done so in order to get a controlled investigation. Even, however, if the team did find evidence, it seemed obvious that the local authorities would then take two steps: (1) they would say that they had to refer the question to Vientiane and (2) would send officials to the point mentioned by the team as re-insurance that nothing would be found there even if Vientiane agreed to the further move. We admitted of

course that this was speculation but we thought it seemed to fit a probable Pathet Lao motive in agreeing to have Tchepone investigated at all.

5. It seems important for us to get from Washington some light on their thinking. We do of course recognize the desirability of avoiding all possible delay but we have balanced this against more rapid action which in our opinion would produce results similar to those about which the Americans have so violently protested and which might well frustrate the future activities of the ICSC. We are not looking for a debate but are genuinely anxious to maintain the best understanding we can with the USA authorities.

*For London*

6. Since the Foreign Office seem to have had thoughts similar to the State Department, you should put to them a suitably worded explanation and question similar to above. As you will realize, we have regarded the recent issues as highly important for the whole future of the Commission and appropriate for intergovernmental consultation in addition to that regularly taking place in Vientiane.

541.

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 854

Washington, March 20, 1963

CONFIDENTIAL. PRIORITY.

Reference: Your Tel Y-61 Mar 19.

Repeat for Information: Delhi, Vientiane from Ottawa, CCOS, CGS, DGPO, DND Ottawa from Ottawa, London, Paris, NATO Paris, Geneva, Permis New York.

By Bag: Saigon, Phnom Penh from London.

#### LAOS – ICSC INVESTIGATIONS

On March 18 we had a lengthy discussion with Cross, Officer in Charge Laos Affairs, about position in ICSC from which it was apparent that on that date State Department was unaware of Canadian position as set out in your Y-109 March 16. In ignorance of this position, State Department had agreed with assessment of Unger in telegram March 16 (based on discussions with Bridle, Hopson and others, up to and including March 15) that there should be no repeat no further delay in sending simple affirmative response to RLG's February 6 request for investigation at Tchepone; and that for fear of prejudicing prospects of expanding scope in situ of ICSC team investigation, and possibly even of prospect of investigation taking place at all, it would be best if Candel held off for the time being in proposing ICSC-initiated investigation in Tchepone. Cross said that instructions had been sent March 18 to USA Embassy Ottawa to advance these arguments favourably to you.

2. We therefore informed Cross, on the basis of your Y-109 March 16, that as we understood your position, possible outcome of course advocated by Unger and accepted by State Department might well result in no repeat no progress whatsoever and that, moreover, in absence of action by ICSC on basis of Candel request, ICSC report to Co-Chairmen on RLG-requested investigation at Tchepone would probably have to go forward without any indication whatsoever that Indo-Canadian majority, or at any rate, Canadian delegation, was dissatisfied with the effectiveness of the pattern of negotiations being established. We told Cross that whilst we still hoped that expansion of initial investigation would be possible and would work

toward this end, we were doubtful either of achieving an effective expansion in situ or even of obtaining a majority team decision, since such a team decision would probably have to be based on evidence obtained on the spot. In view of Pathet Lao control of spot, we regarded likelihood of such evidence emerging as minimal.

3. Cross was grateful for our information but thought, nevertheless, USA Embassy approach to Department should be allowed to proceed. We ventured the personal opinion that approach would be unlikely to result in any change in our position unless very specific and compelling reasons were advanced.

4. In the light of your Y-61 we confirmed to Cross March 28 that your instructions to Bridle to act as in your Y-109 had been maintained. Cross had already had general indication to this effect from USA Embassy in Ottawa. Cross was not repeat not inclined to attach great importance to difference in our respective views, which he regarded as essentially tactical in nature. In Cross' view, only possible source of regret as a result of your decision (which, of course, by the time of our conversation March 20 would already have been put into effect by Bridle) might be that there would have been no repeat no opportunity offered for testing possibilities of expanding initial investigation in situ. Had this opportunity been taken, as recommended by Unger, and it had worked out successfully, then distinction between RLG-requested and ICSC-initiated investigations (which State Department officials did not repeat not like to see enshrined in Commission practice) would no repeat no longer be necessary.

5. On the question of whether evidence permitting an expansion of the ICSC team's initial investigation would have been likely to emerge, Cross told us (both on March 1 and again March 9) that, as we knew, Unger believed he had specific assurances from Avtar Singh that Indian member of team would actively work for production of evidence which would permit expansion. State Department had no repeat no basis on which to dispute Unger's assessment. Cross thought that in view of these assurances (which had been renewed to Unger approximately March 15) it would have been desirable to institute the initial investigation on the basis of a simple affirmative reply to the RLG request February 6, the only condition being that the ICSC response to this request did nothing repeat nothing to weaken ICSC position with regard to modalities for investigation. We said we did not repeat not wish to appear to be casting any doubt on Avtar Singh's assurances, but drew attention once more to our belief that despite best efforts it might be very difficult for ICSC team to secure evidence on which to base an expansion. Our understanding was that if in fact it were impossible to obtain such evidence, only recourse would be to initiation of request by ICSC with all the lapse of time through necessary procedural devices that this would probably entail. We also drew attention to unusual nature of RLG's February 6 request which gave an opening to ICSC to make progress on question of modalities. Finally we pointed out once more that delay on our part in promoting ICSC-initiated investigation would compound difficulties in ICSC position if, as we feared might be the case, ICSC team failed to expand initial investigation as hoped. Cross agreed that the record in such circumstances might well show no repeat no improvement over January 31 report to Co-Chairmen, but he thought that USA authorities for their part would be satisfied with an honest effort to expand the initial investigation. He thought that had this occurred there would have been no repeat no difficulty in ensuring a reasonable understanding on the part of those interested in USA and elsewhere why ICSC report on initial investigation showed no repeat no advance over January 31 report. Alternatively, assuming efforts to expand investigation were frustrated by Pathet Lao authorities, a report on their action would, of course, form a convincing element in demonstrating where the blame lay. He did not repeat not dispute, however, that his arguments did not repeat not allow for the possibility which we foresaw that neither a successful expansion nor a demonstration of Pathet Lao frustration would have been the result of the course of action which USA officials had recommended.

542.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-66

Ottawa, March 22, 1963

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Delhi, London, Washington, Paris, NATO Paris, Geneva, Permis  
New York, CCOS, CGS, DGPO, DM/DND (Priority).

By Bag: Saigon, Phnom Penh.

## SITUATION AT PLAINE DES JARRES

We are increasingly concerned about reports of serious deterioration of situation at Plaine des Jarres. It has occurred to us that if Kong Le is still in mood reflected in your telegram 111 March 2† he might welcome some sort of ICSC presence at or near Plaine des Jarres and that in view of Avtar Singh's strong stand re ICSC supply flights to help Kong Le's forces Avtar Singh might support such a proposal if it were acceptable to Souvanna.

2. Presumably it would not repeat not be possible technically to send a team because there would be no repeat no investigation to carry out. However ICSC representatives could perhaps go as an administrative unit for example to provide liaison and wireless communication in connection with ICSC supply flights. It might even be profitable to think in terms of the "logistic stations" which were discussed at Geneva. Apparently Indians supported this concept at Conference (see page 49 of Canadian commentary on Protocol†).

3. We should be grateful if you would discuss with Souvanna, Avtar Singh and others you deem appropriate ways and means whereby ICSC might support neutralists with special reference to Plaine des Jarres situation and obtain their reactions to idea of some sort of ICSC presence.

4. We should also like to know in due course whether Soviet aircraft given to RLG have resumed supply flights to Plaine des Jarres and if not repeat not what the reason is.

543.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos  
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,  
to Secretary of State for External Affairs*

TELEGRAM 135

Vientiane, March 27, 1963

CONFIDENTIAL. EMERGENCY from Delhi.

Reference: Your Tels Y-66 Mar 22 and our Tel 132 Mar 24.†

Repeat for Information: Delhi (OpImmediate), Laosdel Geneva, London, Washington, Paris (OpImmediate), NATO Paris, Permis New York, CCOS, CGS, DGPO, DM/DND from Ottawa.

By Bag: Warsaw, Moscow, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington from London, Saigon, Phnom Penh from Vientiane.

(To be treated as OpImmediate on arrival Ottawa).

## KONG LE ON PRESENCE OF VIETMINH IN LAOS

Kong Le told Grondin March 23 that reports re Vietminh presence near Ban Ban were not repeat not yet confirmed and that he was sending spy (sic) to check on reports. On this occasion he said he had received reports of two Vietminh battalions.

2. When Morris Australian Ambassador saw Kong Le March 22 latter showed him on map three points near Ban Ban where Vietminh had been reported. Yesterday French officer visited Plaine des Jarres and was told by Kong Le that there is new Pathet Lao battalion at Ban Ban commanded by a North Vietnamese. Kong Le also said Vietnamese labourers doing construction at Khang Khay are in fact Vietnamese regiment.

3. At airport March 25 when awaiting arrival of King and Souvanna from Thailand, Pheng Phong told Avtar Singh that in response to Souvanna's request for more information as to facts Kong Le had reported that presence of two Vietminh companies was confirmed. This information would be passed to Souvanna on his arrival.

4. Singh and I then discussed situation with Unger and Hopson who urged Singh to see Souvanna with object of encouraging him to ask ICSC to investigate and of reminding him that failing this ICSC might have to take initiative. Singh demurred saying he would prefer to leave it to Souvanna without prompting from him to react to Kong Le's request. Re possibility of ICSC initiative he did not repeat not wish to put himself in position of potential protagonist of complaint originating from one of parties (even?) neutralist faction since complaint must be against one of other parties and, while he is prepared to support investigation proposals from other Commissioners, by taking initiative himself he would compromise his position as impartial Chairman.

5. In these circumstances and in light of your telegram Y-66 I decided to see Souvanna myself and sought appointment for March 26. Souvanna was due to leave for India with King early March 27 and request for appointment was made through Protocol on urgent basis. Nevertheless yesterday afternoon I received message from Souvanna he was very sorry he was too pressed to see me that day but would be glad to see me after his return from India. This morning when saying goodbye at airport he asked me to excuse him for his inability to see me and hoped I would understand he was very pressed for time during his short stay.

6. After King and Souvanna had departed I talked to Pheng Phong who told me that Souvanna was now seeking more detailed information from Kong Le. It was hoped this would

be available within two or three days. When I asked what action he thought Souvanna was likely to take he said he might himself ask ICSC to investigate or he might turn question over to National Commission with view to RLG request for ICSC investigation. He thought latter course more likely since it would seem necessary on matter of this kind to seek agreement of three factions. He was not repeat not at all sure Pathet Lao would agree. When I mentioned possible ICSC initiative he expressed hope we could be patient until nature of Souvanna's reaction to Kong Le's request could be determined more positively.

7. I informed Unger, Hopson, and Singh of what Pheng Phong had said. Unger and Singh also talked to (portion missing) separately.

8. Information so far attributable to Kong Le is not repeat not very coherent. Nevertheless Americans in particular are convinced that there is some sort of Vietminh presence near Ban Ban which should be investigated. If ICSC is to propose investigation this would have to be initiated by Candel and we would probably have to get necessary precision from American sources.

9. An advantage of ICSC proposal as compared with RLG request would be that former could be on basis which would provide for some freedom of movement. It might also be easier for Souvanna vis-à-vis assurances he has received from Ho Chi Minh than investigation requested by him or RLG.

10. On other hand because complaint really originates with Kong Le whole matter is highly charged politically and problem of securing RLG cooperation would probably be as formidable as problem of securing agreement within RLG to approach ICSC. Kong Le's report of Vietminh presence has already received considerable publicity in newspapers read here and while most neutralists seem seriously concerned, Pathet Lao attitude may be gauged from this line that whole business has been engineered and that it is significant that certain mysterious persons (not repeat not Grondin and Colonel Singh) visited Kong Le shortly before press reports appeared.

11. In these circumstances it is most likely Souvanna in spite of consideration mentioned in paragraph 9 will want to keep matter in own hands as long as possible. (Sisoumang, one of few neutralist ministers with whom Souvanna apparently discussed matter yesterday, told Unger that he thinks Souvanna has written letter to Ho Chi Minh).

12. Unger came to see me this afternoon to ask if I felt I could now initiate investigation proposal in Commission. His reasons for suggesting this were that Souvanna is unlikely to take any effective action and that situation in Plaine des Jarres area is so uncertain that Commission action at early date is highly desirable. I said that although Souvanna by not repeat not seeing me had rather exposed himself to a Commission initiative, in above circumstances I did not repeat not feel justified in launching investigation proposal without reporting to you and obtaining your guidance.

13. ICSC proposal would not repeat not only cause controversy in Government (8 groups corrupt) with consequent report to Co-Chairmen. Singh as usual would support Canadian proposal if made but is pessimistic about chances of RLG agreement within any reasonable time. We should also be clear that Canadian initiative even if based directly on American intelligence would be generally regarded as taken in support of Kong Le's complaint. This would not repeat not altogether enhance his neutral status.

14. Nevertheless if Kong Le's charges are well founded there is strong case in principle for Commission initiative. Also if Vietminh are present and acting in support of Pathet Lao as some reports suggest this could represent serious threat (not repeat not necessarily by means of overt attack) to Kong Le which ought to be resisted with all possible means. On March 23 Kong Le told Grondin that Singkapo had just told him he could send forty truck convoy in Vietnam to bring back supplies without Pathet Lao hindrance. This may be only tactical move

but Kong Le was encouraged by it and did not repeat not think Pathet Lao were likely to attack him. Still, he is certainly correct about reports he has had of Vietminh presence with Pathet Lao.

15. Singh goes to Bangkok March 28 for medical treatment probably returning April 1. Souvanna returns with King late March 30. I suggest my best course is to prepare submission but not repeat not table it in Commission until I have seen Souvanna on his return. I would be grateful in meantime to receive your instructions.

16. I will report separately on more general aspects of Grondin's visit to Plaine des Jarres and on action so far taken on your Y-66.

[P.A.] BRIDLE

544.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-68

Ottawa, March 28, 1963

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 132 Mar 24.†

Repeat for Information: Delhi, London, Washington, Paris, NATO Paris, Geneva, Permis  
New York, CCOS, CGS, DGPO, DM/DND.

By Bag: Saigon, Phnom Penh.

LAOS – SITUATION AT PLAINE DES JARRES

Rufus Smith of USA Embassy called March 26 on instructions to convey State Department view that ICSC should push ahead with establishment of presence on Plaine des Jarres and investigation of Viet Minh in Ban Ban area. These two objectives seemed to be confused in mind of Americans who appeared to think of investigation as means of establishing presence. They also thought ICSC should establish presence and/or conduct investigation even if Souvanna objected. They believed attempt should be made to save Souvanna's military support for him in spite of his reluctance to act.

2. Because we did not repeat not have benefit of your reference telegram, which arrived only yesterday, we could not say much about Ban Ban investigation except that we saw no repeat no reason in principle why it should not repeat not be attempted. We did however attempt to clarify for Americans difference between investigation and establishment of ICSC presence pointing out in particular that probable time limitation on investigation would prevent its being suitable vehicle for establishment of presence.

3. Americans were aware of instructions in our telegram Y-66 March 22 and agreed with them except insofar as they implied necessity of Souvanna's concurrence. We said Indian cooperation would be essential in such an exercise and that Avtar Singh would not repeat not likely go along with us unless Souvanna consented.

4. We are now awaiting your report of Grondin's visit to Plaine des Jarres and can not repeat not of course decide on further action until we know what happened there.



545.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance et de contrôle  
pour le Laos*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision and Control for Laos*

TELEGRAM Y-70

Ottawa, March 28, 1963

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel 135 Mar 24.

Repeat for Information: Delhi, London, Washington, Paris, NATO Paris, Geneva, Permis New York, CCOS, CGS, DGPO, DM/DND (Priority).

By Bag: Saigon, Phnom Penh.

## INVESTIGATION OF VIET MINH ON PLAINE DES JARRES

In view of reports from Kong Le about Viet Minh presence near Ban Ban and general unsatisfactory situation on Plaine des Jarres we consider there is clear and urgent need for ICSC investigation. We understand Souvanna's reluctance to request ICSC investigation of Viet Minh presence so soon after receiving Ho Chi Minh's assurances but even if he did so his proposal would probably be emasculated by National Commission on its way to ICSC. We therefore think it best that proposal be initiated by Candel so that its terms will be broad enough to make meaningful investigation possible. Of course we realize that investigation may be blocked by RLG and if this happens are prepared to report facts to Co-Chairmen.

2. You should therefore complete your submission and present it to formal meeting of Commission immediately after Souvanna's return. Definition of scope in space and time should be sufficiently broad to form basis of effective investigation.

3. We think it would be desirable for you to call on Souvanna as soon as possible after his return to inform him of action you are taking under instructions and to express hope that RLG will give full cooperation to ICSC in carrying out the investigation.

*For London and Washington*

4. Please inform Foreign Office/State Department contents reference telegram and this telegram.

546.

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], April 8, 1963

## SITUATION IN LAOS

The situation in Laos has become worse in the past few days. There now seems an appreciable risk – though not, perhaps, a probability – that the settlement so arduously negotiated last year will collapse. If this were to happen, a grave international crisis in the area would be difficult to avoid.

2. No Laotian leader or party has yet called into question the existence of the coalition government. Until very recently it could indeed be said that, although the Government had made no substantial progress towards integration of the forces and the administration, at least it had reached a number of agreements in principle leading in that direction and there had been no real retrogression. The tensions between the neutralist forces and the Pathet Lao have, however, been increasing in recent weeks; scattered fighting – the extent and seriousness of which are difficult to judge – has now occurred; and with the exception of a few hundred dissident neutralists, who are co-operating with the Pathet Lao, the neutralist force seems increasingly to be aligned against the Pathet Lao and thus increasingly to be tending towards co-operation with the right wing forces of General Phoumi.

3. The murder of the Foreign Minister, Mr. Quinim Pholsena, which precipitated the latest clashes, has led to an outburst of invective from the Communist side. Prince Souphanouvong lost no time in attributing responsibility for the murder to the United States. His line has been echoed explicitly by Moscow radio and the Peking press. Officially, however, both the Russians and the Chinese have been cautious in their statements, though Mr. Khrushchev's message of condolence did refer to "schemes of the hostile forces of whom Quinim Pholsena was a victim." The Russians have joined the British in sending to Souvanna Phouma a joint message from the Co-Chairmen, deploring the assassination and appealing to all parties in Laos "to assist in such investigations and in taking such measures as may prove advisable to prevent actions which might endanger the peace of Laos and the execution of the Geneva Agreement." This message has been published.

4. This morning, when receiving the Co-Chairmen's message from the British and Soviet Ambassadors in Vientiane, Souvanna Phouma spoke bluntly of the "perfidy" of the Pathet Lao, which was, he said, supported by Vietminh cadres. He formally requested the Co-Chairmen to intervene on his behalf (a) with the North Vietnamese Government, to ask them to withdraw their cadres immediately from Laos, (b) with the Pathet Lao, to request them to call off their operations. He also told the two ambassadors that he was going to ask the Commission to establish a permanent base at the Plaine des Jarres. This he has since done. The Commission met immediately afterwards to consider the situation. We have not yet had a report of the meeting, but prior indications were that the Polish member would oppose both the establishment of a Commission "presence" on the Plaine and an investigation by the Commission into charges that Vietminh troops were there – an investigation which Bridle had proposed, on instructions, several days ago. From Delhi there are indications that the Indian Government is determined to do what it can to support Souvanna Phouma and to secure action by the Commission, if necessary by Indo-Canadian majority.

5. Within Laos, then, the process of polarisation has gone quite far – perhaps not far enough to split the government and country in two, but certainly far enough to make any hopes of early integration seem illusory. Outside Laos, the Russians are acting in a way which suggests some uncertainty as to the course most consistent with their interests. If they decide to support the coalition and the Geneva Agreements, and if their influence can be brought to bear effectively in Hanoi, the present crisis may be overcome. If either of these conditions is not met, the storm warnings may well be up in Southeast Asia.

G.P. DE T. G[LAZEBROOK]  
for  
N.A. R[OBERTSON]

2<sup>e</sup> PARTIE/PART 2  
VIETNAM

547.

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-11

Ottawa, January 5, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 3790 Dec 15.<sup>44</sup>

Repeat for Information: Saigon, Delhi (OpImmediate), London, NATO Paris, Paris,  
Laosdel Geneva (Priority), DM/DND, CCOS, DGPO.

## SOUTH VIETNAM – COMMISSION'S ROLE

We have not yet commented on your conversation with Harriman reported in your reference telegram, concerning increased USA aid to Vietnam and Commission's role in present situation.

2. Of particular elements in USA position noted by Harriman, there are some we think we can successfully argue in the Commission, and some we do not. Following comments on points in order named may be useful as background in future conversations with State Department.

(a) We are now pressing in Commission for parallel consideration of items concerning increased USA aid and Northern subversion. We would not want to predict at this stage how successful we will be at keeping these items developing at same rate of progress, but recent telegrams from Saigon are reasonably encouraging. Degree of success may however depend to a considerable extent on underplaying publicity connected with arrival of further shipments.

(b) We doubt very much if, under established procedures, Commission would be able to refrain from asking for precise information on material that has arrived on USS *Core*, since imports have been apparent to all and since press reports have been explicit concerning quantities. If similar publicity is avoided in connection with future imports of war materials, however, we think it possible that Commission might not have to ask for explicit information. As you know (our telegram Y-677 December 21), we do not think that Commission could accept argument that Southern imports of war material are justified by Northern violations and that consequently there can be no question of violation of Cease-Fire Agreement.

(c) We are pleased to see that USA do not intend to notify arrivals of men and equipment for which there are no credits. We have asked Saigon for their opinion whether SVN should continue to notify arrivals for which credits do exist, and we will comment further on this when we receive their reply.

(d) We will do all we can to support in Commission SVN requests for increased patrols.

(e) We are glad to note USA view that CFA should be regarded as continuing in force. Question of applicability of articles 16 and 17 concerning introduction of troops and equipment will be dealt with below.<sup>45</sup>

<sup>44</sup> Voir/See Volume 28, document 771.

<sup>45</sup> Voir/ See *Foreign Relations of the United States, 1952-1954*, Vol. XVI (Washington: United States Government Printing Office, 1981), pp. 1511-1512.

(f) We note that USA considers Commission continues to play useful role. It would seem to follow that every effort should be made to preserve CFA and to maintain influence of Commission.

(g) We hope SVN will continue to cooperate with Commission. Any repetition of recent anti-Commission acts and demonstrations would have unfortunate effects on our efforts to assist them in Commission.

3. Harriman's desire that Commission should regard articles 16 and 17 of CFA dealing with entry of foreign military personnel and import of war materials as no longer applicable in present circumstances is more difficult to accept. We do not think it would be appropriate for us as member of Commission to take this line and we see no possibility that if we did Indians would support us. In any event, we think it would be very difficult to secure advantage of this kind for South without leaving way open for similar argument in favour of North. Articles 16 and 17 are now in fact principal articles of Vietnam Agreement and their supervision has been main reason for most team patrols. It would be difficult for us to argue for increased patrols while also arguing for suspension of these articles.

4. We have said before that we hoped USA could avoid explicit demonstration that articles of CFA are being evaded. We hope repetition of USS *Core* incident can be avoided not only because of very greatly increased difficulty in Commission for Canadian delegation but because of bad effect such open violations of letter of CFA may have not only on situation in Vietnam, but also on new agreement for Laos which has still to be concluded.

548.

DEA/50052-A-40

*La délégation à la Commission internationale de surveillance  
et de contrôle pour le Vietnam  
au sous-secrétaire d'État aux Affaires extérieures  
Delegation, International Commission for Supervision  
and Control for Vietnam,  
to Under-Secretary of State for External Affairs*

LETTER NO. 11  
CONFIDENTIAL

Saigon, January 6, 1962

COMMISSION MEETING – JANUARY 5, 1962

At the Commission Meeting on January 5 two major items regarding the increased US Aid were discussed, the SVM letter advising the IC that they were asking for increased aid in the exercise of the right of self defence and a PAVN message alleging the import of 40 helicopters and 400 troops.

2. On the first item the Poles demanded that the SVM letter be sent to the Co-Chairmen and that the SVM be told that the IC does not accept the position of the GRVN, that they must operate within the Geneva Agreement which is unconditional and requesting them to withdraw the letter. Both the Indians and ourselves played down the letter on the basis that it should be considered in the context of future events in this connection. The final unanimous decision [was] to send a letter to the SVM drawing their attention to the Geneva Agreement and the party's obligation thereunder and stating that the IC had separately under active examination the Nam<sup>46</sup> [and] subversion cases which the SVM had used as justification for requesting increased aid.

<sup>46</sup> Voir/See Volume 28, document 752.

3. On the second item the Poles demanded a citation for violation of the Geneva Agreement, an export order to withdraw the helicopters, a citation for non-cooperation and a letter to the Co-Chairman. The Indians took a very reasonable approach and the final unanimous decisions were to send a letter to the SVM asking for comments on the PAVN allegations within three weeks and refer the reports of Fixed Team Saigon on their inability to control the arrival of the *Core* to the Operations Committee for examination and report back to the IC within two weeks.

4. We had discussed these two items with the Chairman on a number of occasions prior to the meeting. This permitted a moderate and largely procedural discussion in the Commission. The fundamental issues raised by the SVM letter of December 9 have been played down and the US military aid item has been put into regular but accelerated channels. The Chairman would not accept a letter without time limit to the SVM and we felt it better to go along with him after the assurances he has given us privately concerning the Nam and subversion cases (see our Tel No. 5 of 4 January†).

S[AUL] GREY

549.

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 142

Washington, January 16, 1962

CONFIDENTIAL. PRIORITY.

Reference: Your Tel Y-11 Jan 5.

Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva, Delhi, Saigon from Ottawa, CCOS Ottawa, DND Ottawa, CGS, DGPO from Ottawa.

SVN – COMMISSION'S ROLE

Your comments on the role of the Commission in the light of our conversation with Harriman on December 15, should prove most useful as background in future conversations with State Department officials. We shall of course, be interested to learn Saigon's views and your further comments on the desirability of notifying deliveries and arrivals for which credits exist under the provisions of the CFA.

2. We should, however, draw your attention to the implication of paragraph 3 of your message that Harriman "desired" that the Commission should regard Articles 16 and 17 of the Cease-Fire Agreement as no repeat no longer applicable in present circumstances. In our conversation, Harriman made no repeat no reference to any desire on his part in this matter. I think that we both recognized that these provisions (which we referred to in general terms rather than by their specific numbers) could no repeat no longer be regarded as applicable insofar as the introduction of men and materials was concerned. Harriman's major emphasis was, not repeat not that this was desirable, but rather that it was inevitable in view of the massive prior violations of these articles by the North. Indeed, Harriman made very clear, as we reported in our telegram 3790 December 15, that it was the USA desire to restore and re-establish complete observance of the Cease-Fire Agreement by both sides.

3. From this I would say that it is clear that Harriman would fully agree with your view that it would be inappropriate for Canada, as a member of the Commission, to argue that Articles 16 and 17 of the Cease-Fire Agreement are no repeat no longer applicable in present

circumstances. What Harriman wants, I am sure, is simply that we press in the Commission for parallel and related consideration of Northern and Southern charges.

[A.D.P.] HEENEY

550.

DEA/50052-A-6-40

*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 14

Saigon, January 22, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Our Tel 11 Jan 16.†

Repeat for Information: Delhi, DM/DND, CCOS, DGPO, CGS, London, Washington, Paris, Laosdel Geneva from Ottawa.

By Bag: Warsaw, Moscow from London.

USA MILITARY AID – NAM CASE

I must report that tension in Commission is rising as subjects under discussion move toward decision stage which we all expect will be in (by?) February. Parthasarathi who has on the whole given me impression that he would ultimately take what decisions were required without allowing expectations of Northern and Southern reactions to (group corrupt) him, is now very worried and wavering. Pohoryles the Polish Commissioner has been very depressed lately about general situation of Commission. On one hand he has been avoiding discussion of Nam and subversion cases in Legal Committee by the better than usual excuse that his legal adviser has badly burned legs. He will not repeat not however send a replacement from his delegation. On the other hand he is under instructions to secure decisions against the South on alleged importation of *Core* helicopters and other recently arrived equipment or to have the whole matter referred to Co-Chairman.

2. Last week USA carrier *Breton* docked in Saigon. It is reported to have off loaded some equipment including, according to Nolting, three helicopters. Nolting told me however that he had not repeat not known of its arrival as it was making a regular annual trip to a number of countries in Far East. He was disturbed that it had arrived at this juncture and told me that most of its cargo including a number of fighters were destined for Japan. Flagrancy of arrival so close on the stern of the *Core* has upset Parthasarathi who was already disturbed by SVN policy of non-notification and a January 15 statement of SVN liaison officer at Cap St. Jacques to the effect that he would henceforth be unable to furnish any information on movement of ships through Cap St. Jacques or movement of aircraft at airfield there. This statement the liaison officer admitted came from SVN mission in Saigon.

3. Parthasarathi with whom I have discussed problem of notification feels strongly that SVN should return to policy of notification and recognize that citations for violations of Articles 16 and 17 would ultimately be awarded. He says that such a policy would enable him to point to the good faith of SVN and would make it easier for him to find means for delaying citations. He was never given any clear indication however as to how he would delay citations on import of equipment which the SVN would have clearly admitted importing. Last week he referred to

possibility of reviewing records of French equipment exported after ceasefire and asked if I would discuss this and the whole question of notification with Nolting.

4. In view of Parthasarathi's request I saw Nolting on January 19. We both agreed that *Breton* incident and Cap St. Jacques statement were unfortunate and the latter unnecessary. I suggested to him that while there [are] pros and cons for notification and non-notification the important fact at the moment appeared to be that Parthasarathi was becoming so disturbed by a policy of non-notification coupled with the two incidents mentioned above that there was some danger that he would take action quickly on USA aid allegations in advance of decision on Northern aggression. I suggested that Cap St. Jacques statement might be withdrawn as well as other obvious but unnecessary hindrances to team controls which have been introduced by SVN liaison officers. I also wondered whether it might not repeat not be wise to provide some notifications perhaps even an (ex post facto?) notification of *Breton*. Nolting agreed to take this matter up with SVN ministers but confirmed that general policy of notification was firm Washington policy and he was not repeat not certain that question could be reopened on short notice. He said he would raise again question of French equipment records but we were both aware that these had been studied previously and that decision was that these did not repeat not provide adequate scope for justification of present USA aid, particularly personnel.

5. The whole situation has been brought into focus today with a request from Polish delegation for an emergency meeting on *Breton* case. In an unofficial meeting today with three commissioners present Polish ambassador stressed urgency for dealing summarily with such obvious and flagrant violations of CFA. While not repeat not denying importance for Commission of all allegations I drew his attention to fact that his delegation had not repeat not been represented since before Christmas at Legal Committee which has been given an extremely important mandate concerning Nam and Northern aggression case. The three week time limit which had been given the Legal Committee expired exactly one month ago today. Pohoryles first of all referred to Nam case as one based on forged documents and as merely a cover for USA aid and then said that it was impossible for him to send a replacement to Committee for his legal representative who has burned his legs severely. It is nevertheless quite clear Pohoryles could provide some representation at Legal Committee if they wished.

6. Poles then made a formal request for an emergency meeting on the *Breton* for January 23 or 24. As item is already on agenda of a regular meeting for January 25 I said that I would have to have at least until January 25 to prepare myself for item particularly in view of the added importance which Poles by their initiative indicated they attached to it. Although I did not repeat not say so I was also anxious to give a very slight indication to Poles that their lack of cooperation in Legal Committee might bring inevitable repercussions. Pohoryles then threatened to read a statement into minutes when item was discussed and I replied by saying that this would only lead to other statements which we had avoided putting on record in hope that Commission could concern itself with more profitable and serious discussion.

7. I think it is possible that Polish Ambassador may approach you in Ottawa on this matter. If he does I think it would not repeat not be advisable to raise Nam case at same time. You might wish to consider however advisability of our Ambassador in Warsaw enquiring when Polish delegation intends to send a representative to Legal Committee in view of important items which are now before it. I should also be grateful for your comments on action which I have taken.

8. I think no repeat no harm can come from postponement of discussion of this item for one day on perfectly reasonable grounds. In addition it will have served notice on both Poles and Parthasarathi of our concern that Commission proceed with all its tasks in an equitable manner. This is I am afraid only the forerunner on much more difficult time ahead. Parthasarathi is now becoming less clear about dealing of [sic] Nam and subversion cases in Commission. He now

seems to think that Legal Committee should not repeat not meet with a quorum of two and that material which Mukhi and de Goumois have been preparing should go forward when completed as a Secretariat document to Commission. He also mentioned today that he thought it unfortunate that decision to send case to Legal Committee had been taken before his arrival and implies that he would have sent at least parts of it to DRVN for comment. This is of course not repeat not a good sign at all. Parthasarathi has also indicated that he might make one more attempt to convince North and South of necessity for moderation before taking main decisions against them.

9. It is becoming more apparent therefore that Parthasarathi will be increasingly prone to indecisiveness as time for decision approaches. In these circumstances I think it is very important that Legal Committee produce a document signed by Mukhi and de Goumois which can serve as an official document of Commission. I have instructed de Goumois to do everything possible to secure such a document and to ensure that it includes if possible the view that there is conclusive evidence against North. If such a document is distributed to delegations prior to study by Commission it will be extremely difficult for Parthasarathi not repeat not to convince it and it would be vital document for us if there ever was a need for a showdown.

10. I think it is very important now that we do whatever possible to firm up Indian position and you may wish to consider appropriate instruction to our High Commissioner in Delhi. The approach might be along following lines: we are approaching a time of decision in Commission on important allegations against North and South. It is vital that these decisions be taken at same time not repeat not only in order that principle of equity be preserved but in order to prevent what could be violent reactions from one of the parties (Nolting agrees with me that reaction of GRVN to citations against them concerning USA aid without any indication on Commission action on Nam case could easily cause a repetition of October disturbances and that possibly they would be more violent).

11. The great danger of a reaction of this nature from South would be that Commission work might come to a halt thus stopping work on Nam case. There is no repeat no indication the Polish delegation knows how work on Nam case is progressing. If they were to anticipate a conclusive report on Northern aggression they might go to any lengths to see that it did not repeat not secure any official status. As Parthasarathi seems to think that a citation of North for aggression and subversion in South might easily lead to a complete withdrawal of cooperation from North, it cannot repeat not be ruled out that Poles might actually welcome an excuse provided by South for seizing up or breaking up Commission in order to avoid such a decision.

12. While difficulties of taking any action are obvious they are probably not repeat not much cheaper [sic] than difficulties of taking no repeat no action at all. We have foreseen this for some time and it continues to be my firm conviction that the only equitable course, if not repeat not the only course, will be to take action on two sets of allegations at same time. If Delhi could send instructions to Parthasarathi along these lines there is no repeat no doubt in my mind that he could find adequate means to implement them.



13. I am disturbed by Delhi Telegram 59 January 19† which seems to indicate some deterioration in handling of Vietnam problems in Delhi. You may think it very important that Indians in Delhi be seized again of delicate nature of situation here and consequences of inadequate (group corrupt) than simultaneous action on subversion and USA aid cases. I can see no repeat no way of avoiding ultimate action on USA aid cases and, with Parthasarathi at least, the best tactic has seemed to be to press for adequate and simultaneous treatment on both cases with object of relating them ultimately in terms of SVM letter of December 9.<sup>47</sup> Parthasarathi continues however to resist the idea that cause and [effect] relationship in that letter can be justified by Commission.

[F.G.] HOOTON

551.

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-30

Ottawa, January 24, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 142 Jan 16.

Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva, Delhi, Saigon, CCOS, DM/DND, CGS, DGPO.

SVN – COMMISSION ROLE

Interpretation given in our telegram Y-11 January 5 to Harriman's remarks about Articles 16 and 17 of CFA was of course based on paragraphs 2(e) and 6 of your telegram 3790 December 15. We recognize that Harriman said only that these articles were "obviously inapplicable" and "could not be regarded as binding" and expressed no desire as to attitude Commission should take regarding them. Since application of these articles is however a matter which can be decided only by the Commission, it seemed evident that the clear implication of his remarks was that realistic course for Commission was to agree that they were inapplicable in present circumstances. As stated in our Y-11, we do not consider this would be either appropriate or possible.

2. We hope you will make it quite clear to State Department that while Candel will do what it can to prevent embarrassment to USA in implementing military assistance programme, it cannot argue in Commission that massive violations of CFA by North constitute legal repeat legal justification for disregard by South of articles of CFA.

3. If, however, as you say in last sentence your reference telegram, Harriman simply wants Candel to press in Commission for parallel and related consideration of Northern and Southern charges, then he wants only what we suggested in our telegram Y-667 December 21. In this

<sup>47</sup> Au moins une partie du contenu de cette lettre figure dans 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. Voir aussi Volume 28, document 768.

At least part of the text of this letter appears in 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. See also Volume 28, document 768.

event Canadian and USA positions are indeed closer than we had realized and difference over applicability of paragraphs 16 and 17 may not be as significant as we had feared.

[N.A.] ROBERTSON

552.

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. CANADIAN EYES ONLY.

[Washington], January 25, 1962

SOUTH VIETNAM

Attached are copies of our telegram No. 3790 of December 15, 1961, External's telegram No. Y-11 of January 5, our telegram 142 of January 16 and External's telegram No. Y-30 of January 24. It is evident from these that the Department is unclear as to United States wishes about how the International Commission should handle charges that the United States and South Vietnam have violated the prohibitions of the Cease-Fire Agreement against the importation of military personnel and equipment. In particular, the Department is concerned about whether the United States may want the Commission to take the attitude that Articles 16 and 17 of the Cease-Fire Agreement (which contain the principal statement of the prohibition) are no longer applicable; and may further want the Canadian Delegation to argue in the Commission that the massive violations of the Cease-Fire Agreement by the North constitute legal justification of Southern disregard of articles of the Cease-Fire Agreement.

2. It seems to me that there are two aspects to this problem. The first is the *de facto* situation regarding violations of the Cease-Fire Agreement. The second is the position that the Commission, and the Canadian Delegation in particular, should take about the violations.

3. As to the first, there is no doubt that everyone concerned realizes that there have been massive prior violations by the North and subsequent related violations by the South which it can be expected will continue for the time and to the extent necessary for the defence of South Vietnam. The fact that these developments are related is brought out fully in the exchange of letters between President Kennedy and President Diem, published on December 14, 1961.<sup>48</sup> The relationship was earlier publicly referred to by Secretary Rusk in his news conference on December 8, 1961, when he said that it was not a violation of the Geneva Accords "to take steps to protect oneself against the other party's breach, even though, in the absence of such a breach, those steps might not be considered normal."<sup>49</sup> Similarly, in its attitude towards the Commission, the South Vietnamese Government has made it clear (e.g., in its letter of December [9], 1961 to the Commission) that because of the prior Northern violations, it feels obliged to request increased assistance from the United States Government. It is important to note, however, that in its letter, the South Vietnamese Government refers, in describing its sense of obligation to obtain assistance, to the "inherent right of self-defence." President Kennedy's letter also referred to the United States declaration in 1954 that it "would view any renewal of the aggression in violation of the Agreements with grave concern, and as seriously threatening international peace and security." At no point, however, in any of the foregoing

<sup>48</sup> Voir/ See *Department of State Bulletin*, Vol. 46, No. 1175 (January 1, 1962), pp. 13-14.

<sup>49</sup> Voir/See "Secretary Rusk's News Conference of December 8," *Department of State Bulletin*, Vol. 45, No. 1174 (December 25, 1961), pp. 1053-1059.

public statements, except possibly in that of Secretary Rusk, is there any clear attempt to establish a legal interpretation of the Cease-Fire Agreement, which, without reference to other factors such as the “inherent right of self-defence,” would justify increased United States assistance. Rather, the impression created is that on broad practical grounds, there is no alternative to increased United States support. You will, of course, recall that at an earlier stage Assistant Secretary McConaughy talked privately to us and others about a “well-established” legal principle permitting retaliation for violations of an agreement such as the Geneva Accord, but there has been no reflection of the language he used in any of the public statements described above.

4. Coming now to the attitude that the Commission might adopt, there is nothing specific in what Assistant Secretary Harriman had to say to us, or in any of the public statements referred to above, to suggest that the Commission is expected to utter a legal doctrine that the prior violations of the Agreement by the North justify violations by the South. So far as we are aware, the United States “wishes,” with regard to Commission action, could be summarized as follows:

- (a) Avoidance of detailed enquiry into the quantity and character of United States assistance; (This, of course, implies that there could be no *legal* justification).
- (b) Active investigation of subversion charges;
- (c) Increased patrolling by Commission teams; and
- (d) Implicitly, avoidance of condemnation or “citation” of the South for increased imports of men and equipment.

There have been no comprehensive or detailed suggestions as to how these United States objectives should be achieved in terms of Commission procedures, although there may be a somewhat more detailed form of consultation in Saigon between the United States representatives and the Canadian Delegation to the Commission of which we are not aware. The impression that Harriman’s words to us would suggest is that the Canadian Delegation and the Commission should be left to themselves to work out the formal position to be adopted in relation to increased United States assistance and the other objectives mentioned above.

5. For our part, we have given no undertaking to the United States authorities that we would attempt a legal justification for the increased United States assistance based on prior Northern violations. We have simply indicated that we would press on with consideration of subversion and infiltration charges and work for “parallel consideration” or *pari passu* consideration of items of the Commission agenda concerning subversion, etc., by the North and increased United States aid to the South. On the basis of Ottawa’s telegram No. Y-11 of January 5, I reiterated these points to Chalmers B. Wood of the Vietnam desk on January 17, using the attached memorandum of January 12† as a text. Wood’s reaction was rather interesting.

(a) When I pointed out that we did not think the Commission could accept the argument that imports of war material in excess of the levels contemplated in the Agreement are justified by Northern violations, Wood said he thought that in speaking to Harriman on December 15, 1961, we had agreed that this argument could be used. I said that this was certainly not the impression we had wished to convey.<sup>50</sup> I said I thought that perhaps the most we could expect would be *pari passu* consideration of charges by the North and the South in order to emphasize the background against which the increased aid to the South was taking place.<sup>51</sup>

<sup>50</sup> Note marginale :/Marginal note:  
Certainly not [A. D. P. Heeney]

<sup>51</sup> Note marginale :/Marginal note:  
Yes [A. D. P. Heeney]

(b) When I referred to our desire to maintain Articles 16 and 17 of the Cease-Fire Agreement as having continuing application because supervision of these articles has been the main reason for most team patrols and would provide the justification for the increased patrolling desired by the South Vietnamese, Wood said he thought that increased patrolling could be undertaken under other, and, in his view, more appropriate articles, namely Articles 19 and 24. I said I thought our view might be that Articles 16 and 17 might be more appropriate because patrols organized under these articles might offer less scope for argument on the part of the Polish Delegation and even the Indians.<sup>52</sup>

6. From Wood's reaction it would seem to me that McConaughy's legal theory continues to be current in some levels of the State Department. I think it would be useful if we could go back to Harriman and make our position clear once more. I strongly doubt whether he entertains any hope that the Commission publicly, or at any rate, the Canadian and Indian Delegations, can subscribe to the opinion that the increased United States aid can be *legally* justified (because of violations by the North) under the terms of the Cease-Fire Agreement. If any such hope exists, then it would seem necessary to explore more fully, not only the practical and legal reasoning behind it, but also the explanation for the United States policy that it does not wish the Commission notified of the precise extent of increased United States aid.

7. Such a discussion with Harriman should also include the present situation in Laos, and enable us to provide an up-to-date account of United States views.<sup>53</sup>

E. R[ETTIE]

553.

DEA/50052-A-6-40

*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 35

Saigon, March [3], 1962

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Our Tel 34 Feb. †

Repeat for Information: London, Washington, Paris, Laosdel Geneva from Ottawa.

By Bag: Warsaw, Moscow from London.

LEGAL COMMITTEE REPORT ON NAM AND SUBVERSION CASES

Legal Committee met March 3 and majority report was signed by Mukhi and de Goumois. Text in following telegram. Polish member was reportedly too ill to attend but another member of Polish Delegation who was sent to pick up what they probably thought would be draft conclusions, was present while report was signed. Main body of report will be put in final form

<sup>52</sup> Note marginale :/Marginal note:  
[La case/check mark] [A. D. P. Heeney]

<sup>53</sup> Notes marginales :/Marginal notes:  
I agree we sh[oul]d see Harriman—perhaps later this week. [A. D. P. Heeney]  
Mr. Rae. Mr. Rettie: I'd like to see Harriman [illegible] say Feb 2 (a.m.) or 5, 6. Jan 28. A.[D.P. Heeney]

over next two weeks during which time Polish Delegation has been asked to prepare note of dissent. We therefore seem to have got over this stage too satisfactorily.

2. As forecast in reference telegram report goes well beyond original mandate of Committee which was merely to consider whether allegations and evidence in two letters sent by SVM attracted *prima facie* Geneva Agreement. Report indicates that Committee has come to conclusion that in specific instances there is evidence to show that armed and unarmed personnel, arms, munitions and other supplies have been sent from zone in North to zone in South with object of supporting, organizing and carrying out hostile activities, including armed attacks, directed against armed forces and administration of zone in South. Committee has concluded further that PAVN has allowed zone in North to be used for inviting, encouraging and supporting hostile activities in zone in South, aimed at overthrow of administration in South. It is stated that this evidence is in violation of Geneva Agreement.

3. While we had partly for tactical reasons submitted a stronger draft indicating specifically that Northern authorities were responsible for violations, Indian Delegation was not repeat not prepared to go farther than their own draft. Rather than take risks involved in re-opening question in Delhi or in permitting any further delay, we agreed to report. In effect it gives us all that is necessary to indicate that Northern authorities have violated Geneva Agreement.

4. Moreover, report on whole corresponds to our evaluation of evidence submitted by SVM. Conclusive finding was made on basis of documentary evidence and other physical evidence such as seized weapons, medicines and other material provided by SVM. Main evidence was diaries of dead Viet Cong soldiers with whose authenticity Mukhi and de Goumois were entirely satisfied. Diaries revealed in particular that armed and unarmed personnel came from DRVN to carry out military operations in South. Complete report which should be ready about March 18, will show how conclusions were reached and will analyse in detail complaints made by SVM.

5. While PAVN is not repeat not directly charged with aggression inference is clear from report that Northern authorities have been implicated in activities occurring in South. Report opens door to further investigation by Commission on complaints for which there is only *prima facie* evidence and on cases which will be submitted by SVM in future. Commission may thus be in a position to make other findings against Northern authorities exposing their role in hidden war which has been going on in Vietnam.

6. You will appreciate importance of having secured this report in its final form in advance of completion of detailed appendices. It will now be extremely difficult if not repeat not impossible for Indian Delegation to change its line no repeat no matter what internal or external pressures may be applied.

[F.G.] HOOTON

554.

DEA/50052-A-6-40

*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 36

Saigon, March 3, 1962

CONFIDENTIAL. OPIMMEDIATE from Delhi.

Reference: Our Tel 35 Mar 3.

Repeat for Information: London, Washington, Paris, Laosdel Geneva from Ottawa.

By Bag: Moscow, Warsaw from London, Vientiane, Hanoi, Phnom Penh from Saigon.

## LEGAL COMMITTEE REPORT

Complete text Legal Committee report repeated below: Title begins: Report of Legal Committee on Commission's reference at its 636th meeting held on November 28/61 and other references related thereto. Title Ends. Text Begins:

We have studied Agreement on Cessation of Hostilities in Vietnam, South Vietnamese mission letters 4660/IDVN/CT/TD/2 dated October 24/61<sup>54</sup> and 5078/PVDN/CT/TD/2 dated November 16/61 and related references from Commission together with evidentiary material made available by South Vietnamese Mission in connection herewith and reached following conclusions:

(1) Agreement on Cessation of Hostilities in Vietnam proceeds on principle of complete respect by either party of the zone assigned to other, and inescapable responsibility of parties for fulfillment of obligations resulting therefrom.

Article 10 of Agreement states expressly obligation of two parties to order and "enforce" the "complete" cessation of all hostilities.

Article 19 of Agreement casts obligation on two parties to ensure that zones assigned to them are not repeat not used for resumption of hostilities or to further any aggressive policy.

Article 24 of Agreement proceeds on principle of inviolability of demilitarized zone and territories assigned to two parties and states expressly that armed forces of each party shall respect territory under military control of other party and shall commit no repeat no act and undertake no repeat no operation against other party.

Article 27 of Agreement affirms expressly responsibility of commanders of forces of two parties of ensuring full compliance with all provisions of Agreement by "all elements" and military personnel under their command.

It follows that using of one zone for organization or carrying out of hostile activities in other zone, violations by members of armed forces of one party of territory of other party,

<sup>54</sup> Cette lettre peut être consultée dans les UN Archives, AG-005, Series S-0871, Box 5, Folder 2, Item S-0871-0005-02-00001. Elle est accessible en ligne à l'aide du portail de recherche à l'adresse suivante : <http://archives-trim.un.org>.

This letter can be found in UN Archives, AG-005, Series S-0871, Box 5, Folder 2, Item S-0871-0005-02-00001. It is available online through the search portal at <http://archives-trim.un.org>.

Voir aussi/See also Volume 28, document 760.

or commission by any element under control of one party of any act directed against other party, would be contrary to fundamental provisions of Agreement which enjoin mutual respect for territories assigned to two parties.

(2) Having examined complaints and supporting material sent by South Vietnamese Mission, Committee has come to conclusion that in specific instances there is evidence to show that armed and unarmed personnel, arms, munitions and other supplies have been sent from zone in North to zone in South with object of supporting, organizing and carrying out hostile activities, including armed attacks directed against armed forces and administration of zone in South. These facts are in violation 10, 19, 24 and 27 of Agreement on Cessation of Hostilities in Vietnam.

(3) Examining complaints and supporting material, in particular documentary material sent by South Vietnamese Mission, Committee has come to further conclusion that there is evidence to show that PAVN has allowed zone in North to be used for inciting, encouraging and supporting hostile activities in zone in South, aimed at overthrow of administration in South. Use of zone in North for such activities is in violation of Articles 19, 24 and 27 of Agreement on Cessation of Hostilities in Vietnam.

(4) Committee considers that further investigation is necessary to reach a final conclusion as to whether kidnapping and murder of Colonel Nam, late Chief of South Vietnamese mission, was a part of activities referred to in subparagraphs (2) and (3) above and prohibited under Articles 19, 24 and 27 of Agreement. South Vietnamese mission has furnished *prima facie* evidence to warrant such a full investigation of case by Commission.

2. We shall submit in due course a full report setting out in detail complaints made by South Vietnamese mission, evidence forwarded in relation to these complaints, and our specific observations thereon. Text ends.

Report is dated March 3/62 and signed by J.M. Mukhi Chairman for India and by M. de Goumois for Canada.

555.

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

[Ottawa], March 5, 1962

CONFIDENTIAL

On February 14, on instructions of the State Department, Mr. Rufus Smith of the United States Embassy brought in an informal memorandum, copy attached, regarding the introduction of American troops and material into South Vietnam. It outlined in particular United States views concerning the problem of notification of such importations to the International Commission.

2. While Mr. Smith was here, we discussed the issues involved without, of course, expressing direct opinions on the particular points made. In view of the increasing extent of American assistance to Vietnam and the consequent problems created for the Commission, we thought it wise to examine the extent to which there was any conflict of interest. The attached draft Aide-mémoire represents our findings, and shows an encouraging absence of serious differences. If you agree, we would instruct the Embassy in Washington to hand this Aide-mémoire to the

State Department (passing a copy to the American Embassy here).<sup>55</sup> It seems desirable to express our views in writing, so as to avoid any misunderstanding. We would hope that the State Department would find themselves in agreement with our analysis of the situation. That would give a firmer foundation for the discussion of Commission action in later weeks and of the exact method of notification by the South.

N.A. R[OBERTSON]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note de l'ambassade des États-Unis*

*Memorandum by United States Embassy*

SECRET

Ottawa, February 14, 1962

The Geneva Accords, in the view of the United States Government, involve two obligations relevant to the introduction of United States troops and matériel into South Vietnam: (1) notification to the International Control and Supervisory Commission (ICC) of the entry and exit into and from Vietnam of United States personnel or United States military equipment; and (2) an undertaking not to introduce military personnel or arms other than authorized by the Accords.

The United States leans to the view that the December 9, 1961 note from the Government of Vietnam to the ICC constitutes notification within the meaning of the Accords, since, thereby, the ICC was informed of the intended increased support in men and matériel, by the United States, additional to that which was authorized by the Accords. Since the purpose of the December 9 notification was to place on record the fact that the limits prescribed by the Accords would have to be exceeded under present circumstances, it does not appear to the United States that specific numbers, amounts, and quantities need be placed before the ICC.

With regard to the more basic question of the introduction of new troops, arms, and munitions, beyond the limits specified in the Accords, the United States is guided by a clearly recognized principle of international law, namely that the non-observance of a treaty obligation by one party to that treaty justifies an equivalent corresponding or related non-observance by the other party. We are prepared to admit, of course, that this principle is subject to the limitation that the aggrieved party may continue its non-observance of the treaty obligations only until resumption of observance by the other party.

This point would seem to have been made in the December 9 note from the Government of Vietnam, which, among other things, said, "In view of the aggression being waged by the so-called Democratic Republic of Vietnam against the Government of Vietnam in flagrant violation of the Geneva Accords, the Government of Vietnam has requested the United States Government to increase the support in men and matériel which it has accorded in the past. The right of self-defense being an inherent and legitimate attribute of sovereignty, the Government of Vietnam is obliged by the North Vietnamese contempt for life and property of the free people of Vietnam and by North Vietnamese breaches of the Geneva Accords to exercise this right and to appeal for increased assistance." It is also clear that at the same time the December 9 note acknowledged the limitation on this principle by stating, "As soon as the authorities in North Vietnam end their aggressive acts and begin to observe the Geneva Accords, these measures of support can be terminated."

<sup>55</sup> Note marginale :/Marginal note:

Not approved. Please see my memo of today's date. R. C[ampbell] 7/3.



In view of the foregoing, it appears to the United States that the December 9 note has already dealt with the question of notification and that further notifications are not required, since, as indicated above, the purpose of notification is to permit the ICC to verify that specified amounts are not exceeded, whereas the December 9 notification, for the reasons stated therein, clearly set forth the intention to break the ceiling.

The question which is thus left for the ICC to consider is whether the action taken can be justified on the grounds noted above, a consideration which raises the issue of subversion. In the view of the United States, therefore, subversion clearly becomes the issue with which the ICC must deal and which it cannot ignore.

It is the firm view of the United States that what is at stake in Vietnam is a question of world-wide concern: How can the community of nations identify subversive warfare as a violation of world peace fully as flagrant, fully as dangerous, and fully as violent as overt war of the kind experienced in the Korean conflict? There is no question that North Vietnam has trained troops on its own territory and has infiltrated them over a period of time into South Vietnam in lieu of using them in a massive and overt attack. Using newly infiltrated troops, local recruits, and personnel left in place when Vietnam was divided, North Vietnamese agents have directed the present insurgency in South Vietnam. The type of war being waged cannot be dismissed as not being aggression merely because the pattern of aggression it presents is novel.

It appears to the United States that, months after complaints by the Government of Vietnam regarding North Vietnamese subversion, the ICC has thus far avoided this central issue, and the matter is still being sifted through the ICC's legal committee. In the view of the United States the ICC must face this issue, which is at the heart of the problem of insecurity in Southeast Asia. In this connection, the United States is persuaded that the ICC has an important role to fulfill in beginning to formulate a body of legal doctrine to control subversion.

Our policy toward Vietnam is clear. The United States does not menace North Vietnam nor seek its re-conquest. However, it is our intent to provide the Government of Vietnam with all means necessary to preserve its independence. This exceptional aid will cease once North Vietnam ends its attempts to destroy the Government of Vietnam.

While we appreciate the difficulties which confront Canada and India, we consider that it would be damaging if the ICC were to find the Government of Vietnam and the Government of the United States in violation of the Geneva Accords without citing the "Democratic Republic of Vietnam" for its responsibility for the situation which exists in South Vietnam.

In our view the record is clear that, regardless of the present efforts of the North Vietnamese to obscure the facts, increased United States aid has been a response to increased subversion. The United States would therefore hope that the ICC, before considering the complaints of the "Democratic Republic of Vietnam," would first consider the complaints of the Government of Vietnam on the problem of subversion. If this should prove absolutely not to be feasible, the United States would nevertheless consider the two issues linked, since, in its own defense, the Government of Vietnam could only be expected to raise the issue of subversion once again.

## [PIÈCE JOINTE 2/ENCLOSURE 2]

*Aide mémoire du ministère des Affaires extérieures**Aide Mémoire by Department of External Affairs*

SECRET

Ottawa, March 5, 1962

The relationship between the measures which have been taken by the United States Government to assist the defence forces of the Republic of Vietnam, on the one hand, and the responsibilities devolving upon the International Supervisory Commission for Vietnam under the Geneva Agreements of 1954, on the other, has been the subject of anxious consideration by the Canadian authorities in recent weeks.

The Canadian Government recognizes that these measures have been taken for the primary purpose of maintaining the independence of South Vietnam and generally for the preservation of stability and peace in the Southeast Asian region. With these objectives the Canadian Government has the fullest sympathy and, as United States officials have been assured on a number of occasions, Canadian representatives in the Commission will do all they appropriately can to avoid or minimize embarrassment to the United States in the execution of its programme of assistance. At the same time, the Canadian Government welcomes the indications it has had that the United States Government, for its part, recognizes the difficulties which confront the representatives of Canada and India in the Commission on this matter. As the United States Government pointed out in its memorandum of February 1960, concerning the increases then proposed for the MAAG, such matters must necessarily be handled in the Commission "only as a question of interpreting the Geneva Agreements."<sup>56</sup>

The Canadian Government is in general agreement, moreover, with the view expressed in the same United States memorandum that the broad purpose of the Geneva Agreement for Vietnam was "to stop hostilities and to freeze the balance of military power between the two sides." Not only has this balance been upset by the increase in the strength of the North Vietnamese military forces; the North Vietnamese authorities have also unquestionably been responsible in very large part for the incitement and direction of subversive and terroristic activities in the South. The Canadian Government welcomes, therefore, as consistent with the spirit and intent of the Geneva Agreements, the statement of President Kennedy that "if the communist authorities in North Vietnam will stop their campaign to destroy the Republic of Vietnam, the measures we are taking to assist your defence efforts will no longer be necessary."<sup>57</sup> It would seem reasonable to infer from this statement that a return to the situation envisaged by the Geneva Agreements is an objective of United States policy.

It follows from the foregoing that the Canadian Government fully shares the view which has been expressed by United States officials that the question of Northern subversion and American assistance are directly and intimately linked, and that the establishment of this link is indeed the central issue now before the Commission.

The United States Government is aware of the prolonged and sustained efforts which were made by Canadian representatives in the Commission to obtain formal recognition by the Commission that it has the competence and the duty to entertain and investigate charges of subversive activity by one party against the other, and of the fact that a decision to this effect was finally taken by Indo-Canadian majority on June 24, 1961.<sup>58</sup> Since that time, and particularly since the receipt by the Commission of the South Vietnamese Government's letter

<sup>56</sup> Voir/See Volume 27, document 545.

<sup>57</sup> Voir/ See *Department of State Bulletin*, Vol. 46, No. 1175 (January 1, 1962), pp. 13-14.

<sup>58</sup> Voir/See Volume 28, document 748.

of October 24, 1961, the Indian and Canadian representatives on the Commission's legal committee have been engaged (in the absence of the Polish representative) on a detailed examination of the mass of evidence submitted by the South Vietnamese authorities. This examination is progressing favourably, and it is the earnest hope of the Canadian Government that a report will soon be submitted by the legal committee on the basis of which the Commission will be able to take an appropriate decision.

The United States Government is also aware that complaints have been received by the Commission that the assistance in men and material recently made available to the Republic of Vietnam by the United States constitutes a violation of the Geneva Agreement. It is the understanding of the Canadian authorities that the United States Government recognizes that the limits for assistance set by the Geneva Agreement have in fact been exceeded; and although no public statement to this effect has been made, specific reports published in the press have not been denied. The Canadian Government is in the fullest agreement with the view expressed by United States officials that it would be damaging if the Commission were to find the Government of the Republic of Vietnam and the Government of the United States in violation of the Geneva Agreement without citing North Vietnam for its responsibility for the situation which exists in South Vietnam. The Canadian Government would not be a party to such a finding. It must however point out the extreme difficulty if not impossibility for the Commission, when considering these complaints "as a question of interpreting the Geneva Agreement," of not at some stage reaching the conclusion that violations of the relevant articles of the Agreement have taken place. It would be the hope of the Canadian Government that such findings, if made after a finding with regard to North Vietnamese responsibility, would be seen in their proper context.

The Canadian Government believes it to be the generally accepted view of the Western powers concerned with this situation, including the United States, that in the absence at the present time of any better alternative the preservation (or, where necessary, the restoration) of the "Geneva structure" for Vietnam is a desirable object of policy. If this is so, it would seem to follow that no avoidable action should be taken which would have the effect of undermining that structure or of rendering unable to function the Commission which was created to supervise and control the implementation of the Agreement. It is with these considerations in mind that the Canadian Government has recently been re-examining the questions urgently posed for the Commission by the allegations that articles 16 and 17 of the Agreement are being violated.

As the United States Government is aware, these articles prohibit the introduction into Vietnam of additional military personnel and additional war material (subject to provision for rotation and replacement), require each party to notify the Commission of any arrivals and departures of such personnel or material, and charge the Commission with responsibility for supervising and inspecting, through its inspection teams, the arrivals, departures and replacements of men and materials.

While recognizing that the United States regards its increased assistance as a response to increased North Vietnamese subversion, the Canadian Government finds it difficult to believe that the Commission could accept the suggestion that the South Vietnamese Government's note of December 9, 1961, which makes this point, constitutes "notification" within the meaning of the Agreement. This note was in very general terms. It did not indicate places, dates, numbers or use, as required by the two articles; and it afforded no opportunity for supervision and inspection by the Commission. A further suggestion that articles 16 and 17 should be regarded, in effect, as temporarily suspended by reason of North Vietnamese violations of the Agreement is also, in the view of the Canadian Government, one that the Commission could not be expected to accept. Whatever the intrinsic equity of these

suggestions, they are not ones that a member state of the Commission could put forward consistently with the obligations which it assumed under the Agreement.

The dilemma which this situation presents for the Government of the United States and for the Government of the Republic of Vietnam is fully and sympathetically appreciated by the Canadian authorities who, as previously stated, are anxious to help in any way they can. It may be doubted whether any practical solution to the dilemma can be found until the Commission has been able to take an appropriate decision on the charges of Northern subversion. In view of the possibility that such a decision will soon be taken, however, the United States Government might wish to re-examine now, in consultation with the Government of the Republic of Vietnam, the question whether some form of notification – whether partial and specific or full and non-specific – would serve better than a continuation of the practice of no notification the double objective of deterring the North Vietnamese and preserving the Geneva Agreements.

556.

DEA/50052-A-13-40

*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], March 7, 1962

## VIETNAM – PROPOSED AIDE MÉMOIRE TO STATE DEPARTMENT

The Minister agrees that there is a need to remove any possibility of a misunderstanding between ourselves and the State Department on the issue of notification to the ISC of military assistance to the government of South Vietnam and he also agrees that it is perhaps best to record our views in writing. On the other hand, he regards any such exchange of correspondence as fraught with great risks in the event that any of the views expressed in the Canadian Aide Mémoire should become public. The propriety of any exchange of correspondence of this nature between a member of the Commission and one of the principal partners involved would certainly be open to question if it became known. It behoves us therefore, to exercise the greatest care to ensure that the views expressed in the Canadian Aide Mémoire are as “correct” from a Commission point of view as is possible in the circumstances.

2. In the Minister's view, this will require the elimination of direct reference to acceptance of certain U.S.A. views as now expressed in paragraphs 2 and 3 of the draft. (Indeed there are certain assertions and assumptions in the U.S.A. Aide Mémoire with which the Minister does not agree.) In summary, therefore, the new draft should confine itself as far as possible to a positive statement of the problem as seen from the point of view of a member of the Commission, without expressing the sympathy with which Canada as a government, may look upon the United States' difficulties in South Vietnam.<sup>59</sup>

R. C[AMPBELL]

<sup>59</sup> Note marginale :/Marginal note:  
Noted. [N. A.] R[obertson].

557.

DEA/50052-A-11-40

*Aide mémoire du secrétaire d'État aux Affaires extérieures**Aide Mémoire by Secretary of State for External Affairs*

SECRET

[Ottawa], March 10, 1962

The measures which have been taken by the United States Government to assist the defence forces of the Republic of Vietnam and the responsibilities devolving upon the International Supervisory Commission for Vietnam under the Geneva Agreements of 1954 have been the subject of careful study by the Canadian authorities in recent weeks.

The Canadian Government recognizes that these measures were taken by the United States for the purpose of maintaining the integrity of South Vietnam and generally for the preservation of stability and peace in the Southeast Asian region. These objectives are of course also those of the Geneva Agreements, which constitute the terms of reference of the International Commission.

The broad purpose of the Geneva Agreement for Vietnam was to stop hostilities and to freeze the balance of military power between the two sides. Not only has this balance been upset by the increase in the strength of the North Vietnamese military forces; the North Vietnamese authorities have also unquestionably been responsible in very large part for the incitement and direction of subversive and terroristic activities in the South. The Canadian Government welcomes, therefore, as consistent with the spirit and intent of the Geneva Agreements, the statement of President Kennedy that "if the communist authorities in North Vietnam will stop their campaign to destroy the Republic of Vietnam, the measures we are taking to assist your defence efforts will no longer be necessary." From this statement it seems evident that a return to the situation envisaged by the Geneva Agreements is an objective of United States policy.

It follows that in the Canadian Government's view the questions of Northern subversion and American assistance are directly and intimately linked, and that the establishment of this link is indeed the central issue now before the Commission.

The United States Government is aware of the prolonged and sustained efforts which were made by Canadian representatives in the Commission to obtain formal recognition by the Commission that it has the competence and the duty to entertain and investigate charges of subversive activity by one party against the other, and of the fact that a decision to this effect was finally taken by Indo-Canadian majority on June 24, 1961. Since that time, and particularly since the receipt by the Commission of the South Vietnamese Government's letter of October 24, 1961, the Indian and Canadian representatives on the Commission's legal committee have been engaged (in the absence of the Polish representative) on a detailed examination of the mass of evidence submitted by the South Vietnamese authorities. This examination has already resulted in majority agreement on certain important conclusions, and it is expected that the Commission will shortly be able on the basis of these conclusions, to take an appropriate decision.

The United States Government is also aware that complaints have been received by the Commission that the assistance in men and material recently made available to the Republic of Vietnam by the United States constitutes a violation of the Geneva Agreement. It is the understanding of the Canadian authorities that the United States Government recognizes that the limits for assistance set by the Geneva Agreement have in fact been exceeded; and although no public statement to this effect has been made, specific reports published in the press have not been denied. The Canadian Government believes that it would be inappropriate for the Commission to find the Government of the Republic of Vietnam and the Government

of the United States in violation of the Geneva Agreement without citing North Vietnam for its responsibility for the situation which exists in South Vietnam. The Canadian Government would not be a party to such a finding. It must however point out the extreme difficulty if not impossibility for the Commission, when considering these complaints, of not at some stage reaching the conclusion that violations of the relevant articles of the Agreement have taken place. It would be the hope of the Canadian Government that such findings, if made after a finding with regard to North Vietnamese responsibility, would be seen in their proper context.

The Canadian Government believes it to be the generally accepted view of the Western powers concerned with this situation, including the United States, that in the absence at the present time of any better alternative the preservation (or, where necessary, the restoration) of the "Geneva structure" for Vietnam is a desirable object of policy. If this is so, it would seem to follow that no avoidable action should be taken which would have the effect of undermining that structure or of rendering unable to function the Commission which was created to supervise and control the implementation of the Agreement. It is with these considerations in mind that the Canadian Government has recently been re-examining the questions urgently posed for the Commission by the allegations that articles 16 and 17 of the Agreement are being violated.

As the United States Government is aware, these articles prohibit the introduction into Vietnam of additional military personnel and additional war material (subject to provision for rotation and replacement), require each party to notify the Commission of any arrivals and departures of such personnel or material, and charge the Commission with responsibility for supervising and inspecting, through its inspection teams, the arrivals, departures and replacements of men and materials.

While recognizing that the United States regards its increased assistance as a response to increased North Vietnamese subversion, the Canadian Government finds it difficult to believe that the Commission could accept a suggestion that the South Vietnamese Government's note of December 9, 1961, which makes this point, constitutes "notification" within the meaning of the Agreement. This note was in very general terms. It did not indicate places, dates, numbers or use, as required by the two articles; and it afforded no opportunity for supervision and inspection by the Commission. The Canadian Government also considers that the Commission could not be expected to accept a suggestion that articles 16 and 17 should be regarded, in effect, as temporarily suspended by reason of North Vietnamese violations of the Agreement. Whatever the intrinsic equity of these suggestions, they are not ones that a member state of the Commission could put forward consistently with the obligations which it assumed under the Agreement.

This whole situation presents a dilemma for the Governments of the United States and the Republic of Vietnam and also for the International Commission. It may be doubted whether any practical solution to the dilemma can be found until the Commission has been able to take an appropriate decision on the charges of Northern subversion. In view of the possibility that such a decision will soon be taken, however, the United States Government might wish to re-examine now, in consultation with the Government of the Republic of Vietnam, the question whether some form of notification – perhaps partial and specific or full and non-specific – would serve better than a continuation of the practice of no notification the double objective of maintaining the integrity of South Vietnam and preserving the Geneva Agreements.

H.C. G[REEN]

558.

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-77

Ottawa, March 12, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: London, Paris, NATO Paris, Laosdel Geneva, DM/DND, CCOS, CGS, DGPO, Delhi, Saigon.

By Bag: Warsaw, Moscow, Vientiane, Phnom Penh from London.

## VIETNAM COMMISSION – USA MEASURES

Minister has approved aide-mémoire outlining general Canadian attitude on problems now facing Vietnam Commission. (Text in our telegram Y-78 March 12.†) You should seek early appointment with State Department at suitably senior level and speak along lines indicated, leaving text. Please let us know date and time of appointment so that we may pass copy to USA Embassy here for their information.

2. Aide-mémoire is in effect a comment on points made to us recently both in Washington and Ottawa. (See particularly our telegrams Y-63 February 24† and Y-64 February 26.†) It reiterates our inability to argue in Commission (a) that GRVN note of December 9/61 constitutes notification within meaning of CFA and (b) that Articles 16 and 17 of CFA should in effect be regarded as temporarily suspended. It refutes statement that Commission has avoided issue of Northern subversion. At same time it recognizes fully and explicitly central importance of link between DRVN subversion and USA assistance. On particular question of notification it does not go beyond suggesting that USA Government re-examine with GRVN possibility of resuming some form of notification.

3. In order to put matters dealt with in aide-mémoire in proper perspective, you might remind State Department orally that general Canadian attitude of sympathy for USA objectives in Vietnam has been made clear on a number of occasions, and that in House on March 8 Minister explicitly recognized USA actions there to have been “in a measure of defence against Communist action.” (Our telegram PG-66 March 9† contains extracts from this statement.) You might also say that explanations of USA policy recently given to us in Washington and Ottawa have been helpful in considering what action ICSC could most usefully and appropriately take in coming weeks.

4. We would prefer that you did not at this time pass to State Department text of Legal Committee report (your telegram 745 March 9† refers). You may however tell State Department in strict confidence that Indians and Canadian members of Legal Committee have agreed there is evidence showing conclusively that DRVN actions have violated CFA. Though report is not yet completed, we are now reasonably confident that Commission will be in position to take decision on it before end March. You should emphasize importance in meantime of avoiding premature disclosure and of restricting closely distribution of information about Legal Committee's activities.

5. In discussing question of notification, you may at your discretion use material in Hooton's thoughtful telegram 29 February 22.† You should however make clear that views Hooton expressed to USA Embassy were his own and not necessarily those of Canadian Government. As indicated in paragraph 2 above, Minister considers problem should be re-examined but does not think it appropriate to suggest any particular solution.

[N.A.] ROBERTSON

559.

DEA/50052-A-13-40

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

*Memorandum by Assistant Under-Secretary of State for External Affairs*

SECRET

[Ottawa], March 16, 1962

VIETNAM COMMISSION – U.S.A. MEASURES

Yesterday, at my request, Mr. Rufus Smith, Counsellor in the United States Embassy, called on me for a discussion, in which Mr. Teakles participated, of the Aide Mémoire delivered in Washington on March 15.

2. I gave Mr. Smith a copy of the Aide Mémoire which I said was in effect an answer to their informal memorandum of February 14, but also an attempt to reconcile what might appear as differences in the American and Canadian positions in respect to Vietnam.

3. We told Mr. Smith that we had invited him here in order to add some explanation to the necessarily formal wording of the Aide Mémoire. We reminded him that expression had already been made of the Canadian government's sympathy and understanding of the American support of South Vietnam, and added that the explanations given here and in Washington of the American problems and political had been of assistance to us.

4. We then gave a somewhat more elaborate statement of the principal arguments in the Aide Mémoire, dwelling especially on the two points with which we had been unable to agree, namely, the American inclination to regard the Note of December 9 from the government of Vietnam to the I.C.S.C. as constituting notification within the meaning of the Geneva accords, and the impossibility of our accepting in the Commission the argument that Articles 16 and 17 of the Agreement could be regarded as suspended.

5. In respect to the first, we explained again the gap between the Vietnam Note and the kind of notification that is required. We said that we had not at this moment any fixed views on whether there should be Southern notification, or if so, in what form. We would like to consult the Americans about this later, and we recognized the difficulty of making any notification before a decision by the Commission on the North Vietnam violations.

6. In respect to the second point, that is, Articles 16 and 17, we explained that not only would it be inappropriate for a Commission member to suggest suspension of Articles, but such suspension would remove the principal basis for Commission investigations and patrolling.

7. We further explained to Mr. Smith that while we would not comment on the American argument that violation of a Treaty by one party justifies violation by the other, while we could not accept the interpretation of the Note of December 9, and while for reasons stated we could not agree to the suspension of Articles 16 and 17, we thought nevertheless that the Canadian approach to the subject as indicated in the Aide Mémoire and further explained in this conversation, was in substance similar to, and not conflicting with, the American approach. We said that we hoped that the State Department, after study of the Aide Mémoire, would make comments leading at best to a substantial agreement on American and Canadian policies. At first reading of the Aide Mémoire we had the impression that Mr. Smith saw some



difficulties, but after the explanations and interpretations we had made, he said that he had a fuller understanding of our position and expressed satisfaction with the opportunity for having it detailed to him. He understands that the Aide Mémoire has been formally presented in Washington together with comment on the main points. He will, however, I think, send a supplementary message from here, no doubt, giving his own response to the document itself and to the explanations of it.

G.P. DE T. G[LAZEBROOK]

560.

DEA/50052-A-40

*Le ministre de 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*

CONFIDENTIAL. CANADIAN EYES ONLY.

Washington, March 28, 1962

Dear George [Glazebrook],

At their request, Ted Rettie, who has been following Vietnam developments closely, lunched on March 26 with Abraham Chayes, State Department Legal Adviser, and Ben Wood of the Vietnam Task Force in the State Department. Ted has done the attached memorandum of the informal discussion which took place on this occasion about Vietnam developments, with particular reference to the role of the Commission.

As you know, on March 15 we left with senior State Department officials the Department's aide-mémoire on this subject, which suggested in its last paragraph that United States authorities might wish to re-examine their policy on notification. Chayes' comments made on this informal occasion on March 26 should not be regarded as a formal State Department response to our memorandum, but rather as an indication of the current thinking of Chayes and other State Department officials, particularly on the legal side, as to the basis of the present policy, and the advantages and disadvantages of urging the South Vietnamese authorities to resume notification in some form.

The memorandum of conversation and the State Department Legal Division background paper<sup>60</sup> which was passed to Rettie on a personal and confidential basis, require little additional comment. I agree with Ted that it would be useful if Chayes could be told, on an equally informal basis:

- (a) what our reaction is to the legal conclusions reached in the attached memorandum;
- (b) how, in our view, the best use might be made of the United States legal views; and
- (c) our informal advice on how an approach to the Indians along the lines of the attached memorandum might best be conducted.

On the substance of the question of notification, quite clearly this is a decision which the United States authorities and the South Vietnamese must take for themselves. From the attached account it is clear the United States authorities will be considerably influenced in coming to a decision by the specific action which the Commission (that is to say, the Canadians and the Indians) takes in linking the increased import of war materials into the

<sup>60</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. II (Washington: United States Government Printing Office, 1990), document 130 n. 3.

South directly and in a causal relationship with the prior and serious Northern violations of the agreement.

On this last point, I am personally of the view that the United States authorities would be well advised to discuss their view of developments of Vietnam and particularly the Commission's role "in depth," as the saying goes, with the Indian authorities, in the same way as they have exchanged views very frankly with us. From my own experience the best person to talk to would be M.J. Desai in New Delhi. I shall be glad to learn whether you agree that we might informally advise Chayes in this sense.

I think you can take it that Chayes is anxious, as we are, to preserve the informal character of his latest comments, and I hope that this form can be preserved in any comments which you may authorize us to pass on to him.

Yours sincerely,

S.F. RAE

[PIÈCE JOINTE/ENCLOSURE]

*Note du conseiller de l'ambassade aux États-Unis*

*Memorandum by Counsellor, Embassy in United States*

CONFIDENTIAL. CANADIAN EYES ONLY.

[Washington], March 27, 1962

SOUTH VIETNAM

At their request I had lunch yesterday with Abraham Chayes, State Department Legal Adviser, and Ben Wood of the Vietnam Task Force in the State Department. Their purpose was to have an informal chat about developments in Vietnam, with particular reference to the role of the Commission.

2. Chayes' major aim was to explore the pros and cons of a decision by the South Vietnamese to commence a policy of specific notification to the Commission of imports and arrivals of United States men and material for the expanded drive against the Viet Cong. It was evident that Chayes and others had been giving serious thought to the consequences of such a policy, possibly as the result of discussions in Saigon and informal conversations which we have had with the State Department here, as well as because of the suggestion in the last paragraph of the aide-mémoire which we left with the State Department on March 15, that the United States Government might wish to re-examine this question.

3. Chayes' view of the advantages and disadvantages of a policy of notification appeared to depend primarily on the extent to which it would be recognized (e.g., by the Commission) that the imports and arrivals into the South were causally related to the prior Northern violations of the Agreement, i.e., by subversion and infiltration into the South. His concern was that unless this causal relationship were preserved, the South Vietnamese, by following a policy of notification, would be practising a form of self-incrimination which could easily be exploited by the Communist enemy.<sup>61</sup> For example, he was concerned that the Soviet Union in such circumstances would be able to call for immediate international action to terminate the overt imports and arrivals into the South, whilst being in a position to delay any action to terminate the clandestine and unacknowledged subversion and infiltration being practised by the North.

<sup>61</sup> Note marginale :/Marginal note:

Une note par G. P. de T. Glazebrook est illisible.

A note by G. P. de T. Glazebrook is illegible.

Chayes was, therefore, anxious to learn the circumstances in which such a policy of notification might have to operate.

4. On the basis of Frank Hooton's messages from Saigon, I said that we had no firm information as to how the Commission might deal with the related questions of increased United States assistance and the subversion issue. I said it was possible, however, that the Indians would be anxious to send a report to the Co-Chairmen which would take note of the two issues without emphasizing the causal relationship between them, and seek a recommendation from the Co-Chairmen as to how, in these new circumstances, the Commission ought to fulfil its mandate. I said I also thought that if this were the procedure adopted, the Canadian delegation would have to give thought to any available means (e.g., a minority report)<sup>62</sup> of emphasizing the relationship between the issues. However, I was doubtful whether the Co-Chairmen would find it possible to agree on a response to the Commission that would offer it much enlightenment, either on how to apply the concept of the causal relationship (if that were established in the report to the Co-Chairmen), or, indeed, on any other aspects of the Commission's mandate. Nevertheless I thought that once the Commission had taken a decision that subversion and infiltration were being, or had been, practised by the North, the Commission and others concerned would at least be operating in full knowledge of the background to the increased aid and assistance being given to the South Vietnamese. I suggested that it might also prove possible to continue to keep the relationship between the two issues to the fore if the Commission, in addition to receiving and acting upon notifications from the South, were to continue its investigations into the question of subversion and infiltration.

5. Chayes' reaction to these suggestions was that it would be very difficult to adopt a policy of notification in the face of such uncertainties. Certainly it seemed to him that there might be grave disadvantages in commencing a policy of notification until the Co-Chairmen had responded to the Commission's request for guidance. Thereafter a good deal would depend on what view the Co-Chairmen took.<sup>63</sup>

6. Chayes went on to indicate that it was this question of self-inculpation that lay behind a good deal of the legal work that has been done in the State Department recently on the question of justification for increased aid to the South.<sup>64</sup> In doing so he, of course, made it quite clear that he agreed with the view which the Ambassador had put to him some time ago that a legalistic approach to the problems of the Commission might not be helpful. Chayes hoped that we could keep our discussions on an informal and practical basis. He also wished to take fully into account our position in the Commission and our knowledge of its procedures.

7. It was nevertheless quite clear that Chayes was convinced that the increased assistance to the South could be justified legally and that, if it were appropriate to say so in the Commission, it would be the best way of establishing and maintaining the causal relationship to which the State Department attached great importance. Chayes then turned over to me the attached paper prepared in his office, which purports to establish that:

(a) the non-performance of a treaty obligation by one party to it will, so long as such non-performance continues, justify an equivalent and corresponding non-performance by the other party;

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<sup>62</sup> Note marginale :/Marginal note:  
[Its authority?] in collapse. [G. P. de T. Glazebrook]

<sup>63</sup> Note marginale :/Marginal note:  
They won't take any. [G. P. de T. Glazebrook]

<sup>64</sup> Note marginale :/Marginal note:  
Meaning? [G. P. de T. Glazebrook]

(b) the resulting non-observance, under certain conditions (which were believed to be applicable in the case of the Vietnam Agreement), could relate to an obligation different from the one which had been the subject of the previous non-observance by the other party, and, in fact, might be an obligation under a different treaty; and

(c) performance of the treaty must be resumed as soon as the requirements of legitimate self-defence are met.

The paper also indicates that these propositions “assume” that the treaty remains in full force and, in principle, fully operative, and that the intention is merely to consider the circumstances in which, on grounds of legitimate self-defence, it may be permissible not to perform, for the time being, a particular obligation of the treaty.

8. I did not, of course, read the paper during our conversation, but I did ask Chayes whether it was his belief that the Vietnam Agreement would continue to subsist in the event that the Commission were to adopt the legal principles to which he had referred in general terms. I pointed out that we might be concerned that if in effect the Commission were to interpret the Agreement so as to constitute a revision of some parts of it, the basis for the Commission’s operations itself might be put in some doubt since its mandate was also derived from the same Agreement. Chayes said that he thought that the Commission would continue to have all the legal authority necessary to continue its operations. I then suggested that although this might be the case, a good deal would depend not only on the willingness of the North Vietnamese to agree to such a position, but also on the uses to which the North Vietnamese themselves might be inclined to put such an interpretation of the Agreement. I suggested, for instance, that the North might claim that regardless of the justification for increased military personnel and equipment in the South, it would be essential for the Commission to permit similar increases in the North on the ground that it was an essential part of the Vietnam Agreement to maintain a military balance between the two sides. Chayes took the view that the North would have no say as to the continuing validity of the Agreement and that in view of the justification underlying the increased aid to the South, the North could not reasonably argue that the Agreement be interpreted so as to permit them an increase in their military personnel and equipment.<sup>65</sup>

9. It was of considerable interest that in this discussion Chayes did not attempt to make too much of the thesis mentioned in the memorandum given to the Department by the United States Embassy in Ottawa that the South Vietnamese note of December 9, 1961 constituted notification within the meaning of the Vietnam Agreement. On two occasions Wood ventured this approach but received little encouragement from Chayes. On the whole, therefore, I am inclined to think that Chayes is taking a somewhat more practical<sup>66</sup> attitude towards the problem of notification.

10. In the exchanges mentioned above none of us tried to arrive at any conclusions. Chayes simply requested that I try to obtain, very informally, Canadian views on the attached paper and the use to which the arguments therein might be put. He commented in passing that he had formed no opinion as to whether these legal arguments could, or should, be used, especially in the Commission, although it was evident that he thought they would provide a useful background for the causal relationship to which he had referred. His main concern in developing these legal arguments had been, as he explained it, to justify the State Department’s advice to the President to extend increased assistance in present circumstances to the South

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<sup>65</sup> Note marginale :/Marginal note:  
Why not? [G. P. de T. Glazebrook]

<sup>66</sup> Note marginale :/Marginal note:  
? [G. P. de T. Glazebrook]

Vietnamese Government. His action in giving us a résumé of the legal research had been motivated by a desire to ensure that we understood fully the underlying principles guiding the United States Government. He added that he would also be very grateful for informal Canadian advice on the usefulness of speaking to the Indians about the United States legal views in order to complete their understanding of the United States position. He said he would be grateful also for Canadian suggestions as to where, and how, this might best be done.

11. It may also be of some interest to record some of Chayes' comments on the future of developments in relation to the Vietnam Agreement. Throughout our conversation Chayes reiterated emphatically that it was the United States' desire that the parties return to full observance of the Agreement. He was unsure when this might be possible, since he thought that there would have to be at least a minimum amount of political will on the part of the North Vietnamese authorities favouring a return to the conditions envisaged in the Agreement. Of this there was as yet no sign.

12. I suggested that there might be two aspects to the development of such a desire on the part of the North Vietnamese authorities. First, the success of the South Vietnamese efforts against the Viet Cong would obviously have a powerful influence on the political climate in the North. Chayes agreed that this was in fact the central problem for the immediate future.

13. Second, it was conceivable that the International Commission might have a role to play in developing conditions in which the North might revert to observance of the Agreement. I said I thought that our approach to the problems of the Commission had to be viewed in relation to its capacity to perform such a function. If the other countries concerned wished the Commission to remain in existence, I was sure Canada, for its part, would wish to co-operate in any efforts to make the Commission a more effective instrument for encouraging observance of the Agreement. I pointed out that the Commission did not, of course, have any obvious limits to what the Commission could do in the absence of co-operation from the parties, or, for that matter, co-operation between the parties. Chayes was sceptical that the North would ever extend any co-operation to the South for the better regulation of their relations. He and Wood were also rather scornful of the degree of co-operation extended by the North to the Commission and tended to view the South as more co-operative. I suggested that nevertheless the extension and expansion of Southern co-operation with the Commission was likely to be the most effective method of affecting the attitude of the Indian delegation, which, as we both agreed, played, and would play, a key role in future developments. Basing myself on paragraph 4 of Saigon's telegram No. 48 of March 22,<sup>†</sup> I suggested that there might be possibilities that the co-operation of the South, possibly even extending to the question of notification, might pave the way for the emergence of a more efficient and effective Commission, both in the South and in the North.<sup>67</sup> I emphasized that no authoritative Canadian views had been developed on this question but that it seemed to me to be one of the relevant considerations which the United States would wish to take into account in assessing the arguments for and against a resumption of the policy of notification. Chayes seemed to take this in and, at any rate, offered no immediate objection. He made it clear that the United States considered that the Commission was at present performing a useful role and that any feasible steps to make it more effective would, of course, be welcomed in principle by the State Department.

14. In this connection one point that he made was that the North and the South had virtually no machinery for contact. I said that this was, of course, our experience as well and that I suspected that the Indian concern for a revival of the Joint Commission sprang from the belief

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<sup>67</sup> Note marginale :/Marginal note:  
? [G. P. de T. Glazebrook]

that ultimately a real pacification of the country would depend on some modium of mutual restraint based on more extensive contact than existed at present.

15. It seems to me that Chayes is genuinely interested in promoting an understanding United States attitude towards our problems in the Commission and I hope that it will be possible to expedite some informal views which I can pass on. It seems to me that it would be useful if we could informally tell Chayes:

- (a) what our reaction is to the legal conclusions reached in the attached memorandum;
- (b) how, in our view, the best use might be made of the United States legal views; and
- (c) our informal advice on how an approach to the Indians along the lines of the attached memorandum might best be conducted.

E.R. R[ETTIE]

561.

DEA/50052-A-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures  
pour le ministre de l'ambassade aux États-Unis*

*Memorandum from Assistant Under-Secretary of State for External Affairs  
to Minister, Embassy in United States*

CONFIDENTIAL. CANADIAN EYES ONLY.

Ottawa, April 26, 1962

Dear Saul [Rae],

I have taken a long time answering your letter of March 28 about the conversation which Ted Rettie had with Chayes and Wood. This was not caused so much by my sins of omission as by our efforts to examine the legal problem and to put it in its setting.

The position seems to be that the State Department have tacitly indicated that they do not want to comment on our aide mémoire until they can see their way through the question of notification by the South and the effect of that on the general position. We had, of course, suggested that the question of notification would need study but we had thought that the other principles might be agreed on beforehand. However, I am glad to pick up this informal conversation and add what I can to it.

The legal paper which came with your letter has been examined by the legal officers. We do not, of course, wish to make anything like a judgment nor were we asked to make one. Perhaps the nearest we can get is that it argues a principle for which there is good authority but one that cannot be regarded as firmly embedded in the agreed concepts of International Law.

You will have noticed, however, that we had previously kept away from a discussion of this argument concerning the breaking of treaties, not so much because we did not recognize its possible practicability but because it is one that does not fit our situation well. We see two objections to introducing this argument into the Commission itself:

(1) It could well be a two-edged sword as convenient to the North as to the South. Particularly in view of the more conspicuous, i.e., the more identifiable breaches by the South, it does seem that the North could, if they wished, take up this treaty argument and insist on the right to receive, say, 4,000 Chinese troops into North Vietnam in retaliation for the Southern breach.

(2) Our particular concern is the implication that we should announce in the Commission a doctrine of International Law which has not had general acceptance; in particular, this doctrine has not been the subject of a judgment in the International Court of Justice. The Commission would hardly seem to be a suitable platform for such an announcement, nor would we who are

supposed to be the defenders of the Geneva Agreement appear to be the right people to do it. To come down to brass tacks and for your own information, I cannot conceive of the government's agreeing to our taking such action either from general considerations or bearing in mind our responsibilities in the three Commissions, in UNEF, and on the Kashmir cease-fire line.

I take it, however, that the essence of the American problem is what they call a "causal relationship." This is not necessarily dependent on a treaty argument and could be expressed in another way. You would have noticed that we have already taken up this point with the government of India (our telegram Y-202 of April 13 to Saigon†) and got a cool reply, although one which is surely defensible in logic. You will know by the telegram that we reserved our position on what attitude we would take when the time comes.

Assuming that the long drawn out process of drawing up charges against the North continues to go well in spite of the efforts of the Polish Commissioner, it is our hope that a majority report of substance can be issued (our telegram Y-97 of April 13†). If this process comes out all right and before the report is actually issued, the Poles and Indians would expect to be handling the charges against the South. You will recall that the best bargain we have been able to drive so far is that the two should be contemporaneous.

Presumably at that stage the Commission will consider anti-Southern charges either with or without notification from the South. I suppose that there is something in Chayes' argument about self-incrimination, although, as Washington has publicly announced on a number of occasions that it has sent troops and supplies way beyond any conceivable level allowed by the Geneva Agreement, this is a little more than a formality. Suppose, however, that the South does then notify at least something like the actual importations, the question then arises of causal relationship. The Poles, of course, would oppose this, and according to our present information, so would the Indians. This would leave us with the following choices:

- (1) We could take part in a unanimous citation or series of citations.
- (2) We could do that and then add orally a statement to the effect that the Southern build-up was in response to Northern aggression. This would appear in the Commission minutes but would not, of course be published.
- (3) We could make a minority statement in the agreed report or a minority report admitting the Southern breaches but putting them into the context of defence measures required by Northern aggression.

I would hesitate to guess now as to which of these courses we might choose until the circumstances become more evident. In general, we have in the past attempted to avoid action in any of the Commissions which could give to the Poles a substantive argument that we were departing from our proper duties and acting as a stooge of the United States. Perhaps we now have to do just that, but we are not even sure whether it would be helpful and will not be sure until we can see the picture pretty closely.

We have been asked three particular questions, and I have tried to answer (a) and (b). As to (c), that is the American approach to the Indians, I would hesitate to give any firm advice but in the light of my conversation with Chakravarty (Telegram Y-202) and of Ronning's telegram 301 of April 19,† and generally in the light of our experience in attempting to conduct conversations on Vietnam in Delhi, I would be very doubtful if an American approach based on the treaty argument would be in the least helpful; it might indeed be unhelpful.

I gather from your letter and from Ted's memorandum that the State Department proposes not to comment on our aide mémoire. I find this a little strange but see no advantage in pressing the matter. I would, however, be interested to know whether there is any indication that they agree or disagree with the attempt we made to analyze the situation.

Yours ever,

G.P. DE T. GLAZEBROOK

562.

CEW/Vol. 3175

*Note de l'ambassade aux États-Unis*  
*Memorandum by Embassy in United States*

CONFIDENTIAL

[Washington], May 8, 1962

VIETNAM

A major current problem is the extent to which notification should be made to the International Commission for Supervision and Control in Vietnam of military equipment and personnel introduced into South Vietnam in quantities which appear to exceed the levels contemplated in the Cease-Fire Agreement for Vietnam.

2. One aspect of this question relates to whether, under present circumstances in Vietnam, the Cease-Fire Agreement should be regarded as continuing to impose an obligation to observe those levels. It has been stated that with regard to the applicability of these levels, the United States is guided by a clearly-recognized principle of international law, mainly that non-observance of a treaty obligation by one party to that treaty justifies an equivalent corresponding, or related non-observance by the other party, provided that the aggrieved party may continue its non-observance of treaty obligations only until resumption of observance by the other party. It is believed that this is a principle for which there is good authority, but one that cannot be regarded as firmly imbedded in the agreed concepts of international law.

3. Two objections are perceived to introducing this argument into the International Commission itself:

(1) It could well be a two-edged sword, as convenient to North Vietnam as to South Vietnam. Particular in view of the more conspicuous, i.e., the more identifiable breaches by the South, it seems that the North could, if it wished, take up this treaty argument and insist on the right to receive, say, 4000 Chinese troops into North Vietnam in retaliation for the Southern breach.

(2) The International Commission would not seem to be a suitable forum for introducing a doctrine of international law which has not had general acceptance, and in particular has not been the subject of a judgment in the International Court of Justice.

4. From another aspect, the essence of the problem of notification may be seen to consist of finding a means for establishing and maintaining international recognition that the increased assistance to the South Vietnamese Government is a response to prior and massive interference by North Vietnam in South Vietnam, in contravention of the Cease-Fire Agreement. If recognition of this causal relationship can be established and maintained as a practicable matter, then a purely legal justification, based on the principle of international law mentioned above, might seem to be unnecessary.

5. It appears that there are good grounds for believing that the International Commission will in the near future issue a majority report establishing, for the first time in an authoritative manner, the facts concerning Northern interference in South Vietnam. The Commission is, however, currently handling charges concerning the increased aid to the South in respect of



which, also, it can be expected the Commission will have to take decisions citing South Vietnam for non-compliance with the terms of the Cease-Fire Agreement. In the interests of establishing, as a practical matter, the causal relationship referred to above, the Canadian delegation to the Commission has taken steps to ensure that any decision regarding Southern non-compliance will not take place prior to a decision on Northern interference in the South. At the present time the assessment is that decisions on both questions will be taken contemporaneously. There is, however, no assurance that the Commission, in taking these decisions or reporting them to the Co-Chairmen or members of the 1954 Geneva Conference, will unanimously, or by a majority, link the two decisions in such a way as to emphasize their causal relationship.

6. Indeed, the assumption is that the Polish delegation would oppose any such effort to establish causality, whilst the Indian delegation, as at present inclined, would also be reluctant to agree. This would leave the Canadian delegation with the following choices:

(1) To ignore the question of causality;

(2) To make an oral statement in the Commission that the Southern buildup was in response to Northern interference. This would appear in the Commission minutes but would not, of course, be published.

(3) To make a minority statement in the agreed report of the Commission or a minority report admitting the Southern breaches, but putting them into the context of defence measures required by Northern aggression.

7. It will be difficult to tell which of these courses might be most suitable until the circumstances at the time of the Commission report become more evident.

8. The question also arises of the extent to which the Indian delegation might be persuaded, on the basis of the legal arguments advanced in justification of increased aid to South Vietnam, to agree to action by the Commission that would assist in establishing the causal relationship referred to above. It is doubtful, in the light of Canadian experience in attempting to conduct conversations on Vietnam in New Delhi, whether an approach to the Indians, based on the treaty argument, would be in the least helpful. It might, indeed, be unhelpful.

563.

DEA/50052-A-10-40

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

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

SECRET

[Ottawa], May 14, 1962

VIETNAM COMMISSION

The Indian Chairman returned to Saigon from New Delhi on May 11, apparently with clear instructions to proceed with an interim report from the Commission to the Co-Chairmen on North Vietnamese subversion and U.S. military assistance. He [is] expected to circulate a draft of the report within a day or two and to give delegations only ten days to obtain instructions before beginning consideration of it in the Commission.

2. There have been strong indications that the Indians will not be prepared (as we would wish) to make explicit in the report the causal connection between Northern subversion and American aid. It is possible, however, that by suitable construction the report may imply this connection sufficiently strongly to be satisfactory. In our view, a majority report signed by the Indian and Canadian Commissioners – the Poles are certain to submit a minority report unless

they withdraw altogether from the Commission – would have the maximum political effect, as two minority reports would tend to cancel each other. Only after the Indian draft is made available will it be possible to decide finally which alternative is preferable.

3. Last week, on his return journey to Saigon from consultations in Ottawa, Mr. Hooton discussed the situation along these lines with State Department and Foreign Office officials in Washington and London. Some consideration was given also at these talks to the question whether or not South Vietnam should resume notification to the Commission of importations of U.S. military equipment and personnel. It was generally thought, however, that this matter should be left in abeyance at least until after the interim report has been submitted.<sup>68</sup>

N.A. R[OBERTSON]

564.

DEA/50052-A-10-40

*Le haut-commissaire en Inde  
au secrétariat d'État aux Affaires extérieures*

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

TELEGRAM 374

New Delhi, May 18, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: My Tel 370 May 17.†

Repeat for Information: London, Washington, Paris, Warsaw (OpImmediate) from Ottawa, Saigon (OpImmediate).

By Bag: Phnom Penh, Vientiane, Hanoi from Saigon.

DRAFT OF SPECIAL REPORT TO CO-CHAIRMEN FROM VIETNAM COMMISSION

Gundevia informed me today that early this year he had instructed Parthasarathi to conclude as soon as possible the report to the Co-Chairmen. In March it was finally decided to summon Parthasarathi to Delhi to get the matter terminated. After consultation with the Prime Minister, Parthasarathi was instructed to finalize the report. He was told that it was unnecessary to wait for the completion of Mukhi's report with all the details involved. Mukhi's conclusions should be used and Parthasarathi was requested to draw up a draft, which was approved. The draft, said Gundevia, deals with the violations by the North and by the South. India will not repeat not agree to a report excusing either for action caused by the other. The report would merely outline to the Co-Chairmen the facts relating to violations by both sides with supporting evidence. Parthasarathi is instructed to send the report with or without a Polish minority report and/or a Canadian minority report. Mukhi must finish his report by May 30 as there have been criticisms here that Mukhi's fees are too high.

2. The Poles were annoyed when they learned of the instructions to Parthasarathi and the Polish Ambassador used every device, said Gundevia, to get the instructions modified. He insisted that if the North had given any aid at all to the guerrillas operating in the South, it amounted to zero compared to the magnitude of military aid given by the USA to the South in flagrant violation of the Geneva agreements. Gundevia was uninfluenced and Katz-Suchy insisted that he must carry out his instructions to see the Prime Minister. Gundevia then arranged for a 20 minute interview with Mr. Nehru. Gundevia briefed the Prime Minister in writing and learned afterwards that Katz-Suchy had spent over an hour haranguing Mr. Nehru

<sup>68</sup> Note marginale :/Marginal note:

Taken directly to Mr. Campbell just before his departure for Toronto. [Auteur inconnu/Author unknown]

with no repeat no regard for the state of his health. Gundevia received the following note in the Prime Minister's hand: "Polish Ambassador pleaded his case most eloquently and I gave the usual reply." The Indian Government is determined that even if the report is in a form which has never been made before with two minority reports, it must go to the Co-Chairmen.

[C.A.] RONNING

565.

DEA/50052-A-10-40

*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 83

Saigon, May 19, 1962

CONFIDENTIAL. CANADIAN UK USA EYES ONLY. EMERGENCY from Delhi.

Reference: Our Tel 79 May 16.†

Repeat for Information: Delhi, London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, DGPO, CGS from Ottawa.

By Bag: Warsaw, Moscow from London, Hanoi, Phnom Penh, Vientiane from Saigon.

VIETNAM COMMISSION – DRAFT SPECIAL REPORT

Had preliminary talk with Parthasarathi May 18 on procedure for handling draft Special Report in Commission. We did not repeat not go into substance of report but I hope to do this with him May 19 after more detailed study. There will also be an informal meeting of three commissioners early next week to discuss procedure.

2. With regard to Commission procedure, Parthasarathi was slightly less rigid than indications of Indian position given to British High Commissioner in Delhi (your telegram Y-226 May 15†). It is clear however that Parthasarathi is under instructions to process through Commission Indian draft contained in our telegram 78† with only minor changes of a factual nature. He considers that Indian draft has been carefully balanced and that any attempt to change one part of it could alter this balance. As Nehru read draft "word by word" before he approved it any substantial change would have to be approved by him. Parthasarathi expects that Polish Delegation will put in a minority report and suggest that if we wish to add a comment to report this might be done in form of a "Canadian addendum." I gathered that he thought we could agree in general with Indian draft but that he expected we might wish to emphasize cause and effect relationship and perhaps comment on certain paragraphs with a view to clarifying Canadian point of view without indicating opposition to main report. You will recall that this was generally view I expounded while in Ottawa before seeing Indian draft. I shall comment on this point after further discussion with Parthasarathi.

3. Timetable Parthasarathi is considering envisages an informal Commission meeting May 19 to discuss procedure, followed by a formal meeting on May 25 possibly extending to May 28. During this two or three day meeting Parthasarathi intends to make an Indian statement for record and presumes that Polish Delegation and Canadian Delegation will do likewise. He wishes to avoid a paragraph by paragraph discussion of text and his intention seems to be to induce Polish Delegation to indicate as early in game as possible its opposition to Indian draft and to steer Polish Delegation towards preparation of a minority report. By May 26 at latest Parthasarathi hopes to take final vote on main report. He would then give four days to other

delegations in which they could prepare their minority report or addendum. Parthasarathi mentioned that DRVN had been sending numerous letters to Nehru and that Polish Ambassador had also been exerting pressure on Nehru to alter position indicated in draft Indian report. Parthasarathi expected a USSR démarche momentarily and in view of uncertainties of Laotian situation Nehru had given instructions to complete and forward Special Report urgently.

4. Parthasarathi said that he had taken a strong line with Pohoryles. He said Pohoryles was very concerned and had dropped hint that Polish Delegation might not repeat not be able to participate in a vote on Special Report. In reply Parthasarathi told him that if Polish Delegation absented itself from Commission meetings this fact would be noted in record but that report would be voted and sent forward to Co-Chairmen without delay.

5. Grateful if you would give urgent consideration to text of Indel draft and let me have your comments by May 24 at latest. (Group corrupt) you authorize Washington and London to show and discuss text with State Department and Foreign Office. It would be helpful to have their reactions prior to formal meeting.

6. As indicated above it is apparent amendment to Indian draft other than minor factual changes are going to be extremely difficult unless we are prepared risk exasperating Indel and to involve Commission in considerable delay while amendments are considered in Delhi. This could play into Polish hands and would give Polish Delegation opportunity to propose amendments as well. It is difficult to foresee what ultimate balance of report in such circumstances might be. My own feeling from a purely procedural point of view is that we should not repeat not accept on the spot and that if additional Canadian points are to be made we should accept Parthasarathi's suggestion that they be included in a Canadian explanatory addendum. Comments on substance of Indel draft will follow in separate message.

[F.G.] HOOTON

566.

DEA/50052-A-10-40

*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 84

Saigon, May 19, 1962

CONFIDENTIAL. CANADIAN UK USA EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Our Tel 83 May 19.

Repeat for Information: London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, DGPO from Ottawa, Delhi.

By Bag: Warsaw, Moscow from London, Hanoi, Phnom Penh, Vientiane from Saigon.

VIETNAM COMMISSION – DRAFT SPECIAL REPORT

I think you will agree that Indian draft Special Report as it stands is an exceptionally useful document. While in some paragraphs Indian line seems a little off-focus, the over all balance is clearly very much in favour of South. Most important feature of draft is firm Indian endorsement of conclusions of Legal Committee report which is contained in its entirety in their draft. It is quite clear from discussion with Parthasarathi that Indian Government is well aware that position they are taking in Commission will be interpreted, correctly, as a turning

point in Indian foreign policy in direction of greatly increased firmness in dealing with Communist bloc.

2. I have discussed report paragraph by paragraph with Parthasarathi and have indicated a number of points which we would have preferred to see in different language. He took careful note of these points but invariably replied that while points might be reasonable he would prefer have them made in a Canadian addendum. I did not repeat not press very hard for amendments at this stage as it is quite apparent that they are not repeat not likely to be accepted. Moreover I am more than ever convinced that advantage lies in keeping as close to Indel as possible in discussion on Special Report. Parthasarathi therefore had no repeat no need to inform me that Indian draft might, if necessary, be sent to Co-Chairmen as a minority report. He did however, inform Nolting of this possibility. We will of course not repeat not allow this to happen.

3. While Indians obviously intend to avoid any explicit indication that Northern aggression can be accepted as cause of increased USA aid, inclusion in paragraph 13 of key section of SVM letter of December 9 coupled with full text of Legal Committee conclusion tends to make cause and effect relationship implicit. Some of amendments we suggested involved inclusion of dates which would indicate time relationship of Northern and Southern allegations. Parthasarathi was not repeat not however very receptive even to such factual amendments.

4. I have discussed Indian draft briefly but in detail with both Hohler and Nolting. Parthasarathi had previously shown text to Hohler who was very pleased with it. Nolting, from my description of draft, thought it much more favourable than he would have expected. He felt however that a short Canadian addendum indicating cause and effect relationship would be very useful. Hohler was of same opinion.

5. With regard to Canadian Delegation position on draft we feel we should be prepared to propose a series of amendments to report but to press them only if Polish Delegation insists on discussing draft paragraph by paragraph and presses for its own amendments. This would allow Chairman to refuse all major amendments and would enable him to insist that Polish Delegation indicate its disagreement with draft in a minority report.

6. In view of State Department and Foreign Office views on desirability of a Canadian minority report we think we ought to produce one in form of an addendum. I think it should avoid, if possible, taking issue with any section of Indian draft but should complement it by providing a short statement of cause and effect relationship. It might also include a sentence relating to paragraph 20 to effect that in our view USA military assistance arrangements for South Vietnam were something less than a military alliance. Nolting was however not repeat not very sensitive about this point mainly because he thought Commission description of their relationship as an alliance might encourage Vietnamese. We will draw up a draft Canadian addendum along these lines and will send it to you early next week. I should be grateful for your comments as soon as possible bearing in mind that Commission discussions may begin May 25.

[F.G.] HOOTON

567.

DEA/50052-A-10-40

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

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

TELEGRAM 378

New Delhi, May 22, 1962

CONFIDENTIAL. CANADIAN UK USA EYES ONLY. EMERGENCY.

Reference: Saigon Tels 83 and 84 May 19.

Repeat for Information: Saigon, London, Washington (Emergency), Paris, Laosdel Geneva, DM/DND, CCOS, DGPO, CGS from Ottawa.

By Bag: Warsaw, Moscow from London.

## VIETNAM COMMISSION – DRAFT SPECIAL REPORT

It is unfortunate that Indian courier carrying Saigon's telegram 78† May 15 was delayed en route and it was thus impossible for us to transmit this telegram to you until yesterday. In view of short time remaining before first formal meeting of Commission May 25 it has not repeat not been possible to give draft report detailed study or to discuss it further with Indian officials here. However, I should like to offer following general comments.

2. I am impressed by arguments set out in Hooton's reference telegrams and can confirm major points which they make concerning Indian policy. There can be no repeat no doubt that Indians are determined to defend draft as it stands and to resist any and all substantive amendments to it which may be proposed. Gundevia told me last week that report most of which had been drafted and re-drafted during Parthasarathi's recent visit to Delhi had been considered in detail at highest level in Ministry of External Affairs and by Nehru himself. A firm decision had been taken that substance of draft report was not repeat not to be amended and that if necessary it should go forward to Co-Chairmen with Canadian and Polish dissenting minority reports. It may also be correct to assume that report demonstrates some shift in Indian policy vis-à-vis Communist bloc. I have reported separately on this point. † Suffice is to say here that some Indian experiences in relatively recent past and particularly their difficulties with China have led them to take a more sympathetic attitude to Western reactions to Communist tactics.

3. This shift deserves fullest consideration in deciding what position we should adopt towards Parthasarathi's report. It is quite possible that Indians would see some advantage in expressions of Canadian dissent in form of a minority report or perhaps an addendum since this would assist them in maintaining their claim to impartiality and non-commitment. It seems to me to be at least equally likely however that they would welcome Canadian acceptance of existing draft without modification as a factor lending weight to report their representative has prepared and indeed to policy which they have adopted towards Southeast Asia. This policy has not repeat not been arrived at without considerable difficulty and I think that Indians deserve all encouragement we can give them particularly at this stage. I therefore strongly support Hooton's suggestion that we should not repeat not run risks of unravelling present text and thereby causing delays by pressing amendments to present draft. I also agree that it would be useful to prepare amendments and arguments and even an addendum to counter Polish tactics when report is discussed in Commission, but with a view to their ultimate withdrawal in final support of Indian draft. Although report may not repeat not be as kind to South as it might have been I certainly agree that it is as favourable as we could reasonably hope it to be. It may

be that to attempt to gild this lily even in an addendum would be less useful than to encourage Indians in new line which they have taken.

[C.A.] RONNING

568.

DEA/50052-A-10-40

*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 85

Saigon, May 22, 1962

CONFIDENTIAL. CANADIAN UK USA EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Our Tel 84 May 19.

Repeat for Information: Delhi, London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, DGPO from Ottawa.

By Bag: Warsaw, Moscow from London, Hanoi, Phnom Penh, Vientiane from Saigon.

SPECIAL REPORT OF VIETNAM COMMISSION – DRAFT CANADIAN ADDENDUM

Following is text of suggested Canadian addendum on which we are commenting in separate message. Text Begins: Canadian Addendum to Special Report to Co-Chairmen of (May(?)) 1962.

1. Canadian Delegation is in agreement with Special Report of Commission and in particular accepts principal conclusions of Report contained in paragraphs 10 and 20. It is of opinion, however, that military assistance arrangements between Governments of USA and Republic of Vietnam according to evidence available are not repeat not a military alliance in sense in which that term is usually understood.

2. Canadian Delegation considers it important that certain points which are implicit in Special Report should be brought clearly to attention of Co-Chairmen.<sup>69</sup> Documentation on which conclusions of Legal Committee (paragraph 9 of Special Report) were established contains allegations and evidence dating back to 1955. These allegations and evidence indicate that from time of Cease-Fire Agreement many subversive activities gradually increasing in intensity have been (carried?) on by authorities in North against Government and people of Republic of Vietnam.

3. On other hand, as indicated in paragraph 17 of Special Report, increased military aid (directed?) to Republic of Vietnam dates from late 1961.

4. Liaison Mission of Republic of Vietnam in its letter of December 1961 (part of which is reprinted in paragraph 13 of Special Report), has stated that it was only in response to aggression from North that Government of Republic of Vietnam felt constrained to call for increased military aid.

5. It is in light of these facts that findings of Commission in paragraph 20 of Special Report should be considered. Text Ends.

[F.G.] HOOTON

<sup>69</sup> Note marginale :/Marginal note:  
[A bit insulting?] [Auteur inconnu/Author unknown]

569.

DEA/50052-A-10-40

*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 86

Saigon, May 22, 1962

CONFIDENTIAL. CANADIAN UK USA EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Our Tel 85 May 22.

Repeat for Information: Delhi, London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, DGPO from Ottawa.

By Bag: Warsaw, Moscow from London, Hanoi, Phnom Penh, Vientiane from Saigon.

## SPECIAL REPORT OF VIETNAM COMMISSION – DRAFT CANADIAN ADDENDUM

We have prepared draft Canadian addendum with a view to keeping as close as possible to Indian draft of Special Report. We have kept it moderate in tone and avoided taking issue with any section of Indian draft except for conclusion relating to a USA-GRVN factual military alliance in paragraph 20. Our main object was to bring out more clearly time sequence of Northern aggression and USA aid and to draw attention to cause and effect relationship. I have shown our draft to Nolting and Hohler on a personal basis. Nolting thought it a good statement. He felt however that the second sentence of paragraph 1 might be strengthened by putting in its place following addition to first sentence. "With exception that Canadian delegation on basis of evidence available does not repeat not consider that military assistance arrangements between two governments constitute a factual military alliance." His amendment makes our dissent from second part of paragraph 20 of Special Report clearer, [but] I do not repeat not think it makes point much more strongly than present text.

2. Nolting also wondered whether we would not repeat not add following sentence to paragraph 3: "USA Military Assistance Command was set up in 1962." I think we should agree to this sentence. Hohler and Burrows his minister both thought draft as it stands was acceptable. Hohler expressed view that if Indian draft of Special Report were accepted without major change as now seems likely, it might have more impact if it were forwarded without any additional Canadian comment. He did not repeat not seem to feel strongly about this however and thought that a decision could be taken either way.

3. At this stage my own feeling is that in view of Washington DC's interest in a Canadian cause and effect statement and views which have been expressed by Foreign Office, draft in reference telegram strikes about right note. I do not repeat not think it weakens in any way majority statement in Special Report and should strengthen its impact. Fact that Indian draft of Special Report is generally more favourable than we had anticipated fortunately removes necessity for us to make a formal minority report.

4. You may wish to show text of addendum to State Department and Foreign Office before sending instructions which should arrive by May 28 at latest.



5. Although I have informed Parthasarathi that Canadian delegation will be prepared for meeting by May 25 it now looks as though it may be postponed until May 28 or 29. Parthasarathi said he was prepared to meet without Poles if necessary if they would not repeat not participate by May 30. It is therefore essential that we do not repeat not hold up meeting because of lack of instructions. I intend to proceed with meeting on basis of position outlined in my telegrams unless you send instructions to contrary.

[F.G.] HOOTON

570.

DEA/50052-A-6-40

*Le secrétaire d'État aux Affaires extérieures  
au commissaire de la Commission internationale de surveillance  
et de contrôle pour le Vietnam,  
l'ambassadeur aux États-Unis  
et le haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs  
to Commissioner, International Commission for Supervision  
and Control for Vietnam,  
Ambassador in United States  
and High Commissioner in United Kingdom*

TELEGRAM Y-235

Ottawa, May 23, 1962

SECRET. CANADIAN EYES ONLY. EMERGENCY.

Reference: Your Tels 78 May 15,† 83 and 84 May 19; Delhi Tels 374 May 18 and 378 May 22.

Repeat for Information: CCOS, DM/DND, CGS, DGPO, Delhi, Paris, NATO Paris, Laosdel Geneva (OpImmediate).

By Bag: Moscow, Warsaw, Vientiane, Phnom Penh, Kuala Lumpur, Tokyo, Karachi, Ankara, Rome.

DRAFT OF SPECIAL REPORT TO CO-CHAIRMEN

Although we have not repeat not yet received text of your suggested addendum (your telegram 84 May 19 refers) we are sending comments on Indian draft without delay in view of Commission meeting May 25.

2. We agree that this is a most useful document. In general emphasis and balance it approximates fairly closely the sort of report we had indicated earlier we would like to see adopted by Commission (our telegram Y-215 May 9†). We are particularly pleased by inclusion of full text of Legal Committee's report and by unequivocal statement that Commission accepts Committee's conclusions. It is also highly satisfactory that draft gives assurance of appropriate action on each allegation and incident to be covered in full report of Legal Committee.

3. As regards USA assistance to SVN we are glad to note effective use made GRVN communications to ICSC and especially of letter of December 9, 1961 which clearly sets out SVN view of causal relationship between North Vietnamese subversion and American assistance. We would have preferred to see USA aid dealt with in general terms rather than by enumeration of items observed by Commission teams but since most if not repeat not all of this detail has already appeared in press reports we do not repeat not see how strong objection could be made to its inclusion.

4. While draft does not repeat not explicitly state cause and effect relationship between Northern aggression and American aid it seems to us chronology of events and dates it contains clearly establishes time factor. Thus record of Northern hostility, which is dealt with first, begins with reference to problem of subversion in Tenth Interim Report and continues with following:

October 1960 – attacks in Kontum and Pleiku. “Complaints of this nature continued to increase during 1961.”

June 1961 – Affirmation by Commission of its competence to investigate subversion charges.

July 1961 – SVN declaration that purpose of USA aid was to fight Communist subversion, coupled with reference to joint RVN-USA communiqué.

September 1961 – Second PAVN attack in Kontum.

October 1961 – Colonel Nam’s murder.

October-November 1961 – Submission to ICSC of documents relative to Nam murder and related subversion cases.

December 9 – SVN letter noting request for USA aid on grounds of legitimate self defence.

5. Although generalized references to PAVN allegations are interspersed in this chronology, specific dates are noted in only two instances:

(a) December 11, 1961 – A PAVN reply to ICSC rejecting all Commission decisions regarding subversion;

(b) a summary of PAVN allegations, significantly confined to recent period December 1961 to May 1962.

6. Nowhere in draft is there any suggestion of aggressive intention on part of South. On other hand, SVM’s assurance is quoted that its measures taken in self-defence will end as soon as North Vietnamese acts of aggression cease.

7. In view of generally satisfactory nature of Indian draft, of indications that Indians have resisted very strong Communist pressure to weaken it, and of their evident determination not to accept substantive changes, we believe that maximum political impact would be secured by its adoption on majority basis with only Poles shown in dissent. Unless therefore you receive further instructions on this point, you may sign report in its present form. You may use your discretion as to stage at which you so inform Parthasarathi.

8. At Commission meeting on May 25 however to clarify Canadian position you should be prepared to raise a number of points either in form of statements or as amendments to be withdrawn later. One feature of draft we find unsatisfactory is that South Vietnam is found to have entered into a “factual military alliance” with USA in violation of CFA while no mention is made of substantial military aid received by North Vietnam from Communist powers. You might point out that while (to our knowledge) SVM has not complained of a military alliance between DRVN and any of Communist powers it has alleged existence of Communist military missions in Hanoi. To underline assistance received by DRVN you might read into Commission record following passage from President Diem’s letter March 31 to ninety-two Heads of Government: “On other hand Communist bloc has conducted an extensive air lift of military supplies into North Vietnam for aggressive purposes for well over a year. Part of this military material has been sent on to Laos to support rebels and Vietcong but much of it has

been turned over to Communist régime in North Vietnam to build up its war potential against South Vietnam.”<sup>70</sup>

9. Incidentally, it struck us as significant that Nolting not only considered unobjectionable the description of SVN-USA relationship as an alliance but thought it might have positive advantage of encouraging South Vietnamese (your telegram 84 May 19).

10. Again, because comparable detail on Northern subversion is not included, and because draft makes no mention of military aid to North Vietnam, it would seem to us more appropriate if detailed enumeration of American military equipment and personnel were omitted. Impact of this should be considerably lessened however by SVN’s emphasis on right of self-defence and by fact that much specific information on this score has already been widely published.

*For London*

Since Parthasarathi showed text to Hohler, Foreign Office will presumably have full knowledge of contents. You should however pass text to Foreign Office and inform them soonest of line we propose to take.

*For Washington*

You may show copy of text to State Department with explanation along lines of this telegram, drawing particular attention to chronological sequence which indicates clearly that North Vietnamese aggression preceded measures taken by SVN for survival. You should inform State Department of position we intend to take in Commission with general indication of our reasons.

571.

DEA/50052-A-10-40

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

TELEGRAM 1581

Washington, May 24, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel Y-235 May 23.

Repeat for Information: Saigon, Delhi (OpImmediate), Rome from Ottawa, London, Paris, NATO Paris, Laosdel Geneva, CCOS Ottawa, DND Ottawa, CGS, DGPO Ottawa from Ottawa.

By Bag: Moscow, Warsaw, Vientiane, Phnom Penh, Kuala Lumpur, Tokyo, Karachi, Ankara from London.

VIETNAM – ICSC SPECIAL REPORT

In accordance with your reference telegram we showed State Department May 24 the draft report in Saigon telegram 78 May 15† with explanation along lines of your reference telegram, informing State Department of intended Canadian position in ICSC, with general indication of your reasons. Cottrell, Director of State Department Vietnam Task Force, Heavner of his staff, Assistant Legal Adviser for Far Eastern Affairs Czyzak and Trippe of his staff, were present.

<sup>70</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. II (Washington: United States Government Printing Office, 1990), document 137.

2. Subject to any views Assistant Secretary Harriman might have, and to one comment from Czyzak mentioned below, there was general approbation both of the Indian draft report and of the proposed Canadian position in ICSC. Main reaction of State Department officials were:

(a) Indian draft report was a useful document, undoubtedly represented the most that Indians would be prepared to say, and contained, in "forthright fashion," the essential element establishing Northern aggression.

(b) Causal relations between prior Northern and subsequent Southern violations of CFA, while not repeat not specific, could readily be inferred from, and indeed was, from chronological sequence, implied in body of draft.

(c) Good use had been made of available material, including Legal Committee's conclusions (inclusion of which, in form shown in draft, was warmly welcomed by State Department officials) and, particularly, SVN letter December 9/61. State Department officials agreed with our suggestion that quotation of this letter in the draft, without the addition of any adverse comment, facilitated public inference that there had been tacit acceptance of basic contention regarding justification for self defence measures.

(d) Absence of a Canadian addendum, interpretive comment or minority report combined integrally with main report, would not repeat not necessarily prove damaging. Inclusion of such a Canadian position might, as indicated earlier by Assistant Secretary Harriman, be very helpful, but officials recognized that

(1) inferences regarding causal relationship and questions of a "factual military alliance" could be established publicly outside the Commission;

(2) proposed Canadian statements or amendments, floated in Commission but not repeat not necessarily pressed to breaking point, would create a good base for such public inferences; and

(3) separate Canadian position stated integrally with report might tend to cloud the clear unanimity of a Canadian-Indian vote in favour of draft as it stood.

3. Cottrell summed up reaction by saying that the draft "contained what they wanted (i.e. on Northern aggression) and they could live with it."

4. The only major point of concern on substance of draft was Commission finding that a "factual military alliance" existed. Czyzak, though ultimately agreeing that it would be unwise to sacrifice major favourable points in the draft in order to effect a change concerning the question of military alliance, thought it unfortunate that the purported Commission finding regarding a de facto alliance should be so directly related to proposed Commission recommendation (d) in paragraph 22 of draft: "that remedial action be taken to ensure that both parties .... do not repeat not allow zones assigned to them to adhere to any military alliance and to be used for resumption of hostilities or to further an aggressive policy." He thought, in the light of the Commission finding and the recommendation just cited, that it would be open to the Communists to conclude that the Commission had found USA and Vietnam in violation of stipulation of CFA that neither party could enter into alliance. He confessed that South had been in default in not repeat not at some stage making an equivalent allegation concerning the North and that it was now too late to remedy this, although proposed Canadian statement of amendment, as suggested in paragraph 8 of your Y-235, which he welcomed, would be of assistance in mitigating this error. Czyzak also conceded that recommendation (d) to the Co-Chairmen could be read as applying to both parties, and as an injunction regarding the future, as well as the past. On the whole he was inclined to think that you should be aware of his concern, but, as indicated above, he agreed it would be inadvisable to sacrifice any other essential part of the draft in order to achieve rectification. In his view it might well be something which USA and SVN would have to deal with independently of the Commission.

5. Two minor points raised by State Department officials related to:

(a) Paragraph 17 – The date for the commencement of the period of Commission controls mentioned in the second sentence was not repeat not clear, and other corrupt groups occurred. It would be useful to know exactly what findings Commission was purporting to establish. In particular, there was some question of the reference to “five jet aircraft”;

(b) Paragraph 18 – State Department officials would be interested to know what Commission would regard as “major items of war material.”

6. In general we were impressed with the favourable reaction of State Department officials. Their failure to make any strong case for a Canadian minority or separate position in the body of the report may, of course, be subject to review by Assistant Secretary Harriman. On the other hand we were definitely given to understand that officials to whom we spoke did not repeat not expect “any afterthoughts.” From a conversation with Sullivan, who, as you know, has been one of Harriman’s principal advisers on Southeast Asian affairs, we gathered that a good deal of thinking at the official level had been given to the question of a minority Canadian position. Sullivan implied that State Department officials had come to the conclusion that provided the proposed report was reasonably satisfactory, they would be sensitive to any difficulties that we might entertain about putting in a minority report. Sullivan said that he, for instance, had suggested that in preference to a Canadian minority report, the establishment of the causal relationship referred to above (this being, at that stage, the only major item envisaged as requiring establishment) might be brought about by a letter from South Vietnamese, Australian, or some other interested friendly government, drawing attention to this relationship and directed to the UN Secretary General with a request for circulation to all members. It remains to be seen what will be the effect of the concern voiced by Czyzak about de facto military alliance. Our guess, which can be no repeat no more than that at this point, is that this new element will not repeat not constitute a sticking point so far as State Department officials are concerned.

572.

DEA/50052-A-10-40

*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-237

Ottawa, May 25, 1962

SECRET. CANADIAN EYES ONLY. EMERGENCY.

Reference: Your Tels 85 and 86† May 22, London Tel 1855 May 23, † Washington Tel 1581 May 24.

Repeat for Information: Delhi, London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, DGPO from Ottawa (OpImmediate).

By Bag: Warsaw, Moscow from London, Hanoi, Phnom Penh, Vientiane from Saigon.

DRAFT OF SPECIAL REPORT

We confirm instructions in our telegram Y-235 May 23 concerning course you should follow in Commission.

2. In particular you should place clearly on Commission record Canadian view as to causal and temporal relationship between Northern aggression and USA assistance, emphasizing in this connection points made in GRVN letter December 9/61 and in exchange of letters between Presidents Diem and Kennedy made public December 14/61. You should also state that while we are prepared to accept description of RVN/USA military arrangements as amounting to a "factual military alliance" (paragraph 20 of draft report) we do not consider that military assistance which is limited both in scope (advice and material) and in time (duration of North Vietnamese aggression) constitutes a military alliance in normally understood sense of that term.

3. On balance we do not think it would be advisable for you to propose formal amendments to draft text to meet points made in paragraph 2 above, since to do so might involve danger of delay and possibility of further undesirable changes.

4. There are however two minor factual amendments which it would seem useful to incorporate in text if possible and which we think Indians might be persuaded to accept. These are:

(a) *Paragraph 8.* After sixth sentence ending "their contention" insert new sentence as follows: "This documentation contained allegations and evidence dating back to 1955."

(b) *Paragraph 20.* In second sentence after words "establishment of a USA MAC in SVN" insert "in February 1962" and continue as follows "as well as introduction, subsequent to the request in December 1961 by the GRVN, of a large number" etc.

5. You may think it advisable to seek informally Parthasarathi's prior agreement to amendments proposed in paragraph 4 above. In light of his reaction, your assessment of tactical situation, and paramount importance of securing generally satisfactory agreed text, we leave it to your discretion whether these amendments should be formally introduced in Commission meeting. If it becomes apparent that they cannot be adopted on majority basis, you should sign text as submitted by Indians without Canadian addendum.

6. We assume you will check carefully accuracy of tabulation of material observed by Commission teams (paragraph 17 of text). As you know, we doubt desirability of including this tabulation but do not think it necessary to press for its deletion. In addition to reference to five jet aircraft questioned by State Department officials we have serious doubts about references to five warships and other naval craft.

[N.A.] ROBERTSON

573.

DEA/50052-A-10-40

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 1617

Washington, May 26, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 1601 May 25.†

Repeat for Information: London (OpImmediate), Rome, Paris, NATO Paris, Laosdel Geneva, Saigon, Delhi (OpImmediate) from Ottawa, CCOS, CGS, DND, DGPO from Ottawa.

By Bag: Moscow, Warsaw, Vientiane, Phnom Penh, Kuala Lumpur, Ankara from London.

## VIETNAM ICSC SPECIAL REPORT

Cottrell spoke to us early this p.m. to inform us that, on the basis of telegram received this a.m. from USA Embassy Saigon strongly recommending inclusion of Canadian addendum in ICSC Special Report, Harriman had been inclined to think that perhaps Embassy was right and that maybe an addendum was desirable.

574.

DEA/50052-A-10-40

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

TELEGRAM 1618

Washington, May 26, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: London (OpImmediate), Rome, Paris, NATO Paris, Laosdel Geneva, Saigon, Delhi (OpImmediate) from Ottawa, CCOS, CGS, DND, DGPO from Ottawa.

By Bag: Moscow, Warsaw, Vientiane, Phnom Penh, Kuala Lumpur, Ankara from London.

## VIETNAM – (POSSIBLE CANADIAN ADDENDUM)

We have just received this morning the text of the suggested Canadian addendum to the report of the Co-Chairmen, and wish to offer the following comment. On balance we believe that the inclusion of the brief additional paragraphs as suggested by our delegation (and which are based upon acceptance of the anticipated Indo-Canadian majority report) would serve a useful purpose, and merits prompt and careful consideration. The addendum (which is not repeat not a minority report but an interpretative comment on conclusions on which the Indian and Canadian delegations are about to reach agreement) serves to make explicit in a clear and factual way the relationship in time between Northern subversion and increased military assistance to Vietnam (paragraphs 2 and 3). Wholly apart from the views of the USA or UK authorities, and the indications that the Indian delegation in Saigon seems prepared for the possible inclusion of a Canadian addendum on these lines, it seems to us to provide a significant interpretive comment by our delegation which would help to draw attention to the serious situation in Vietnam. The addition of these paragraphs as an integral part of the Commission's report would put the Canadian position clearly on the Commission and public record, and would also provide the basis for any supplementary public statement should this be deemed desirable. This report comes at a crucial point in the operations of the Commission, and we think an addendum on the lines outlined by our Commissioner would highlight the basis on which the Canadian delegation has concurred in its majority findings.

575.

DEA/50052-A-10-40

*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-239

Ottawa, May 27, 1962

SECRET. CANADIAN EYES ONLY. EMERGENCY.

Reference: Your Tel 91 May 25† and Washington Tel 1618 May 26.

Repeat for Information: Delhi, London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, DGPO (OpImmediate).

By Bag: Warsaw, Moscow from London, Hanoi, Phnom Penh, Vientiane from Saigon.

## VIETNAM COMMISSION DRAFT SPECIAL REPORT

I have carefully considered arguments for and against a Canadian addendum to draft Special Report and have concluded that on balance advantages would be outweighed by disadvantages.

2. Our view that main emphasis of draft report is very heavily in right direction appears to be generally shared in Western capitals most directly concerned. There appears also to be wide agreement that Indian decision to place main emphasis on Northern subversion was arrived at with difficulty and may well have significance as regards general orientation of Indian foreign policy.

3. In these circumstances I am impressed by desirability of (a) ensuring that principal conclusions of report are presented without clouding as those of Indo-Canadian majority, thus reinforcing their immediate impact and strengthening applications in long term, of majority principle in all three commissions (b) giving all practicable encouragement to Indians in new line they have taken.

4. I recognize that Americans may with some reason not be entirely happy about those sections of draft report dealing with their military assistance to South Vietnam. Had we drafted the report this part would no doubt have been expressed rather differently. I believe however (a) that in their general lines the sections on USA aid with the qualifications contained in them, are not unfair and should not be unacceptable (b) that they are broadly consistent with what we have told the State Department for many months would almost certainly have to be accepted as the price for securing a strong majority finding on North Vietnamese subversion.

5. As you know (e.g. our telegram Y-215 May 9†) we have thought for some time that if wording could be agreed with the Indians which contained a strong implication even if not an explicit statement of causal and temporal relationship between North Vietnamese subversion and USA assistance, it might be wise to accept this wording and to reserve any explanatory comments for separate public statements by Western Governments. In my opinion the Indian draft does contain a strong implication of this relationship.

6. I am somewhat concerned to learn of Parthasarathi's inclination to prepare a rejoinder to Polish minority report. I should have thought that present draft was sufficient to deal with any points Poles may be likely to raise. In view of mounting Communist attacks on Indian attitude, I believe that sooner report can be adopted on majority basis smaller will be chances of its becoming unravelled. You should do whatever you can to encourage Parthasarathi not to delay.



7. Department will be sending you tentative draft of statement which might be made here when report is published by Co-Chairmen. I should be grateful for your own comments on it.

8. I should like you to know that I appreciate importance and delicacy of discussions in which Commission is now engaged and that I share hopes for final and satisfactory conclusion on major matters which have concerned Commission intermittently since 1954.

[H.C.] GREEN

576.

DEA/50052-B-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*

SECRET

[Ottawa], June 2, 1962

DEVELOPMENTS IN SOUTHEAST ASIA

The situation in Southeast Asia has taken a critical turn in the past two or three weeks. Guerilla warfare continues unabated in South Vietnam; no one can at present confidently foresee an end to the fighting, despite the introduction of an American force (soon to total 8,000 men) which is being used for virtually all military duties except actual combat. In Laos the neutral settlement negotiated and agreed at Geneva has not yet been accepted in Vientiane, though there is now serious doubt whether they retain any ability to fight unaided and though very heavy pressure has been put on them by the United States. In Thailand, some 5,000 American troops (with additional small detachments of British, Australian and New Zealand forces) have been admitted with the double object of putting the United States Government "in a position to fulfill speedily its obligations under the Manila Pact of 1954" and of stabilizing the situation in Laos.

2. Fears are again being expressed in responsible quarters that the situation may deteriorate further and lead to war of the Korean type. Perhaps the principal reason for these fears is to be found in the doubts entertained by both Western and Communist Governments, following the military clashes of the past month in Laos and the strengthening of Thai defences, as to whether the other side continues to adhere to the terms for Laos negotiated and agreed at Geneva. Renewed and intensive efforts are being made by the United States and British Governments to convince Moscow that a neutral settlement for Laos remains possible if military duress can be avoided and if the major powers exercise immediately a restraint on the factions with which they are associated. As part of this effort, renewed attention is being given to the desirability of enabling the International Commission to supervise and control the military Cease-Fire.

3. One development of broad interest to Canada has occurred in Vietnam. A special report on the North Vietnamese aggression and United States military assistance is to be submitted shortly by the International Commission for Vietnam to the Co-Chairmen of the 1954 Geneva Conference.

4. The draft of the report, approved in New Delhi by Mr. Nehru and presented to the Commission on May 15 by its Indian chairman, on balance strongly favours South Vietnam. Its most important conclusion is that North Vietnam has conducted hostile activities, including armed attacks, against the South. It finds also that South Vietnam has received increased military aid from the United States in quantities which appear to be in excess of those

permitted by the Cease-Fire Agreement of 1954, and has made military arrangements with the United States which amount to a factual – though not to a formal – military alliance.

5. While the report does not make explicit the cause and effect relationship between Northern aggression and U.S. aid, this factor is clearly indicated by the chronological sequence of events. Taken as a whole, the report is a clear and reasonably balanced exposition of the Canadian position. The Foreign Office and State Department, to whom we have shown the text informally and in confidence, have expressed their general approval. Mr. Green has instructed our Commissioner in Saigon to sign the report. It is thus virtually certain to be submitted as an Indo-Canadian document with the Poles in dissent. Mr. Green has also approved a press statement, to be issued simultaneously with the publication of the report by the Co-Chairmen (or possibly unilaterally by the British), emphasizing the Canadian position.<sup>71</sup>

N.A. R[OBERTSON]

As an indication of seriousness with which the U.K. views the Laos situation I think you will wish to see the attached copy of a personal message of June 1 which Home has sent to Rusk.<sup>72</sup> [N. A.] R[obertson]

577.

DEA/50052-A-10-40

*Extrait d'une note du sous-secrétaire d'État aux Affaires extérieures  
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET. CANADIAN EYES ONLY.

[Ottawa], June 8, 1962

INDO-CHINA COMMISSIONS  
VIETNAM

On June 2 the Special Report of the International Commission, Vietnam, to the Co-Chairmen was signed by Indian and Canadian Commissioners, with the Poles entering a minority statement.<sup>73</sup>

2. The majority report contained few substantive changes from the draft, the main outlines of which were summarized in our memorandum to you of May 26.† Most of the amendments either recorded the Polish dissent from the views of the Indian and Canadian Delegations, or concerned minor changes in the numerical enumeration of military imports.

3. The Polish minority statement took the line expected – that the complaints of North Vietnamese aggression and subversion were legally unfounded; that South Vietnam had violated the Geneva Agreement by entering into a military alliance with the U.S., by persecution of former resistance members in disregard of Article 14(c) of the Agreement, and by its refusal to act for the unification of Vietnam as envisaged by the Agreement. The statement urged the Co-Chairmen to take immediate measures to reduce tension and preserve peace in South Vietnam by the withdrawal of U.S. armed personnel and war material, dissolution of the military alliance with the U.S., etc. (Saigon tel 98 of June 2, copy attached†).

<sup>71</sup> Note marginale :/Marginal note:

Seen by P.M. June 3. H.B. R[obinson]

<sup>72</sup> Non retrouvé./Not found.

<sup>73</sup> 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).

The British Embassy in Saigon subsequently reported the view of the Indian Chairman of the Commission that the Poles called their statement a minority “statement” rather than a “report” and did not sign the latter in order to lay a basis for a claim that the document is illegal. The FO expected that the Russians might put forward this argument in opposing publication. (London tel 1049 of June 6.†)

4. The Indian Delegation submitted a short rejoinder<sup>74</sup> to the Polish minority statement, to the effect that it did not agree with many of the views expressed by the Polish Delegation nor with its interpretation of the Special Report. (Saigon tel 99 of June 2, copy attached.†)

5. Bearing in mind the over-riding importance of getting the report signed and forwarded to the Co-Chairmen, the Canadian Commissioner restricted his comments to the bare essentials of your instructions (Ottawa tel Y-239 of May 27) and made no comment on the Polish statement. He indicated concurrence, however, with the Indian rejoinder to the Polish statement.

6. The FO expects to receive the Co-Chairman’s copies of the report on June 9. It is expected that the British Ambassador in Moscow will present a Note to the Russians on June 13 suggesting publication of the report about one week later. (London tels 1049 of June 6† and 2055 of June 7.†)

7. The draft of the British Note emphasizes strongly the cause and effect relationship between Northern aggression and U.S. military assistance to South Vietnam and suggests that the immediate task of the Commission should be to ensure that further violations of the Cease-Fire Agreement are not committed by the North Vietnamese authorities. (London tel 1980 of June 1, copy attached.†) We considered the proposed British Note in general most satisfactory and had only minor comments to offer. (Ottawa tel Y-259 of June 5.†)

...

N.A. ROBERTSON

578.

DEA/50052-A-4-40

*Extrait d'une lettre de la délégation de la Commission internationale de surveillance  
et de contrôle pour le Vietnam  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Extract from Letter from Delegation, International Commission for Supervision  
and Control for Vietnam,  
to Under-Secretary of State for External Affairs*

LETTER NO. 171

Ottawa, June 19, 1962

CONFIDENTIAL

REPORT OF ACTIVITIES OF THE INTERNATIONAL COMMISSION  
IN VIETNAM – MAY 1962

No formal Commission meetings were held during May. A Commission meeting was held on June 2 to approve a draft Special Report to the Co-Chairmen. Since the activities of the Commission covered in the following monthly report centred on the draft Special Report, the Commission meeting of June 2 is covered in the present report.

<sup>74</sup> Voir/see *ibid.*, p. 23.

*General*

2. In view of the delays in getting the report of the Legal Committee on North Vietnamese subversion in South Vietnam completed, the Chairman began in April to consider sending a report to the Co-Chairmen based on the conclusions reached by the Indian and Canadian members of the Legal Committee. In late April, Mr. Parthasarathi returned to New Delhi for consultations. Subsequently, the Canadian Commissioner left for Ottawa for consultations and the Polish Commissioner for Vientiane and Hanoi.

...

*Special Report to the Co-Chairmen*

4. During the latter half of May the Commission was mainly preoccupied with a draft Special Report to the Co-Chairmen which Mr. Parthasarathi brought back from New Delhi. This draft dealt in a factual way with the allegations of North Vietnamese subversion and aggression in South Vietnam, and incorporated the full report of the Legal Committee's conclusions on the subject. The second part of the report was devoted to North Vietnamese allegations regarding United States military assistance to South Vietnam. The principal conclusions embodied in this draft Special Report were:

(1) that in specific instances there was evidence to show that armed and unarmed personnel, arms, munitions and other supplies had been sent from the Zone in the North to the Zone in the South with the object of supporting, organizing and carrying out hostile activities, including armed attacks, directed against the Armed Forces and Administration of the Zone in the South in violation of Articles 10, 19, 24 and 27 of the Agreement on the Cessation of Hostilities in Vietnam;

(2) that the PAVN had allowed the Zone in the North to be used for inciting, encouraging and supporting hostile activities in the Zone in the South, aimed at the overthrow of the Administration of the South in violation of Articles 19, 24 and 27 of the Agreement;

(3) that the Republic of Vietnam had violated Articles 16 and 17 of the Geneva Agreement in receiving increased military aid from the United States of America in the absence of any established credit in its favour, and

(4) that while there may not have been any formal military alliance between the Governments of the United States of America and the Republic of Vietnam, the establishment of a U.S. Military Assistance Command in South Vietnam as well as the introduction of U.S. military personnel beyond the strength of MAAG amounted to a factual military alliance prohibited under Article 19 of the Geneva Agreement.

5. At the suggestion of the Chairman, the main discussions of the Indian draft were held in private. Mr. Parthasarathi's aim was to iron out all difficulties regarding the text and the method of dealing with the draft, prior to the formal Commission meeting, then to have the Commission meeting simply record the formal position of the three Delegations and the final decision of the Commission.

6. It became clear soon after the Indian draft report was circulated that it would be virtually impossible to have any amendments accepted which either changed the substance or slanted the presentation of the material contained in the draft. Prime Minister Nehru's personal approval "of every word" of the draft effectively closed the door to any tampering with the text by either the Canadian or Polish Delegations.

7. Canadian efforts, therefore, to have Mr. Parthasarathi accept amendments which would establish more clearly the time and cause and effect relationships between the two sets of allegations were unsuccessful. One of the Chairman's main concerns was to avoid giving the Polish Delegation an opening to delay the report by proposing extensive amendments and debating the draft Special Report paragraph by paragraph. It was equally clear that the

Chairman's concern was to avoid having the Special Report draw any conclusions about the root cause of the situation in Vietnam. At the formal Commission meeting on June 2, the Indian Commissioner explained the basic approach of the Indian Delegation as being to present a factual report confined to judging whether the parties had implemented certain important provisions of the Agreement on the Cessation of Hostilities in Vietnam. The object of the Special Report was to study two sets of serious allegations "made more or less contemporaneously," to deal with them on their merits, and to draw the attention of the Co-Chairmen to the serious situation in Vietnam resulting from breaches of the Agreement. Mr. Parthasarathi made it clear that his delegation did not think it was part of the Commission's responsibility to analyze the situation in any other way. In formulating the draft report, therefore, it had not tried to set out any cause and effect relationship.

8. This Indian approach ruled out the possibility of having even the minor factual amendments suggested in Ottawa's telegram Y-237 of May 25 accepted. As a concession to the Canadian Delegation, however, the Indian Commissioner proposed an amendment to paragraph 3 of the draft specifying the period covered by the Eleventh Interim Report in which the question of Northern subversion had been discussed. He also proposed rewording the penultimate paragraph of the Report in such a way as to make it clear that the Commission's recommendations to the Co-Chairmen were to be read "in the light of this Report" and were not intended necessarily to apply equally to both parties. The only other amendments which the Indian Commissioner would allow were statistical changes in the paragraphs dealing with United States military assistance to bring the information in line with Secretariat figures; and three additions noting the Polish dissent to the Special Report. (See paragraph 13 below.)

9. The Indian approach also limited the extent to which the Canadian Delegation could go in setting out for the record the cause and effect relationship between North Vietnamese subversion and United States military assistance which was implicit in the draft Special Report. As reported in our telegram 95 of June 2, † Mr. Parthasarathi warned the Canadian Commissioner prior to the formal meeting on June 2 that if the Canadian Delegation found it necessary in Commission to draw too specific cause and effect conclusions from the Special Report, he was under instructions to deny that any such conclusions were in the minds of the Indian drafters of the Report. To avoid creating a situation which might have forced the Indian Chairman formally to reject the Canadian interpretation of the Report and thereby jeopardize the impact of the Report, the Canadian Commissioner limited his formal comments to the bare essentials contained in the draft which had originally been proposed as a possible Canadian addendum (reference our telegram 85 of May 22). The text of the Canadian statement is attached.

10. For their part, the Polish Delegation concentrated their efforts, first, on delaying the date of the formal meeting; then on preparing a highly political, if badly-worded, minority "statement" to accompany the Special Report; and finally on attempting to have the Special Report go out as an Indian and Canadian Delegation report rather than a Commission report.

11. The Polish Delegation argued strongly for time to obtain instructions from Warsaw. It was obvious, however, that the delay which they wanted was intended to allow pressures to be exerted on the Indians in New Delhi, Saigon and Hanoi. (Reference New Delhi's telegrams 370 of May 17 † and 396 of May 29 †; our telegrams 83 of May 19 and 88 of May 23. †)

12. Once the Polish Delegation realized that the Indians were firmly committed to their draft and that it would go forward without any substantial change, they concentrated their attention on preparing a Polish minority report. The minority "statement" which they eventually submitted was obviously drafted with the intention of being read and published as a separate propaganda document. It rejected the Indian-Canadian picture of the situation in South Vietnam. According to the Polish interpretation of the situation, violations of fundamental

provisions of the Geneva Agreement by the South had resulted in increasing tension, bloodshed and the threat of a resumption of hostilities. The South had persecuted former resistance members and democratic elements in violation of Article 14(c) and had refused to act towards reunification. To deal with the growing opposition movement to which this gave rise, the South had resorted to United States military aid. The Polish minority report charged that by giving undue weight to "legally unfounded" and unsubstantiated allegations about Northern subversion, the majority report covered up the important question of United States military aid. In the Polish view, United States military operations in South Vietnam and neighbouring countries (Thailand) increased existing tensions. The Polish report therefore asked the Co-Chairmen to take steps to reduce tension:

- (1) by the withdrawal of United States armed personnel and war material;
- (2) by the dissolution of the United States Military Assistance Command in Vietnam;
- (3) by the observance of Article 14(c) and all other provisions of the Geneva Agreement by the South Vietnamese.

13. The Polish minority report clearly attempted to minimize the impact of the Special Report by referring to it as a report of the Indian and Canadian Delegations rather than a Commission report. At the formal Commission meeting on June 2, the Polish Commissioner pursued this line in an endeavour to have the majority report itself amended to make it clear that this was a report of the Indian and Canadian Delegations to which the Polish Delegation did not subscribe. At the urgings of the Chairman, the Canadian Delegation accepted additions to paragraphs 4, 9 and 10 which recorded the Polish dissent. These amendments, however, retained the original Indian text which clearly established the status of the Report as a *Commission* document.

14. In the light of the basic Indian approach to the Special Report which Mr. Parthasarathi defined in Commission on June 2, it is not surprising that the Indian Delegation should have decided to submit a rejoinder to the Polish minority statement. Originally, the Indian rejoinder indicated that the Indian Delegation did not agree "with the Polish Delegation's assessment of the situation in Vietnam nor with many of the views expressed in the minority statement." As submitted at the Commission meeting, this sentence was revised to indicate that the Indian Delegation did not agree "with many of the views expressed by the Polish Delegation in its Statement, nor with its interpretation of the Special Report."

15. Without prior consultation with the Canadian Delegation, the Indian Chairman proposed that the Indian statement be embodied in the Special Report. While the Canadian Commissioner had indicated for the record that the Canadian Delegation concurred in the Indian Delegation's comments on the Polish Minority Statement, he resisted the inclusion of the statement in the body of the Report. Mr. Parthasarathi withdrew his suggestion without debate.

16. The Commission concluded its brief formal meeting on this most controversial item with the initialling of the Special Report by the Indian and Canadian Commissioners and of the Polish and Indian statements by the respective Commissioners. The following morning, June 3, the original copies to the two Co-Chairmen were signed and on June 5 they were despatched by special courier to New Delhi with the request that "In view of the seriousness of the situation in Viet-Nam, the Co-Chairmen may be requested to arrange for the early release and publication of the documents."

#### *Reaction of the DRVN to the Special Report*

17. As was to be expected, the DRVN authorities were well-informed of developments in the Commission and, even before the Vietnamese Press in New Delhi leaked the story that a Special Report was being prepared (reference our telegram 79 of May 16), had begun to

mobilize their propaganda machine in an effort to dissuade the Indians from supporting a decision on Northern subversion.

18. Messages were sent to the Indian Chairman by Col. Ha Van Lau, the Head of the PAVN Liaison Mission, and later by Gen. Vo Nguyen Giap, Commander-in-Chief of the PAVN. These expressed regret at the tendency in the Commission to attribute the dangerous situation in South Vietnam to alleged subversive and aggressive activities of North Vietnam. Anticipating the line which the campaign would take after the signing of the Special Report, i.e., that the Special Report was illegal, they warned that such a conclusion would be contrary to the truth and the 1954 Geneva Agreements, and would be "a grave offence of the national spirit of the Vietnamese people, a challenge to the peoples now struggling against colonialism and a direct encouragement to the U.S. aggressors and warmongers."

19. In the early stages of the propaganda campaign, the North Vietnamese press restricted itself to charges of "erroneous tendencies" and growing signs of partiality in the Commission. It issued vague warnings about the serious consequences for the present situation, the implementation of the Geneva Agreements and the Commission's prestige which would result from a Commission conclusion on Northern aggression and subversion. As the campaign developed, the Indian Delegation, and particularly the Chairman, came under severe criticism. In a vicious editorial attack on May 22, *Nhan Dan*, the Vietnam Workers' Party paper, charged that the Indian Delegate was not worthy of being the Chairman of the Commission; that he failed to reflect the foreign policies of his country; that he was deliberately ignoring the United States military build-up in South Vietnam; and that he was misrepresenting the South Vietnamese patriotic struggle as "subversive activities." Taking the lead from *Nhan Dan*, other papers charged that the Indian Delegate was trying to distort the truth and slander North Vietnam in an effort to cover up for the United States.

20. Concurrent with the press and radio campaign, the Northern authorities mobilized their demonstrators and petitioners to protest the impending Commission decision. Despite the reported size and number of these demonstrations, they were generally well-controlled and not aggressive. With only a few exceptions, the delegations which visited the Commission's Hanoi Bureau, the Indian and Canadian Delegation offices and the team sites were orderly and presented their petitions perfunctorily.

21. While the primary target of this propaganda campaign was the Indian Delegation, the Canadian Delegation also came in for some criticism but only incidentally and in conjunction with the criticism levelled at the Indians. Members of the Canadian Delegation suffered no personal abuse, nor did they feel any material effects as a result of this campaign. We shall provide a more detailed report† on the reaction of the Parties to the Special Report after its publication.

...

O.A. CHISTOFF

[PIÈCE JOINTE/ENCLOSURE]

*Réunion de la Commission internationale de surveillance et de  
contrôle pour le Vietnam*

*Meeting of International Commission for Supervision  
and Control for Vietnam*

[Saigon], June 2, 1962

ICSC MEETING 652

JUNE 2, 1962

ITEM NO. (1)

CONSIDERATION OF THE SUBMISSION OF A SPECIAL REPORT TO THE CO-CHAIRMEN OF THE GENEVA CONFERENCE ON INDO-CHINA, WITH REGARD TO THE IMPLEMENTATION OF THE AGREEMENT ON THE CESSATION OF HOSTILITIES IN VIET-NAM BY THE PARTIES.

CANADIAN STATEMENT

*Canadian Ambassador:* Mr. Chairman, the Canadian Delegation agrees with the Draft Special Report submitted by the Indian Delegation, as amended at the informal meetings of the Commission yesterday. In particular, the Canadian Delegation fully endorses the conclusions of the Report contained in paragraphs 10 and 20. However, although we are prepared to accept the description in paragraph 20 of the GRVN/USA military arrangements as amounting to a "factual military alliance," we do not consider that military assistance which is limited both in scope (advice and materials) and in time (duration of the North Vietnamese aggression) constitutes a military alliance in the normally understood sense of this term.

The Canadian Delegation would like to make the following brief observations on the Draft Special Report:

The documentation on which the conclusions of the Legal Committee (paragraph 9 of the draft Special Report) were established contains allegations and evidence dating back to 1955. These allegations and evidence indicate that, from the time of the ceasefire agreement, hostile activities, gradually increasing in intensity, have been carried on by the authorities in the North against the Government and the people of the Republic of Viet-Nam.

On the other hand, the increased military aid received by the Republic of Viet-Nam dates from late 1961.

The Liaison Mission of the Republic of Viet-Nam in its letter of December 9, 1961 (part of which is reprinted in paragraph 13 of the draft Special Report), has stated that it was only in response to aggression from the North that the Government of the Republic of Viet-Nam felt constrained to call for increased military aid.

It is in the light of these observations that the findings of the Commission in paragraph 20 of the draft Special Report should, in the view of the Canadian Delegation, be considered.



579.

DEA/50052-A-10-40

*Le Bureau du haut-commissaire en Inde  
au sous-secrétaire d'État aux Affaires extérieures*

*Office of High Commissioner in India  
to Under-Secretary of State for External Affairs*

LETTER NO. 376

New Delhi, June 19, 1962

CONFIDENTIAL

Reference: Our telegram no. 418 of June 8.†

## VIETNAM COMMISSION SPECIAL REPORT – SOME POSTMORTEM NOTES

When Mr. Ronning called on Commonwealth Secretary Gundevia regarding the possible extension of Mukhi's stay in Saigon, Gundevia was rather interesting on the subject of communist reaction to the Special Report and on the history of the Indian attitude to the subversion problem in South Vietnam.

2. Gundevia first traced the development of the communist campaign which had been conducted over the past few weeks in an attempt to change the Indian position. This campaign started with a comparatively mild letter from Ho Chi Minh to Mr. Nehru, describing the great confidence which the North Vietnamese had always had in the Prime Minister. Ho stated that the North Vietnamese had always felt that the Indians understood and supported the Vietnamese struggle for freedom and had been sympathetic to North Vietnamese problems since 1954. He noted that the Indians now appear to be prepared to take a stand against North Vietnam and asked that the Indians change this position. Mr. Nehru's reply to Ho was apparently equally as polite and restrained. He pointed out that the Indians, by virtue of their chairmanship of the International Commission, had a responsibility which must be taken seriously, and it was therefore necessary to make a factual report of recent developments in the area. Otherwise the Indian Government would be unworthy of the responsibility with which it had been entrusted when asked to serve on the International Commission. The Prime Minister concluded his reply with a request to the North Vietnamese to understand the Indian position and to explain to its friends and supporters that Indian policy in Vietnam was designed in all respects to further the cause of peace. He also pointed out that India was prepared to report factually on the position of both sides and intimated that the North Vietnamese should be grateful that the Commission's Report would not contain a description of cause and effect.

3. The next piece of correspondence was a rough and threatening letter from General Giap which, according to Gundevia, contained some veiled threats of blackmail, although he did not enlarge on their contents. Gundevia described the Indian reply to Giap as being firm and just as direct. Subsequently came the Polish approach in which Polish Ambassador Katz-Suchy, in a blend of Ho Chi Minh and General Giap, accused the Indians of no longer being impartial and of ganging up with the Canadians on the side of the South Vietnamese. In reply to this verbal approach, Gundevia stressed once again that the Special Report would contain no linking of North and South Vietnamese actions and would be purely a factual statement of recent developments in Vietnam.

4. Gundevia reached his histrionic peak in describing the Soviet Ambassador's call on Mr. Nehru. He came armed with a gift of bulbs for the Prime Minister, which was the ostensible reason for his visit. It soon became apparent, however, that his main purpose was to read to the Prime Minister a prepared statement on the Vietnam situation. Unfortunately, the Ambassador's timing was poor. His visit came just a few minutes before the question period in the House and Mr. Nehru had no time to listen to his statement. He therefore sent him along to

Gundevia who, in exchange for the bulbs, presented him with a copy of the Special Report for transmission to the Soviet Co-chairman. The Soviet Ambassador, who was not prepared to be deprived of his opportunity, read the statement of his Government's views in Russian to Gundevia who then listened to the same thing in English from the Ambassador's interpreter. In speaking to Mr. Ronning, Gundevia dismissed the Russian statement with the remark that it contained nothing new. Gundevia offered no information regarding direct Chinese pressures on the subject of Vietnam, and it is probably safe to assume that, in the light of current Sino-Indian relations, the Chinese allowed the North Vietnamese, the Poles and the Russians to carry the burden of direct approaches.

5. Reviewing the history of the subversion question, Gundevia told the High Commissioner that when he took over as Commonwealth Secretary late in 1960 and was presented with this problem, his first impulse was to instruct the Indian Commissioner in Saigon to go ahead with effective Commission action on the South Vietnamese complaints. He confided, however, to Mr. Ronning that shortly afterwards he received a telephone call from Mr. Krishna Menon, who, by persuasive legal arguments, convinced him that he was wrong and that no action should be taken. Instructions were therefore sent to Saigon to continue stalling tactics on the subversion issue. Looking at the problem in retrospect, Gundevia described his action at that time as the worst mistake he had ever made. It is interesting, if not very surprising, to have Gundevia's own admission that it was Krishna Menon's influence which affected the Indian position during the long months which preceded the issue of the Canadian-Indian statement on subversion last summer. In our telegram no. 264 of April 5, 1961, we described how Gundevia accused Ansari and later Gopala Menon of dragging their feet on the subversion question. After subsequent talks with Gundevia, Mr. Ronning was, however, fairly certain that Mr. Krishna Menon's influence was the real stumbling block (our telegrams no. 266 of April 6 and no. 348 of April 29, 1961).<sup>75</sup> The immediate question which arises in considering Gundevia's attitude is why and when he changed his mind. A survey of our file indicates pretty clearly that in fact Gundevia had no opportunity to change his mind. It was Foreign Secretary M.J. Desai, one of the co-authors of the original subversion statement, who was responsible for reversing Indian policy. While Gundevia was in Geneva at the Laos Conference and Desai was handling Indo-China, the subversion statement was finally issued. Subsequently the Indians rested on their laurels for the rest of the summer while the situation in South Vietnam steadily worsened. In October 1961, not long after the murder of Col. Nam, Gundevia was again removed from the scene by illness, and it was again M.J. Desai who recommended sending Parthasarathi and Mukhi to Saigon.

6. Other events undoubtedly exerted a very strong influence on Indian policy in Vietnam during the past year: the ever-increasing tempo of Viet Cong activity, the reactions of the U.S.A., the murder of Col. Nam, and the subsequent South Vietnamese attacks on the Commission – all these factors helped to push India into its present position. It is interesting all the same to note the effect on Indian policy decisions which can result from the influence of one individual or another within the Ministry of External Affairs and outside also. With the benefit of hindsight, it is probably safe to say that we can be thankful for the set of fortuitous circumstances which placed M.J. Desai in a position of influence at crucial moments in the past year. Having said that, I should add that Gundevia, since his return to duty early this year, has shown greater decisiveness in regard to Vietnam questions and seems to have been honestly determined to push through the Special Report and to keep Mukhi on his toes.

7. On the subject of future Indian policy regarding Vietnam, I think it is important to make one further point which arises out of the last paragraph of telegram no. 1159 of June 14, 1962†

<sup>75</sup> Voir/See Volume 28, document 725.

from the Laos Delegation in Geneva, where mention is made of the fact that the communist side may launch a full scale campaign for the convening of a conference on Vietnam. In this connection, I would remind you of the contents of our telegrams nos. 830, 835, 837 and 839 of November 2, 4, 5, and 6, 1961. These telegrams described the "pitch" which the Indians were making for just such a conference when they decided finally to go into action on the subversion question. Officials of the Ministry were arguing then that the establishment of a link between the Viet Cong and the North Vietnamese would be one of the main *raison d'être* for a conference on Vietnam. They also expressed the hope that the Geneva Conference could deal with this problem once the Laos question had been settled. The possibility of a special Vietnam Conference has not come up in our more recent conversations with the Indians and we have therefore no indication of their current thinking on this problem. I do not think it would be too far fetched to suspect, however, that the Indians might support a communist demand for a conference on Vietnam and that, in fact, one of the ways in which they may have dealt with the clamour from the communist side about their action in producing the Special Report is to have promised Indian support for any communist move in this direction.

[A.G. CAMPBELL]

580.

DEA/50052-A-1-40

*Extrait d'une lettre du commissaire de la Commission internationale de surveillance  
et de contrôle pour le Vietnam  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Extract from Letter from Commissioner, International Commission for Supervision  
and Control for Vietnam,  
to Under-Secretary of State for External Affairs*

LETTER NO. 315

Saigon, October 19, 1962

CONFIDENTIAL

ASSESSMENT OF THE SITUATION IN VIETNAM  
(FINAL DESPATCH – PART I)

...

*The Commission*

20. I must record that during my farewell calls I have been subjected to the warmest expressions of appreciation to the Canadian Delegation and Government for the part Canada played in negotiating the Special Report. The President brought this matter up twice, once during an official call and once during a private dinner which he gave in my honour. All other Ministers expressed their gratitude in equally cordial terms.

21. The Commission is at present at an impasse. Since the publication of the Special Report it has held only four meetings, one of which was to say farewell to Mr. Pohoryles and myself. Our teams are receiving no real cooperation in either the North or the South and it is facing a serious financial crisis due to the fact that several of the Geneva Powers have not paid their contributions for many months.

22. In the Special Report the Commission informed the Co-Chairmen that infiltration into Vietnam was taking place and also that the GRVN was importing large quantities of military equipment not permitted by the Geneva Agreement. The Commission in effect posed a political problem to the Co-Chairmen which because of their different approaches to the

situation in Vietnam they are not able to resolve. The Commission is therefore left with the responsibility for administering a peace treaty in a time of hostilities without political guidelines and without cooperation from either of the two parties. In such circumstances one might have expected that some interested parties would have suggested that the Commission should consider either a reduction of its activities or a withdrawal from Vietnam. I am glad to report that I have not heard any suggestion that the Commission should withdraw; I have made a point of checking this question during my farewell calls. Both the DRVN and the GRVN wish the Commission to continue and all the western Ambassadors agree.

23. I am convinced that it would be most unfortunate if the Commission were to withdraw and I do not think there should be any reduction in our teams no matter how futile their efforts now seem to be. In the first place I think it is important in relation to the establishment of the Commission in Laos to avoid any reduction in Vietnam at this stage or any indication of a slackening of international interest in the progress of events here. Secondly, the teams, although operating under extreme difficulty in the North, nevertheless may provide some deterrent and the stationing of western observers in a tightly controlled communist country is obviously something which should not be given up or reduced without the most careful consideration. Thirdly, the Commission retains an important role as a means of contact between the North and the South. At some stages in the past this role has not been used very profitably but it will be of increasing importance if the situation continues to improve in South Vietnam.

24. Although the Commission has been relatively stagnant for the last three months, Goburdhun claims he is prepared to deal with current issues in a straight forward manner as they arise. He does not, however, show any desire to press for meetings. The French Ambassador has pressed him to avoid taking unnecessarily harsh action against the GRVN in connection with the importation of American equipment and personnel. With regard to intervention from the North we have been told that friendly intelligence estimates are that infiltration is continuing. Its level seems to be more a matter for guesswork than for proper assessment. The South Vietnamese Mission has not forwarded any good evidence of infiltration since the Special Report and the head of the SVM has told us that such evidence is not available. When I raised this matter with Mr. Nhu, however, he said that he was surprised that the Commission had not been receiving such evidence. He said that many more diaries had been captured and it was apparent that he had read them carefully himself. The difficulty is that some of these diaries contain information which for some reason could be of interest to the Viet Cong. Nhu said, however, that even if the information could not be given to the Commission, he might be able to arrange for Goburdhun to see it.

25. There is still, of course, the matter of the Legal Committee's detailed report which although completed has not yet been signed. It would seem to me that the development of the normal work of the Commission might proceed toward a new report to the Co-Chairmen with about the same balance as the Special Report. There is ample evidence concerning U.S. equipment and personnel on the one hand and if the SVM can provide new evidence of infiltration, the Indian Government may be more likely to forward Mukhi's report to the Commission. While some such general line of policy for the Canadian Delegation would seem to be appropriate if the Commission is not to stagnate, I suspect that Indian interest is more likely to centre on the possibilities for improving contacts between North and South in the light of the new situation which may develop. Goburdhun told me today that the PAVN have informed his representative in Hanoi that they are prepared now to discuss in detail Goburdhun's proposal for an exchange of five hundred families and that if the exchange can be arranged, it will take place without propaganda. There may therefore be some development along these lines although my discussions with the President and Mr. Nhu did not provide any

reason to be hopeful. I shall be able to brief the new Commissioner in detail on these questions when we meet in Ottawa.

F.G. HOOTON

581.

DEA/50052-A-1-40

*Le commissaire de la Commission internationale de surveillance  
et de contrôle pour le Vietnam  
pour le 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. 316

Saigon, October 19, 1962

CONFIDENTIAL

TALKS WITH THE PRIME MINISTER AND THE FOREIGN MINISTER OF THE DRVN  
(FINAL DESPATCH – PART II)

On October 11 I went to Hanoi to pay final calls on Pham Van Dong and Ung Van Khiem. An informal dinner was also given in my honour by Colonel Ha Van Lau, the PAVN Liaison Officer. The atmosphere in the North and the attitude adopted toward the Canadian Delegation has improved immeasurably since the period immediately after the publication of the Special Report. The Foreign Minister was most courteous and quite friendly. Pham Van Dong was extremely friendly. Indeed, if he called me “mon cher ami” once during our conversation, he must have done so twenty times. This attitude of friendliness was, of course, a reflection of recent changes in policy toward the Commission. We have noticed during the past month that our teams in the North are receiving better treatment and even some hospitality.

2. With regard to the Special Report, the Foreign Minister spoke along the lines of the DRVN policy as it was expounded last July. He was prepared to discuss the problem in detail and claimed that the Commission had adopted an incorrect position vis-à-vis the North, that it had accepted false evidence of infiltration which, presumably, had been conjured up by the intelligence services of the South. I told him that we were, of course, aware of his point of view but that we and the Indian Delegation had been convinced by the evidence which had been submitted after we had examined it with the greatest care. It was unfortunate, if there was doubt about the evidence, that the Polish Delegation had simply refused to look at it when invited to do so. The Prime Minister's attitude toward the Special Report was along the lines of that adopted by Ho Chi Minh when he met Mr. Goburdhun early in September. Without changing their basic position on the Special Report, both Ho and Pham Van Dong now say that the incident of the Special Report can now be regarded as a thing of the past, an unhappy chapter in the Commission's history and one which they are prepared to forget. While the increased courtesy toward the Commission which has developed from this position is to be welcomed, it is, of course, quite impossible for the Commission to ignore the continued infiltration into South Vietnam. The North's present attitude merely emphasizes the shallowness of their courtesy and their opportunism in dealing with Commissioners.

3. I asked Pham Van Dong what the Northern position was on a new Geneva Conference on Vietnam. He replied that the situation was too difficult at the moment but that it was essential to work toward a situation in which some discussion could take place. He has consistently harped on the theme that it was necessary to talk about the differences dividing North and South Vietnam.

4. Pham Van Dong said that the Commission was obviously at an impasse at the moment and implied some sympathy with the unenviable tasks and frustrations faced by the Commissioners. He said quite clearly, however, that the DRVN wished the Commission to continue in operation. Although he did not, of course, say so, one of the strong reasons why the DRVN wishes the continuation of the Commission is that as long as the Commission is in existence, the Geneva Agreement, the only document which provides for reunification of North and South Vietnam, is maintained. Pham Van Dong professed Northern willingness to cooperate with the Commission but had no answer when I pointed out to him the number of instances of lack of cooperation which completely inhibited the work of the teams in the DRVN.

5. When both the Prime Minister and the Foreign Minister asked me about conditions in the South, I told them that there seemed to be a general feeling that the Southern forces were making considerable progress and that the strategic hamlet programme was also showing signs of success. I also mentioned to them that President Diem was very optimistic about the situation. It now appeared quite clear that the Americans, in response to President Diem's request for aid, were prepared to provide whatever aid was necessary in order to restore security in South Vietnam. Pham Van Dong nodded and said he realized this. I therefore asked him how he saw the situation developing in South Vietnam and whether he did not think there was some way in which the war could be ended. While his response was similar to the one he had given me last December – that the insurrection in the South was a broadly based revolution against an unpopular government and that a solution had to take account of this – I had the impression that he was more concerned about the trend of events in the South than he had been last December. When I talked of the tragedy of the situation in the South, the high casualty rates on both sides and the extent of human misery which resulted from present policies, he replied that there was no other solution and implied that guerrilla warfare would have to continue even though no immediate solution was in sight. I thereupon suggested to him that there was another solution if both sides were prepared to recognize the possibility of living side by side without interference in the affairs of the other and it was surely a conceivable alternative that the two parts of the country could develop different social systems and yet ultimately envisage mutually profitable commercial and other exchanges when the atmosphere of fear had abated. When Pham Von Dong indicated that there was nothing the North could do to change the situation, I questioned whether their influence could not be brought to bear to restore peace. There was, of course, no indication that the North would be receptive to this suggestion. Nevertheless, it is clear that the North may soon (in six months to a year if the United States Ambassador's forecast is correct) have to face a critical decision of policy if the Southern forces are able to isolate the Viet Cong and bring the security situation under a semblance of control. Pham Van Dong and Khiem seemed to be under the impression that the Americans were hated in South Vietnam. I told them both that this was not my impression at all although I admitted it was difficult to assess. My impression was that the Americans on the whole were liked in South Vietnam and that the propaganda emanating from the North and from the Viet Cong was largely untrue.

6. In summary, my discussions in Hanoi brought forth no indication of any change in basic policy but perhaps some slight indication of less certainty of ultimate victory than was the case six months ago. This impression is based not so much on anything that was said as upon what was not said. Last December Pham Van Dong and Khiem could point to many favourable indications in the South; in October the prospects are obviously gloomier. There was no indication that cooperation would improve but a confirmation that the North wishes the continuation of the Commission. The most welcome result of the visit was the indication that they wished relations with the Canadian Delegation to be on a courteous and even a superficially friendly basis.

F.G. HOOTON

582.

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-17

Ottawa, January 11, 1963

SECRET. OPIMMEDIATE.

Reference: Your Tel 1 Jan 4.†

Repeat for Information: Delhi, London, Washington, Permisis New York, Paris, NATO  
Paris, Geneva, CCOS, CGS, DGPO, DM/DND.

By Bag: Warsaw, Moscow, Hanoi, Vientiane, Phnom Penh, Canberra, Wellington, Tokyo,  
Jakarta, Kuala Lumpur.

VIETNAM COMMISSION – FUTURE ACTIVITIES

Seven months have elapsed since ICSC Vietnam forwarded to Co-Chairmen its Special Report making a number of general recommendations for “remedial action” and stating inter alia that it would “take appropriate action ... in each individual case” on basis of fuller report being prepared by Legal Committee. This Special Report was described by Mr. Nehru in Rajya Sabha on August 24 as “very objective and very good.” More than three months have elapsed since draft of fuller Legal Committee report was submitted to Indian Ministry of External Affairs and since Gundevia told Ronning initially that it would be submitted to ICSC (Delhi telegram 694 September 25†) and subsequently that, after study which would take at least three months, it might be presented to ICSC as a Government of India document (Delhi telegram 722 October 4†).

2. Recognizing sensitivity of Indians about reactions to Special Report and consequent importance of “treading carefully for fear of pushing Indians into an attempt to right the imbalance” (Delhi telegram 742 October 11†), and taking into account lengthy and complex nature of draft Legal Report, we have so far refrained from pressing for early action in ICSC along lines indicated in paragraph 3 our telegram Y-314 August 24† and paragraph 5 our telegram Y-331 September 17,† although such action seems to us no less desirable than it did then.

3. I am of course aware that you and Hooton in Saigon and Ronning in Delhi have from time to time spoken informally to your Indian colleagues about need for Commission to preserve its effectiveness by dealing equitably and expeditiously with whole broad range of matters within

its competence, and that in both capitals private enquiries have been made about status of Legal Committee report. I know too that in making these enquiries you have been careful, in light of Gundevia's initial attitude (Delhi telegram 722 October 4), to avoid commenting on degree of our participation in drafting of fuller Legal Committee report or on extent of our knowledge of its contents. Unfortunately these informal bilateral approaches do not appear to have brought us any nearer to a way out of impasse in Commission; indeed I have the impression that Gundevia and Goburdhun are becoming more rather than less disinclined to make any serious attempt to grapple in Vietnam Commission with fundamental questions.

4. This has had effect (as you and Hooton foresaw) of obliging Commission to act mainly in terms of citation procedures. Even if there were firmest intention to deal equitably with the two sides, such an emphasis would be virtually certain to result in imbalance against South because of greater secrecy and non-cooperation of North. I am however increasingly concerned by indications that Goburdhun is deliberately seeking to build up citations against GRVN in order to offset impact of Special Report. Some of his remarks to you, moreover, suggest that this determination is not based solely on tactical considerations but is related to a quite unrealistic assessment of general situation in Vietnam. Unless we can soon find means of getting Commission back to broader and more realistic approach, I fear that its usefulness, either as a restraint on parties or as an objective observer for international community, will rapidly decline.

5. I accept Ronning's advice (his telegram 33 January 9†) that this is not an auspicious time to bring question to a head in Delhi. I have concluded therefore that our best course is to make formal move in Commission which should have effect of forcing a decision.

6. You should formally request, at an early meeting of Commission, that Legal Committee inform Commission within two weeks of progress made in preparation of fuller report referred to in paragraph 10 of report of June 2/62. You may if you think it desirable refer also to commitment made by Polish member of Legal Committee in his note of dissent May 28 to prepare his own detailed report. You should not make any reference to Canadian participation in drafting of Committee report or to possible reasons for delay in its receipt. It would be desirable however to state for the record that this is unfinished business which Co-Chairmen and other members of Geneva Conference have been informed is in hand, and to make it clear that until Commission has the report it will be unable to deal effectively with this important aspect of Commission's responsibilities or to report to Co-Chairmen that it has done so.

7. We are sending separate telegram† about current citation cases. If possible you should make request about Legal Committee report in such a way as not to impair chances of obtaining Article 17 citation against DRVN on item 2 considered at 658th Meeting.

*For London, Washington, Paris*

You may convey substance of this telegram to Foreign Office/State Department/Quai.

[H.C.] GREEN



583.

DEA/50052-A-6-40

*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-56

Ottawa, March 12, 1963

SECRET. OPIMMEDIATE.

Reference: London Tel 740 Mar 9.†

Repeat for Information: London, Saigon, Washington, Paris, NATO Paris, Permis New York (Priority), CCOS, CGS, DM/DND, DGPO.

By Bag: Vientiane, Phnom Penh, Moscow, Warsaw, Canberra, Wellington, Kuala Lumpur.

VIETNAM – ICSC LEGAL REPORT

We have re-examined our position on handling of detailed Legal report (our telegrams Y-331 September 17/62† and Y-22 January 18/63†) in light of recent developments in Delhi and recommendations in London reference telegram. From what we know of report's contents (largely confined to summary in Delhi telegram 661 September 13/62†) it seems likely to be most constructive and useful document. Our first objective therefore was to persuade Indians to table report and in doing so to avoid if possible giving Indian officials any excuse for killing or substantially diluting Mukhi's draft. There now seems good reason to hope that this objective has been achieved as result of your efforts.

2. While we do not exclude possibility that attempts may still be made in Indian Delegation Saigon to dilute Mukhi's draft, this would seem on whole unlikely if report has been signed by Mukhi (your telegram 993 December 18†) and if possible reactions to publication have been taken fully into account by Indian Ministry of External Affairs before approval of text (your telegram 106 January 25†). We agree that if text could be agreed on by Indians and Canadians in advance of tabling this possibility would be removed.

3. Our second objective must be to secure conversion of Indian approved draft, if on closer examination it proves satisfactory from Canadian point of view, into official document of ICSC Legal Committee. As Gundevia has now recognized (your telegram 234 March 1†) approval would necessarily be by Indo-Canadian majority. Some of Gundevia's earlier remarks (e.g. your telegram 694 September 25†) revealed disturbing tendency to suppose that it would be practicable to introduce paper into Legal Committee as an Indian draft to provide basis for tripartite negotiation. In our view this is altogether unrealistic. There is not slightest possibility that Poles would wish to do anything with this report but kill it. Perhaps in discussing procedure with Gundevia you could remind him of decision taken in Legal Committee on February 28/62 which formally established drafting procedure on subversion question. Following extract from record of that meeting (attached to our letter Y-31 May 18/62†) is particularly relevant: "Chairman said that in view of fact Canadian member agreed with him, he and Canadian member would proceed to draft majority report. In view of fact that Polish member's disagreement with majority was hundred percent, Polish member should proceed to draft his separate report ... Polish member said he did not approve of parallel drafting. He said it was for majority to submit a report first; he would then draft and submit a dissenting note. It was then agreed to follow procedure suggested by Polish member."

4. On question of signature, we continue to think it desirable that report be signed by de Goumois as well as Mukhi. As pointed out in Delhi telegram 661 September 13/62 and London reference telegram, report purports to be impartial legal analysis by two qualified

officials who examined all available evidence; we quite understand also that Mukhi, while he prudently submitted report to Ministry of External Affairs Delhi as Indian draft which would be presented as such to Canadians (your telegram 772 October 4/62†), should now wish his Canadian colleague to share his expert opinion by co-signing. Nevertheless report is in fact a delegation document and, as Gundevia has recognized on many occasions, its publication would constitute an important political act. We cannot therefore agree to authorize signature as if report were purely personal legal opinion. We would at least want you to read it and give us your views before we authorized signature.

5. Our third objective will be to ensure that report is not delayed indefinitely in Legal Committee or in ICSC by Polish procedural devices. This will almost certainly require imposition of deadline on preparation of Polish dissenting comments. You will recall that last May Gundevia informed you (your telegram 374 May 18†) that Parthasarathi had been instructed to send Special Report to Co-Chairmen with or without Polish minority report and/or Canadian minority report. Parthasarathi then told Hooton (Saigon telegram 83 May 19†) that he would give four days to other delegations to prepare their minority reports or addenda, and that if Poles absented themselves this fact would be noted in report but report would nevertheless be voted and sent forward without delay. Equal Indian determination is likely to be required to get this more circumstantial report approved as Commission document.

6. Our fourth objective will be to have report forwarded to Co-Chairmen. We recognize that Indians will probably insist, as they did in June 62, that report on subversion (affecting Articles 10, 19 and 24 of Geneva Agreement) be accompanied by report on military assistance (affecting Articles 16, 17 and 19). If this is done in factual and equitable way, we would in principle take same view we took last May, though there would seem no advantage in saying so unless Gundevia raises the question. We recall remark made to you then by present Indian Chairman (your telegram 388 May 26†) that without Canadian support Special Report would have much less value since it would mean isolation of Indian Delegation. We want Indians to know that in course outlined above they would have our fullest support. If, on other hand, Gundevia shows hesitation about adopting procedure outlined above, it would be helpful to know what procedure he envisages. We have in mind particularly impracticability as well as illogicality of reviewing report paragraph by paragraph with Poles either in Legal Committee or in ICSC.

*For London and Washington*

Please convey gist of this telegram to Foreign Office/State Department, adding that we will keep them informed of progress of our discussions with Indians on this matter.

584.

DEA/50052-A-6-40

*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 41

Saigon, March 23, 1963

SECRET. OPIMMEDIATE from Delhi.

Reference: Your Tel Y-56 Mar 12.

Repeat for Information: Delhi (OpImmediate), London (OpImmediate), Washington, NATO Paris, Geneva, Permis New York, CCOS, CGS, DGPO, DM/DND (Priority) from Ottawa.

By Bag: Vientiane, Phnom Penh from Saigon.

## VIETNAM LEGAL REPORT

Assuming that Legal Report will soon be sent to Goburdhun and pending arrival of de Goumois we have been giving preliminary consideration to techniques which will have to be employed to accomplish our objective of having report forwarded to Co-Chairman (Paragraph 6 reference telegram).

2. As we understand nature of report it will provide conclusive evidence of subversion and/or aggression in some cases covered and will recommend further investigation on basis of prima facie evidence established in other cases. Poles of course will be anxious to avoid or at least delay publication of report and we are concerned that Indians may be not repeat not unreceptive to Polish delaying tactics. Indians could for example agree to delay forwarding of report until prima facie cases have been investigated. If past experience is any guide this could postpone further action indefinitely.

3. One way out of such an impasse would be for us to press for immediate citations of North in those cases where evidence is accepted as conclusive by Legal Report. Commission by majority decision could then inform Co-Chairmen of these citations and send Legal Report at same time with promise to investigate other cases considered in it and to report in future on results of these investigations.

4. Unless some such procedure is adopted we foresee great difficulty in preventing Goburdhun from allowing Poles to succeed in delaying consideration of report. We should be grateful therefore to have your comments on suggested procedures outlined above as well as your instructions on other techniques to be adopted in achieving objectives contained in reference telegram.

[GORDON] COX

585.

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 364

New Delhi, April 3, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 353 Apr 1.†

Repeat for Information: Saigon (OpImmediate), London, Washington, Paris (Priority) from Ottawa.

By Bag: Moscow, Warsaw from London, Vientiane, Phnom Penh from Saigon.

## VIETNAM LEGAL COMMITTEE REPORT

On basis of a necessarily quick exam the report strikes me as a carefully prepared and judicious examination of the evidence available. It is obviously the outcome of a tremendous amount of research and of plain hard work. I was struck by the careful and unbiased manner in which the evidence has been weighed and the judicious and impartial tone in which both arguments and findings have been made. I think this report is one which we can support without reservation and which we should fight hard to see produced, without watering down, as a Commission document.

2. Notwithstanding the impartial manner in which findings have been reached, the report is still a powerful indictment of DRVN activities in South Vietnam and as such cannot repeat not help but cause extreme DRVN reaction when made public. I am sure it is fear of this reaction which has made Indians delay so long and which still affects their attitude to the handling of the report. We are not repeat not, I suspect, out of the woods yet, although the fact that we have been given a copy and that the scene of activity has finally been shifted back to Saigon is a hopeful sign of Indian good faith. I think it can be expected that Indians, as they get closer to facing up to the report, will be casting around for means of balancing its effects (e.g. action on military questions against the South) to make the pill easier to swallow. Although Gundevis was specific with me regarding instructions he was sending to Goburdhun on procedure, Miss Muthamma has given our British colleagues impression that Goburdhun is being asked for his view on tactics and procedures. It has taken us six months to obtain a copy of the report. I do not repeat not think that we can now expect that Commission processing of the report will be accomplished in record time. We will certainly have to guard against moves which threaten the contents of the report itself (although I do not repeat not consider the final section, containing a perhaps unnecessarily provocative but delightfully devastating rebuttal to the Polish position, as sacrosanct) and maintain steady pressure for action. We must, however, I think, give Indians the time which they decide is required to process the report always keeping in mind that the report can still be dropped by Indians if they decide it will have too damaging an effect upon their relations with USSR and Poland.

[C.A.] RONNING

3<sup>e</sup> PARTIE/PART 3CHINE  
CHINA

## SECTION A

COMMERCE AVEC LA CHINE  
TRADE WITH CHINA

586.

DEA/9030-40

*Note de l'ambassadeur aux États-Unis  
pour le secrétaire d'État aux Affaires extérieures*  
*Memorandum from Ambassador in United States  
to Secretary of State for External Affairs*

SECRET

Ottawa, January 13, 1962

## CHINA; SOUTH VIETNAM; CANADIAN WHEAT SALES

As you know, before I left Washington, I was told that the U.S. Under-Secretary of State (Ball) had indicated that he would like to have a private conversation during the Ottawa meetings on two subjects: Cuba and Communist China.

2. Last evening, after Mr. Fleming's dinner at the Country Club, Ball did raise these matters with you. The Secretary of the Treasury (Dillon) was with him. I was with you. We were joined, as the talk got started, by the U.S. Secretary of Agriculture (Freeman), the Minister of Agriculture and one or two others.

3. Ball began by expressing the U.S. Administration's very serious view of the situation in South Vietnam which, he said, was even more critical and potentially dangerous than Berlin. (This was the President's own opinion.) U.S. intelligence, which was good in this area, made it evident beyond doubt that Communist China was behind the aggressive and subversive activities of the DRVN.

4. The U.S.A., Ball continued, was, as we well knew, engaged in a large increased programme of assistance to South Vietnam; this involved extensive military equipment and also U.S. military personnel (the latter as yet in a non-combat role). It might well be that, if this new programme proved insufficient, the U.S. would have to commit troops – this in turn, the U.S. fully realized, might mean general war.

5. If South Vietnam did fall, Ball went on, the U.S. felt that the whole of Southeast Asia would be in dire danger – including, ultimately, Australia and New Zealand.

6. As to the character and gravity of the situation in Vietnam and the undoubted involvement of Peking, Ball drew attention to the recent U.S. white paper<sup>76</sup> (with which – and a good deal more – I observed that we were quite familiar).

7. In these grave circumstances, Ball continued, the U.S. wondered whether advantage could be taken, in the general free world interest, of the current commercial contacts between the Canadian government and the Chinese Communist authorities (in connection with our wheat sales); also of the similar contacts of Australia, and (shortly) the French. If the Canadian

<sup>76</sup> Voir/See United States, Department of State, *A Threat to the Peace: North Viet-Nam's Effort to Conquer South Viet-Nam*, Publication 7308, Far Eastern Series 110 (Washington, DC: Department of State, 1961).

Government shared the U.S. appreciation of the precarious situation in Vietnam and its relationship to Peiping (and the U.S. would be happy to sit down with Canadian representatives to review the evidence), then it had occurred to U.S. authorities that it might be intimated to the Chinese that deliveries of food from free world sources could not be continued unless the Chinese Communist authorities were willing to stop their stimulation and support of subversion and aggression in Vietnam. Admittedly and quite frankly, this would be to take advantage of the desperate current need of the Chinese population in order to attain a political objective; but the objective was of critical importance to the whole free world – the avoidance of war in which all could be involved.

8. The discussion which followed Ball's presentation went on for some time and touched on many aspects of the situation in Southeast Asia and relations with Communist China. All in the group contributed, Dillon (who seemed to be well aware of the proposal) supporting Ball's argument.

9. You expressed serious doubt as to the wisdom or effectiveness of the U.S. suggestion as likely to contribute to a peaceful solution. You referred to Canadian experience as a member of the ICSC in Vietnam. In this capacity, we were seeking to contribute to stability in the area and it was your impression that we had assisted U.S. objectives in their recently increased assistance programme; the latter seemed, you thought, to be having some useful effect.

10. Surely, you said, the U.S. did not want another war over Vietnam. Certainly not, Ball said; the U.S. were seeking to prevent disaster in Southeast Asia and his proposal had been made with that object.

11. I suggested that if, in the general interest, there were any advantage to be derived from current commercial contacts, a positive approach would be more productive than an ultimatum. Would it not be better to explore the possibility of exploiting these contacts to see whether or not some accommodation was to be had with the Chinese on Vietnam? An approach of this nature would be less provocative, less likely to have negative consequences. Behind any such conversations would be current arrangements for wheat.

12. Alvin Hamilton expressed the opinion that those charged with the Chinese negotiations on wheat had high political auspices from Peking.

13. It was left, as I understood it, that Ball would get in touch with me in Washington with the object of our reviewing together (and possibly with Australian representatives) the whole Vietnam situation.

A.D.P. H[EENEY]

587.

DEA/9030-40

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

TELEGRAM 145

Washington, January 16, 1962

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: My personal letter Jan 15.†

CHINA; SOUTH VIETNAM; CANADIAN WHEAT SALES

I sent you by yesterday's bag (January 15) a brief personal letter covering my memoranda on the conversations we had with the USA Under-Secretary of State and Secretary of the

Treasury in Ottawa last Friday evening (January 12) on Cuba and Communist China. On my return to Washington I briefed my Australian colleague, Beale, on the approach which had been made to us on China; then, at Ball's request, Beale and I met with him in the State Department this morning.

2. Ball, who was accompanied by Rostow, the Counsellor and Head of the Policy Planning Staff, outlined in more detail and in a wider context the considerations which the State Department had in mind in raising the China question with us in relation to our current sales of wheat.

3. He began by saying that USA were searching for ways and means of inducing a more responsible and moderate attitude on the part of Peking. To this end, they were anxious to review all possibilities. The problem was given more urgency by the critical situation in South Vietnam where the USA were considering every means of restraining the Chinese Communists from increased measures of aid to North Vietnam, and from contributing to "escalation" of the aggression.

4. With this objective, Ball suggested that it would be useful for officials of the three countries (USA, Canada and Australia) to sit down together and have a careful look at the long-term situation, to make assessments of the role and relationship of Peking to developments in Vietnam and to see, in particular, whether the commercial contacts which Canada and Australia had with Peking authorities in connection with wheat and grain shipments could not be exploited to induce a greater measure of restraint on the part of the Chinese and to forestall their deeper involvement. Ball made it clear that he was not in any sense suggesting that Canada and Australia as exporting countries should present the Chinese authorities with an ultimatum or threaten to curtail present programmes. On the contrary, a considered look at the political elements in the problem in the light of general objectives of the free world might lead to the conclusion that an actual expansion in food supply or some improvement in credit terms would be the right course.

5. Rostow, who has been giving a good deal of thought to this problem (you may wish to refer to Rae's letter to Norman Robertson of November 13/61 and particularly paragraph 15 reporting on a conversation with Rostow after his return from Vietnam), then took up the discussion. He indicated that, while there has been little evidence suggesting that the Communist Chinese have so far directly participated in the campaign conducted by the North against the South in Vietnam, it was important to look ahead to future Chinese reactions, and to study the degree to which trade contacts could be employed to restrain the Chinese from increasing involvement. He went on to say that the State Department's preliminary look at the problem tended to indicate that there were indeed some clear advantages in arrangements such as those concluded with Peking by Canada and Australia not repeat not only as a means of disposing of surpluses but also for diverting Peking's scarce foreign exchange from industrial and military expenditures. If a greater consensus among the (Western) powers principally concerned could be developed, and if the Communist Chinese could be given some advance indication of the relationship between their trade contacts with the West and their actions in Southeast Asia, and elsewhere, this might have a salutary effect.

6. As a preliminary step, therefore, Rostow thought it would be useful if officials of the three governments could take a joint look at the whole problem and share their information and judgement.

7. My Australian colleague, on a personal basis, did not repeat not object to a study, and said he would take up the suggestion with his authorities in Canberra.

8. Also speaking personally, I then took the opportunity to make a number of observations on Ball's outline. I did not repeat not think that we would disagree with the premise that the policies of the governments concerned on trade with China, while certainly related to very

important domestic considerations, should also be weighed in the broader context of war and peace in Southeast Asia. If such a joint study as Ball and Rostow suggested were to be undertaken, it should begin by trying to assess the degree of influence which Communist China might exert on the Vietminh and the extent of its involvement. In my opinion (as I had said in Ottawa), anything in the nature of an ultimatum to the Chinese would be likely to prove "counter-productive" and would be wholly unlikely to have Canadian support. I was interested to note that, in the State Department view, so long as the Communist Chinese were not repeat not engaged in active aggression in Southeast Asia or elsewhere, there were certain advantages to us all in their trade contacts with the West, and this should be borne in mind in any joint examination of the problem. I said that I thought it of great importance that USA suggestion should be regarded as one for informal normal consultation between competent officials of the three governments, not repeat not in any sense as calling for the institution of a formal study group. In particular I emphasized (and Ball fully agreed) that any publicity given consultation of this kind would put in jeopardy its whole usefulness.

9. I then went on to recall that, in addition to Canadian and Australian commercial contacts, there were other contacts with the Communist Chinese which could also be explored, including chiefly the contacts at Geneva in connection with the Laos Conference and also the continuing USA-Chinese discussions with their locale in Warsaw. While an informal exchange of views of the kind proposed might have real value in clearing our minds, a primary Canadian preoccupation would be our special position in connection with Indochina Commissions and our hope that the Laos Conference could be brought to a successful conclusion. Both of these had direct relationship to the whole problem of stability in Southeast Asia.

10. Ball raised the question whether the French should be included (because of their current transaction). It was our personal consensus that it would be best to keep any joint study to the three of us for the present, although it was recognized that the State Department might wish to discuss the matter with the French separately. The interest of Argentina and of West Germany in trade relations with Peking was also noted in passing.

11. I think you will agree that partly no repeat no doubt as a result of our conversation in Ottawa, the proposal put to us today appears in better perspective than when raised in Ottawa last week. Essentially, as I understand it, the USA suggest an informal tripartite exchange of information and opinion on the relationship of Communist China to developments in Southeast Asia and, in particular, a joint examination of whether and in what manner existing commercial contacts might be exploited in the effort to stabilize Southeast Asia.

12. My Australian colleague is referring the matter to Canberra as I have said, but he personally sees no repeat no reason to object to participating in the kind of joint study Ball has proposed. It is clear that thinking in the State Department is still in a preliminary stage. (The proposal put to us has not repeat not yet, for example, been taken up with Harriman whose view upon it I said that I would be glad to have.) Their suggestion has a number of gaps and fuzzy areas. Nevertheless I would hope that we would find it possible to make a positive response and agree to have a joint look at the problem in all its aspects and without by any means confining our study to current commercial relations. And one of my chief reasons is that we can, I think, from our own sources make a useful and solid contribution to thinking here on this whole problem.

[A.D.P.] HEENEY



588.

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*

SECRET. CANADIAN EYES ONLY.

[Ottawa], January 19, 1962

Reference: Washington telegram 145 of January 16, 1962

CHINA; SOUTH VIETNAM; CANADIAN WHEAT SALES

In paragraph 12 of the above-mentioned telegram, Mr. Heeney recommended that we agree to participate in a joint study with the Americans and Australians of whether and in what manner existing commercial contacts with Communist China might be exploited in an effort to stabilize South East Asia.

2. The Minister has agreed that Mr. Heeney may give a positive response to this suggestion.<sup>77</sup>

R. C[AMPBELL]

589.

DEA/9030-40

*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 23

Saigon, February 9, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE from Delhi.

Repeat for Information: Washington from Ottawa.

Australian Ambassador showed me today a report from Australian Ambassador in Washington concerning discussions in mid January in Ottawa between Mr. Fleming and Messrs. Ball and Dillon which Mr. Heeney attended. These concerned an American approach for a reconsideration of our policy concerning wheat export to China with a view to influencing Chinese to remove pressure on South Vietnam.

2. Mr. Ball was quoted as having said explicitly that Communist China was behind the aggressive and subversive activities of the DRVN and he spoke of the "undoubted involvement of Peking." I understand that as a result of this approach there will be further discussion with USA Government.

3. We are of course continually on the lookout for evidence of Chinese involvement in North and South Vietnam. The evidence however is scanty and assessments are based mainly on speculation. Speculation centres mainly on the reasons for Chinese military mission's visit to Hanoi last December. During that visit there were the usual expressing of friendship and solidarity but not repeat not much else became public. I would expect that some discussion on contingencies must have taken place. There are also indications of an indirect nature that

<sup>77</sup> Note marginale :/Marginal note:  
Noted. [N.A.] R[obertson]

Chinese may have pressed DRVN to more forceful action, based on speculation that DRVN may have rejected this Chinese pressure. The evidence is that General Vinh made a statement January 1 in (group missing) indicating that "in 1961 USA Diem clique changed its tactics from its plan to actively prepare for a march to North along with pacifying South, it has resorted to mainly coping with South Vietnam revolutionary movement." This statement has been interpreted by Trueheart of USA Embassy as a possible reaction by DRVN [to] Chinese pressure.

4. It is also significant that shortly afterwards an announcement was made of the formation of Vietnamese People's Revolutionary Party (see our telegram 15 January 27†). This has been interpreted by Australians and others as an indication that Viet Cong may now intend to stress a political rather than an overt military offensive with a neutralist solution for the whole of Vietnam as the new slogan. This would be accompanied by a continuation or possibly an intensification of guerrilla warfare.

5. More generally the assessment I heard in Hanoi last December was that present DRVN leaders are more in tune with Moscow than Peking. Another assessment which Parthasarathi puts forward is that Ho Chi Minh's status in Communist party is such that he may be in a position to resist pressures which a lesser Communist leader would be unable to resist, and that Ho Chi Minh is able to use his status on the existing difficulties between Peking and Moscow to strengthen his own voice in Communist policy in Southeast Asia.

6. Evidence is scant and speculation can easily be wrong but the overt evidence available to Western Embassies here does not repeat not support statement attributed to Ball. American Embassy has not repeat not given us any indication that they have additional evidence and Trueheart confirmed today to Hill that they had not repeat not. We have had piecemeal reports of items of Chinese equipment in DRVN but it is difficult to place these into a pattern of Chinese involvement.

7. You may therefore wish to query Americans further about their assessment when wheat export policy is discussed again. We should be very interested to receive any additional indications of Chinese involvements in this area as we might be in a position to follow them up.

[F.G.] HOOTON

590.

DEA/9030-40

*Note de l'adjoint spécial au premier ministre  
pour le premier ministre*

*Memorandum from Special Assistant to Prime Minister  
to Prime Minister*

SECRET

[Ottawa], February 15, 1962

Prime Minister,

I showed you some papers on this about two weeks ago. Since that time, as you will see from the attached telegram, the Minister has had second thoughts about the wisdom of proceeding with these discussions, at least along the lines which the Americans seem prepared to follow.

H.B. R[OBINSON]

[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 Y-59

Ottawa, February 15, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel 338 Feb 5† and Saigon Tel 23 Feb 9.

CHINA AND SOUTHEAST ASIA: JOINT DISCUSSIONS WITH USA AND AUSTRALIA

As you know, I have been anxious to avoid giving USA authorities impression that we were unwilling to talk to them frankly and in confidence about any aspect of China question which they might wish to discuss. At same time I have always been concerned (my telegram Y-42 February 1, paragraph 2†) that USA interest in using wheat sales for political ends would take too prominent a part in any conversations. My own impression (and much more so that of Australians) is that such an imbalance has become increasingly likely. I would see little if any advantage in talks if these were to be virtually confined to those aspects of question on which disagreement could be foreseen in advance as only likely result.

2. In light of these considerations and of developments since my telegram Y-42 February 1, I have been looking again at proposal made to us by Ball. It appears reasonably clear from your comments on my suggestions and from what we have been told by Australians:

(a) that Americans wish to restrict talks primarily to question how existing commercial contacts might be exploited for political ends;

(b) that Australians believe as I do that such a study could give only one answer, yet do not want tripartite talks on a wider basis;

(c) that there is considerable likelihood of publicity for any tripartite talks that might take place (our telegram Y-50 February 6† and your telegram 378 February 8†).

3. In these circumstances, I have come to conclusion that it would be better not repeat not to proceed with proposal in form in which it was put to us by Ball. This does not repeat not mean of course that we would not repeat not be prepared to give most careful consideration to any information or views Americans may wish to convey to us through normal channels. It does mean however that in light of information now available I would see no repeat no advantage and some serious disadvantage in tripartite discussions as originally proposed.

4. On his return to Washington Ambassador might explain to Ball that under circumstances we would prefer that our views be expressed to him, and that he would report them to Ottawa. I shall meanwhile inform Australian High Commissioner of this decision. Australians may then turn to corresponding bilateral conversations.

[H.C.] GREEN

591.

DEA/9030-40

*Le délégué commercial par intérim à Hong Kong  
au chef, Direction de l'Asie et du Moyen-Orient, I.T.R.B.*

*Acting Trade Commissioner, Hong Kong,  
to Chief, Asia and Middle East Division, I.T.R.B.*

CONFIDENTIAL

Hong Kong, July 12, 1962

Yesterday afternoon Mr. T.H. Yu, Assistant General Manager, and Mr. P.S. Pang, Chief Secretary, of the China Resources Company paid a call on this office in order to discuss Canadian-Chinese trade and to complain specifically about what they feel is Canadian discrimination against the importation of Chinese products. (Incidentally, Mr. P.S. Pang is a newcomer to the China Resources Company. Although he does not have the title of Assistant Manager he seems to have replaced Mr. L.C. Pu who has been returned permanently to China, ostensibly for health reasons. Mr. Pang was formerly with the Hsinhua News Agency and represents a strengthening of political interest in the business of the China Resources Company.) Most of our meetings with the Chinese are conducted in the Bank of China building and when they make arrangements to call at our office it is a sign that the subject they wish to discuss is very important in their eyes. This again turned out to be the case.

2. Mr. Yu's first criticism was of a general nature. He claimed that when the first trade mission to Canada met with Canadian officials last Fall in Canada the Canadian side solemnly declared their interest in expanding trade between the two countries, and promised to assist the Chinese in developing trade. Mr. Yu declared, however, that developments since that time had proven that Canadian officials were hypocritical and that there was really no wish on our part to assist them in expanding their exports to Canada. He claimed that we had in fact thrown obstacles in their path. Mr. Yu then went on to state that our present attitude was not in our best interests and left no doubt in our mind that he was referring to future sales of Canadian grain to China. Mr. Yu repeated this statement several times during the course of our conversation and it is quite obvious he wished to impress us with the seriousness with which the Chinese view the present trade situation. We, however, do not feel that the Chinese can conveniently cut all grain purchases from Canada as we have every indication that they will continue to require large quantities of grain and there are virtually no alternate sources to which they can turn for their supplies. In any case, Mr. Yu revealed their real interest in our grain when later in the meeting he queried us regarding weather conditions and crop prospects of the prairies. We, of course, stated as we always have that we are interested in expanding trade between China and Canada and that we realize that it is a two-way street. We pointed out, however, that prior to the grain purchases our trade was closer to a balance and that we felt it would be very difficult to compensate for our grain purchases in terms of imports from China. To this Mr. Yu replied that they did not expect to bring Chinese-Canadian trade completely in balance but they certainly felt they should be given an opportunity to develop a market in Canada for some of their products and went on specifically to refer to what they feel is discrimination by the Canadian Government against imports of their textiles.

3. Mr. Yu claimed that their mission in Canada had negotiated contracts with Canadian importers for the sale of a variety of Chinese textiles only to have the importers informed by officials in Ottawa that U.S. market values would be used as a basis for valuation for duty (and possible consequent dumping duty) on the Chinese textiles. This, Mr. Yu claimed, was direct discrimination by Ottawa and nothing more than an attempt to keep Chinese textiles completely out of the Canadian market. His argument was that the application of U.S. market values to Chinese textiles was completely unfair and that if such a cost comparison had to be followed, Hong Kong or Japanese market values should be used as conditions and production

costs in these countries were more nearly comparable with Chinese conditions than were those existing in the United States. This is, of course, an old complaint and one which we have gone over many times in the past with the Chinese. We employed the usual arguments used by Mr. Forsyth-Smith in the earlier discussions on this subject, and again reiterated in Ottawa when the Chinese delegation was there last October. We also attempted to indicate to the Chinese that they would, no doubt, have more success in their attempts to increase sales of other items but they promptly re-directed the conversation to textiles. We then discussed the question of whether they had instructed their importers to apply for advance rulings from the Department of National Revenue but they did not seem certain whether this had been done. We gathered from their comments, however, that importers must have followed this procedure in order to obtain any kind of a reply from the Department of National Revenue.

4. We are aware of the Canadian Government's position in this matter and of the problems we are faced with in textiles, but we must confess that the continued complaints by the Chinese on the question of import duties is rather embarrassing to us. Although we stick to the arguments which have been laid down in the past they do not sound very convincing to our own ears and our inability to effectively counter their claims or offer any really new suggestions only hampers our relations with the Chinese here. When Mr. Yu made his complaint to us yesterday we suggested that the trade delegation get together with interested importers and take the question up with the Department of National Revenue and with yourselves. Mr. Yu was not certain whether or not this had already been done but we suspect that they have made some kind of an approach to you. We would be most grateful if you would let us know what transpired at any meetings that were held and what line of argument we should take with the Chinese when this subject is again raised, as we are sure it will be.

MALDWYN THOMAS

592.

DEA/9030-40

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

CONFIDENTIAL

[Ottawa], November 2, 1962

SALE OF WHEAT TO CHINA

The Minister of Agriculture has submitted to Cabinet a request for less stringent credit conditions for the sale of wheat to Mainland China. A copy of the relevant memorandum is attached.†

2. The arguments favouring the course proposed are the following:

- (a) other exporters recently have made available to China improved credit facilities which may make our own non-competitive;
- (b) moreover, Chinese wheat import requirements are likely to diminish because domestic production appears improved;
- (c) China has now purchased the minimum amount specified in our long-term arrangement, would not be in default if no further purchases were made, and may require an inducement if purchases are to reach the maximum under the agreement (which would mean additional sales of 70 million bushels of wheat and 20 million bushels of barley, or 50% and 100% respectively of the amounts purchased thus far);

(d) Canada must increase exports (the carry-over next July 31 will likely be 25% higher than this year) but other exporters have also had good crops in 1962 and must find additional markets.

3. Therefore, in advance of the next round of negotiations with the Chinese, which opens in Hong Kong later this month, Cabinet is being asked to approve modified terms if these prove necessary to make a sale. While every effort would be made to maintain the current terms of 25% cash and 273 days credit for the balance, should a sale on these terms not be possible, it is recommended that the Wheat Board be permitted to offer terms of 25% cash and twelve months' credit for the balance. (These terms would still be less favourable than those offered by some of our competitors).

4. It should be noted that approval by Cabinet of these proposed terms would not be accompanied by any increase in the \$100 million credit ceiling, established to permit the Chinese to take the maximum amount under the agreement on the basis of existing terms. A lengthening of the credit period without an increase in the credit ceiling will cause the ceiling to become inadequate to finance the maximum quantity foreseen by the agreement.

5. The trade considerations put forth in the Memorandum to Cabinet are very valid ones. The commercial case for improving the terms available to the Chinese is strong. However, in the past the length of the credit terms has been made public, and this practice presumably will continue. A change in these terms favourable to the Chinese might be interpreted as inconsistent with the Government's policy to provide military assistance to India. In fact, of course, although the public is not aware of it, the Cabinet decision of October 23, by which exports to China other than wheat will no longer be permitted, goes in exactly the opposite sense.

6. If Cabinet decides to accept the recommendation in the memorandum attached, the impact of the proposed change when made public might be minimized successfully by an earlier announcement concerning the decision on trade in general with China. Without either a marked improvement in the Chinese-Indian dispute or else a public indication of the Government's present attitude on trade with China, any easing of the credit terms involved in the sale of wheat could be misunderstood and lead to erroneous conclusions in several quarters, including New Delhi and Washington.

N.A. R[OBERTSON]

593.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], November 6, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),

The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O' Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

...

FURTHER SALES OF WHEAT TO CHINA  
 (previous reference March 8†)

8. *The Minister of Agriculture* said that the sale of Canadian wheat was a matter of great importance. It was of direct benefit to Western farmers and Eastern farmers liked wheat to be exported, leaving them more room in the beef, pork and other meat markets.

A serious issue had to be resolved, namely the overall philosophy to govern Canada's trade with China. The key point was that Canada had a long term agreement for the sale of wheat to China. Minimum, as well as maximum quantities were specified in the agreement. The minimum was 112 million bushels of wheat, the maximum 187 million bushels. A limit of \$100 million value had been set on the revolving credit or loan. So far, China had purchased 111.6 million bushels, just enough to satisfy the minimum requirement under the 5 per cent more or less clause.

The Canadian Wheat Board had advised that new negotiations would begin on November 19th for further sales to China under the long term agreement of June 1960. Although it was intended in the negotiations to limit credit terms to those now in effect, the Board pointed out that competition for the Chinese market had increased considerably. The French and the Australians had been offering better credit terms than Canada, and it was expected that China would press Canada for more favourable terms for any new orders. The Board's intention would not be to extend the \$100 million credit limitation but it would like some leeway to extend repayments if need be to a twelve-month basis. France had been giving eighteen months' credit. Australia had stuck to twelve months but had modified the percentage payment dates.

An explanatory memorandum had been circulated (Minister's memorandum, Nov. 1, Cab. Doc. 356-62†).

9. *Mr. Hamilton* said that the London office of the Wheat Board had reported yesterday that China was buying from other countries and that the outlook in China was for better crops this year. The variable levy system in Europe was providing French and German growers with real protection. Germany, for instance, charged a levy of \$1.94 per bushel on imported wheat. Although Canada's exports of wheat were down some 20 million bushels compared to this time last year, a more important figure was that of actual sales contracts. These figures showed that nearly 100 million fewer bushels had been contracted for this year compared to the same time last year. Under these conditions the Canadian negotiators should have room and flexibility with respect to the time and terms of repayment. They would fight hard to maintain the present conditions but would like to have a line to retreat to, if need be.

10. *The Cabinet* approved the recommendation of the Minister of Agriculture,

(a) that, in the forthcoming negotiations for the sale of wheat to China, a maximum effort be made by the Canadian Wheat Board to retain the existing credit terms, namely 25 per cent cash, balance 273 days; and,

(b) that, if the sale of wheat to China was not possible on the basis of the existing terms, the Canadian Wheat Board be authorized to conclude an agreement with the China Resources Company on the basis of 25 per cent cash and the remainder in the minimum period obtainable, not to exceed 12 months.

...

594.

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], December 3, 1962

TRADE WITH MAINLAND CHINA

Attached for your information is a copy of a report dated November 30 on this subject to the Minister of Finance, prepared at the request of Cabinet by the Interdepartmental Committee on Low-cost Imports. We understand that the Minister of Finance may be circulating this report to the Cabinet.

2. The Mainland Chinese have been pressing to increase their exports to Canada and have objected that the values for duty imposed by National Revenue on their products have prevented them from selling in Canada. About two weeks ago the Chinese were given a list of non-sensitive products (Annex B) the import of which would not create any particular problems for Canadian producers or for Canada's other trading partners. The Chinese were told informally that if they could develop markets in Canada for these items it was not anticipated that there would be customs valuation problems in connection with their import to Canada (i.e. Chinese values would be accepted). The attached report recommends that this list be expanded to include a number of other non-sensitive items (Annex A).

3. The report goes on to observe that if the Government considers it necessary to make further concessions to China, the Chinese could be given a further list of more sensitive products which they could export to Canada in limited quantities (Annex C). The total value of such a quota list, which consists mainly of textiles and other consumer goods, would be around \$3 million. The Committee has not made any recommendation regarding this step which would, of course, involve negotiations with the Mainland Chinese somewhat similar, although on a smaller scale, to those we have been conducting with Japan over the past few years on voluntary export restraints.

4. We might also report that the Interdepartmental Committee on Low-cost Imports met on November 29 with representatives of the Canadian Apparel and Textile Manufacturers Association (CATMA). The subject of imports from Mainland China was not raised directly, but the CATMA representatives expressed misgivings about the prospect of any significant increase in low-cost textiles of clothing from Mainland China (or indeed from any other low-cost countries). The CATMA representatives urged that the Government make greater use of the Cotton Textile Agreement to prevent further encroachment on the Canadian market by



low-cost exporters. They also urged that the forthcoming annual negotiations with Japan on voluntary quotas should not result in any increase in Japanese exports of sensitive textile or clothing products.

5. Members of the Committee pointed out that the Cotton Textile Agreement was not an instrument for regulating levels of trade; it merely provided an international framework in which importing countries could seek the co-operation of low-cost exporters in dealing with genuine problems of market disruption. As for the negotiations with Japan, the CATMA representatives were told that Canada had been obliged to give assurances to the Japanese regarding a modest increase in exports of cotton textiles in the next few years, in order to obtain the agreement of Japan and other members of the Cotton Textile Agreement to exempt Canada from more precise commitments under the Agreement regarding automatic increase of quotas imposed under the Agreement.

N.A. R[OBERTSON]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Rapport du Comité interministériel  
sur les importations à faible coût*

*Report by Interdepartmental Committee on  
Low-Cost Imports*

CONFIDENTIAL

[Ottawa], November 30, 1962

THE CUSTOMS VALUATION OF IMPORTS FROM MAINLAND CHINA

At its meeting on November 6th Cabinet referred to this Committee for further consideration, in the light of the discussion of the subject in Cabinet, the question of the basis of customs valuation of cotton fabrics and other sensitive imports from Mainland China.

It is the normal practice of National Revenue to accept Chinese invoice values except when complaints are made or there is other evidence of possible damage to Canadian producers. In cases where Chinese invoice values are not accepted, the values adopted by National Revenue are those prevailing in another supplying country, often the principal supplier, which in some cases is the United States. Japanese values are not normally adopted, for two reasons. First, it has proved extremely difficult to determine the true fair market value in Japan for most products. Second, Japanese values are in many cases so low that it has been necessary to control the level of imports by negotiating with Japan "voluntary" controls on many exports to Canada.

Within the framework of these valuation practices the Committee examined ways of facilitating the expansion of China's exports to Canada without endangering Canadian industry or jeopardizing Canada's trading relations with other countries such as Japan.

As a first step the Committee drew up a list of non-sensitive goods, generally of a type not made in Canada. In view of the fact that a delegation of Wheat Board officials was beginning negotiations with the Chinese for further sales of Canadian wheat, this list of non-sensitive goods was sent immediately to Hong Kong for transmission to the Chinese. The Chinese were told informally that if they could develop markets in Canada for the items listed it was not anticipated that there would be valuation problems in connection with the importation of these goods into Canada. The list consisted of about 85 items, and it included a few non-sensitive textile items such as natural silk and silk products.

The Chinese had given us in August a detailed list of goods which they wished to sell in Canada. The Committee examined each of the items on this list and divided them into three categories:

1. Goods which could be included in a second non-sensitive list further to the list already given to the Chinese.
2. Goods, generally of a type made in Canada, but which are imported in large volume, and of which carefully controlled importations from Mainland China would not be likely to cause serious damage to Canadian industry.
3. Highly sensitive goods in respect of which even limited imports from China would create difficulties for Canadian producers and for our trading relations with other countries.

The first category would bring to well over one hundred the number of non-sensitive items. The Committee understands that no problems have arisen or are likely to arise in connection with the valuation of these goods, and is therefore making no recommendations with regard to their valuation for duty. However, the Committee would consider it important that no publicity be given to the list of non-sensitive goods; and would also propose that it would be unwise to give any formal commitment in respect of valuation of such goods, or any undertaking going beyond the informal advice already communicated to our negotiating team in Hong Kong. This is because other countries are supplying some of these goods to Canada; and they would be likely to complain of discrimination if they became aware that Chinese invoice prices were being accepted without question for valuation purposes.

The second category consists mainly of textiles and other consumer goods which compete, either directly or indirectly, with Canadian production. The Committee suggests that if the Government considers it necessary to give the Chinese something more than the two non-sensitive lists, it might wish to allow the Chinese to ship certain limited quantities of goods in the second category. A list of these goods, containing suggested maximum quantities, is given in Annex C. It would be important to set an overall limitation of say \$3 million, with specific limitations within this total for the items which compete most directly with Canadian production. As China's export trade is entirely in the hands of state trading agencies, it would not be difficult for China to limit its exports of these products to the quantities specified.

The most important item in this list is unbleached cotton fabrics. Canada is importing fairly substantial quantities of these fabrics from other countries, especially India, often for further processing by the textile industry in Canada. The Committee would not recommend unlimited imports from China or low-cost countries generally: Japan applies export restraints on these fabrics. India's shipments have been relatively stable in recent years, and that country would no doubt resent any displacement of its trade by Mainland China. Gingham and velveteen are not made in Canada, but at very low prices they would become substitutes for other Canadian fabrics. A quantitative limitation might prevent unduly low prices being set by the Chinese. These items are also subject to Japanese export restraint. Some of the other items are subject to Japanese export restraint, but the Japanese are not filling their quotas and Canadian production is holding up fairly well.

The Committee is not making the judgment that it is necessary or desirable to set up a quota list of this kind in the context of our present trade with China. The Cabinet will wish to make its own judgment in the light of considerations which go beyond the terms of reference of this Committee.

It should be borne in mind that giving the Chinese a quota list of this kind would represent an important new departure in Canadian policy. It would be likely to lead to requests from other Communist countries, particularly the U.S.S.R., for comparable privileges; and to requests from private enterprise countries, which are subject to statutory valuation provisions, for special valuation privileges. Since some of the items on the quota list are subject to Japanese export restraint, we could expect the Japanese to press for increased quotas. Finally, we could anticipate heavy pressure in the future from China to increase the coverage and quantities of the quota list.

With regard to the third category of goods, imports from various sources, including Japan, have created serious difficulties for Canadian producers, and the Committee would not recommend that any special concessions should be made to the Chinese in respect of these items. (Corduroy is one of the items in this category: the principal Canadian producer is in severe financial difficulties.) If significant imports of these items were to be allowed from China, the difficulties of Canadian producers would be increased. With regard to the items subject to Japanese export restraint, it would be harder to negotiate reasonable quotas with Japan. While theoretically the objections of the Japanese to Canadian imports from China could be met by increasing Japan's quotas, this would only aggravate the situation of Canadian producers.

Where difficulties arise in connection with imports of these very sensitive goods from China, National Revenue may, at its discretion, seek the advice of this Committee concerning valuation for duty.

The Committee recommends:

1. That the Chinese be given the second list of Category 1 goods (Annex A) as an addition to the list of non-sensitive goods they were given several days ago (Annex B).
2. That if the Government considers it necessary to make further concessions to China, it might wish to allow the Chinese to ship to Canada the goods listed in Annex C in the quantities indicated, the total not to exceed \$3 million per annum. In respect of such goods the minimum value for duty should be based on the values of comparable countries which are making significant shipments to Canada of the products in question. In most cases the value for duty would be based on Japanese values.
3. That subject to recommendation 1, and any decision that may be made on point 2, no change be made in the system of valuation now being applied on imports from Mainland China.
4. That where special valuation difficulties arise in connection with the importation of any goods from Mainland China, National Revenue may, at its discretion, seek advice from this Committee.
5. That there should be no publicity about any of these arrangements.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Annexe A*

*Annex A*

PROPOSED SECOND LIST OF NON-SENSITIVE ITEMS

*Agricultural Products*

Vegetables: fresh, dried or prepared, which are recognized as Chinese specialties

Fruits: fresh, dried or prepared, which are recognized as Chinese specialties

Hides and skins, not further processed than salted or pickled

*Chemicals and Raw Materials, etc.*

Molybdenum metal

Wolfram

Essential oils, other than coniferous

Sulphathiozole

Dihydro-Streptomycin sulphate

Ephedrine hydrochloride

*Textiles*

Cotton fibre waste

Tobacco cloth, cheese cloth and mosquito netting, not more than 7½ pounds per 100 square yards, not bleached nor coloured

Natural silk stockings

Rayon stockings

Shawls of all kinds

*Miscellaneous*

Sheet glass

Firecrackers, not exceeding two inches in length nor one-quarter inch in diameter

Crystal glassware

Machine tools of a class or kind not made in Canada

## [PIÈCE JOINTE 3/ENCLOSURE 3]

*Annexe B**Annex B*LIST OF NON-SENSITIVE GOODS GIVEN  
TO THE CHINESE IN NOVEMBER, 1962*Agricultural Products*

Edible nuts of all kinds	Rice
Dried dates, pears, lily flours, apricot kernels	Unground spices
Water melon seeds, lotus seeds	Peanuts
Tea	Animal bristles and hair
Mandarin oranges in light syrup	Bed feathers and down
Water chestnuts	Soya sauce
Salted and alumned jelly fish	Shrimp, frozen, canned and other varieties
Frozen carp fillets	Furs (Kolinsky, Japanese or Chinese mink)
Frozen Peking duck	Specialty Chinese confectionery products
Dried or powdered egg or albumen	
Concentrated orange juice	

*Raw Materials and Chemicals etc.*

Manganese ore	Chinawood oil
Pyrolusite ore	Castor oil
Mercury	Marble
Cassia	Caffeine
Gum rosin	Codeine and salts
Menthol crystals	Sodium Bichromate
Chinese botanical drugs and crude medicines	Acetylsalicylic acid
Cork	Realgar
Camphor	Antimony regulus
Vermiculite	Natural graphite
Dyeing, tanning and colouring materials, other than pigments	Tin

*Textiles*

Bast fibres and manufactures	Raw cotton
Specialty lace and embroidered products	Cotton gauze (woven fabrics wholly of cotton not more than 7½ lbs. per 100 sq. yards, not bleached nor coloured)
Sheets, tablecloths, towels, etc. of flax	
Natural silk and products thereof	
Carpets, hand-made	Woollen gloves and mitts
Pure cashmere wool and products thereof	

*Other Manufactured Goods*

Electric light bulb blanks of glass	Surgical, dental, diagnostic and medical instruments
Textile machinery	Microscopes
Anesthetic apparatus	Microtones
Orthopedic surgery equipment	Hypodermic needles
Laboratory centrifuges	Suture needles
Ceptosopes	Ophthalmic instruments
Mathematical instruments	Resectoscopes
Dental chairs	Urological instruments
Electro-cardiograph equipment	X-Ray equipment (dental)
Epedioscopes	Calculators, hand operated
Incubators (hospital)	Laboratory autoclaves

*Miscellaneous Products*

Bamboo products and wares	Old and semi-antique articles
Rattan and willow products	Hand-painted pictures, water colours, oil paintings
Straw hats, baskets, mats	Toys, other than stuffed and plastic
Carvings of stone, jade, ivory and wood and iron	Sports rackets of all kinds
Lacquer wares	Ornamental ceramic ware
Cloisonné wares	Jewellery
Inlaid Gold lacquer wares	Cigarette lighters
Blackwood wares	

[PIÈCE JOINTE 4/ENCLOSURE 4]

*Annexe C**Annex C*LIST OF ITEMS WHICH COULD BE IMPORTED FROM  
MAINLAND CHINA UNDER A QUOTA LIMITATIONOVERALL QUOTA \$3 MILLION

## TEXTILES

*Items Subject to a Specific Limitation*

Cotton yarn-dyed gingham, greige or finished	500,000 sq. yds.
Cotton velveteen, in any form	250,000 sq. yds.
Grey cotton fabrics (not bleached nor coloured), not elsewhere listed, of low quality constructions	3,000,000 sq. yds.
Cotton work shirts	20,000 dozen
Cotton sport shirts and cotton dress (business) shirts	20,000 dozen
Dish towels, of all textile fibres	50,000 dozen
Cotton handkerchiefs	50,000 dozen

*Items not Subject to a Specific Limitation*

Mercerized cotton yarn, counts of 75 and finer  
 Industrial sewing thread, not bleached nor coloured  
 Cotton yarn-dyed fabrics, other than gingham and denim  
 Damask table cloths  
 Cotton fabrics in the greige for the manufacture of typewriter ribbons

## GOODS OTHER THAN TEXTILES

*All these Items are Subject to a Specific Limitation*

Metal friction toys	\$200,000
Flashlights	250,000 units
Vacuum flasks	50,000 units
Sewing machines	10,000 units

595.

DEA/9030-40

*Le commissaire en chef adjoint de la Commission canadienne du blé  
au ministre de l'Agriculture*

*Assistant Chief Commissioner, Canadian Wheat Board,  
to Minister of Agriculture*

Winnipeg, December 14, 1962

Dear Mr. Hamilton,

Within the next few days we are sending forward to you a copy of the minutes† covering the meetings held in Hong Kong between officials of China Resources Company and the Canadian Wheat Board. These discussions extended from November 19th to December 8, 1962, when they were successfully concluded, and resulted in a further wheat sale of 870,000 long tons, with a tolerance of 5% more or less, the particulars of which you are already acquainted [with].

My colleagues and I felt you would be interested in the discussions that ensued during the course of these conversations and that the detailed minutes might be of some assistance to you in formulating policy for the future if Canada hopes to establish a continuing market for wheat in China. It is unlikely that you will have the time to read the complete account of these protracted negotiations but we do suggest that you have one of your officials mark for your perusal the relevant passages of particular interest to you, and more particularly those which document the importance the Chinese officials attach to their need for greater opportunities to market Chinese products in Canada.

We draw to your attention the frequency of their assertions of "discrimination" against China in having access to the Canadian market. At no time did we admit that discrimination existed insofar as the term is applied in its narrow context but we readily admitted agreement [with] their contention that it was unreasonable to expect China to continue as a major importer of Canadian grains, necessitating a vast expenditure of precious foreign exchange, very little of which was secured by exports of Chinese products to Canada. The Chinese officials made it clear that they could not expect a balanced trade between our two countries. They made it equally clear that the present situation had run its course insofar as they were concerned.

In our view, and this is strongly held by me and my colleagues, the Chinese are completely frustrated at the failure of their efforts to gain a foothold in the Canadian market. Undoubtedly they have studied, and carefully watch, our domestic production and imports of products which they feel they could market in Canada if they had a reasonable opportunity of doing so. Furthermore, within the somewhat narrow confines of their trade philosophy, they undoubtedly make note of the substantial trade enjoyed by competing countries in the Canadian market under multilateral trade, with some of which Canada runs an unfavourable trade balance.

It is not the purpose of this letter to discuss the merits or otherwise of Canada's trade with countries, whether Communist or not. Our concern as a marketing board is the situation which we will face when the current contracts expire. It was made abundantly clear, and in fact Mr. Ting, General Manager of China Resources Company, at the social function held following the signing of the contract, reiterated in unmistakable terms their need for more favourable access to the Canadian market. He bluntly asserted that if we hoped, and it was their wish, to see a long-term development of trade between our two countries, it was essential that China be able to earn part of the funds for this by sales of Chinese products to Canada.

We as a board were willing to enter into a contract for the sale and shipment of wheat for the full 1963 calendar year. In this regard we were willing to accept current wheat prices as being relatively satisfactory and to assume the risk of carrying sterling over a lengthy period occasioned by the extension of credit from 273 days to 365 days. At the end the Chinese refused to go beyond the six months' period, January to June, 1963, and in all probability they had no intention of going beyond this at any time perhaps because, in their view, wheat prices are expected to decline over the coming year. Nevertheless it is worthwhile noting here that the reason given to us was that their willingness to enter into negotiations for a further contract for shipments in the July/December 1963 period would depend upon an improved opportunity for their products to enter Canada in the next six months. If this is not forthcoming, in our opinion the odds are against the completion of a further contract unless China desperately needs our grain. Our information, and the Chinese officials confirmed it, is that the food situation in China has materially improved.

As a marketing agency if the opportunity exists, and we think it does, to build up a steady continuing wheat trade with China it would be most welcome since such a development would broaden the base of our sales. Prior to the United States initiating its broad "give away" programmes under P.L. 480,<sup>78</sup> we could expect to market a substantial volume of wheat in markets either traditionally importers of wheat or in need of wheat due to shortages brought about by natural calamities. Nowadays such marketing opportunities rarely exist. Many of our former markets now depend almost entirely on American aid. Coupled with this is the American propensity for moving into markets in need of grain due to crop failures under one or other of the P.L. 480 Sections – markets that would normally secure supplies commercially. All this limits the sale of Canadian wheat and makes it essential that we exploit every possible market, and especially those we are not frustrated in on account of American largesse.

I have gone into some detail of the problem we face, and coupled with the record of our conversations with the Chinese, you will have a broad appreciation of the picture as we see it, and our views about the seriousness of the situation. We know that you are fully aware of the difficulties and the possible impact the loss of the Chinese business would have on the income of our wheat producers and for that matter to the Canadian economy as a whole. We appreciate that there are many complications and that difficult decisions may be required to solve the problem of affording the Chinese better opportunities to market their products in Canada.

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<sup>78</sup> Voir/See Agricultural Trade Development and Assistance Act of 1954, Public Law No. 83-480, 68 Stat. 454 (1954).



However, we definitely undertook to bring this matter to your attention and to urge a change; to report to you our negotiating experience with the Chinese and to express our views on the precariousness of the Chinese market for Canadian wheat if there is no improvement. We know that you require no urging from us to strive for such a goal.

I would like to say how helpful it was to us to be able to extend the credit terms, and your assistance in this regard is greatly appreciated. The Chinese were insistent upon improved terms, obviously encouraged by the fact that they had obtained up to eighteen months from France and an improvement from Australia. We did everything possible to hold to the nine months' limit but after several days of hard negotiation we finally had to concede an improvement.

Another interesting development was a request by the Chinese that provision be made in the contract to permit them to prepay outstanding usance drafts prior to their maturity dates if they so wished. This we accepted readily and I think you will agree that it is an encouraging development. If the Chinese do indeed prepay outstanding drafts before maturity, it will go far to allay the fears of those who are critical of selling wheat to China on credit.

May we take this opportunity to wish you the Compliments of the Season.

With kind regards,

Yours sincerely,

W. RIDDEL

596.

J.G.D./MG01/XII/C/206

*Le ministre de l'Agriculture  
au premier ministre*

*Minister of Agriculture  
to Prime Minister*

CONFIDENTIAL

Ottawa, December 19, 1962

My dear Prime Minister:

I am still numbed from our conversation. At the time of the original China sale, I said I was prepared to drop out of the Cabinet if the Chinese defaulted. You backed up this gamble and I played it to the hilt. The size of the sale gave us breathing space to find new markets. For the next 5 to 10 years there might be a temporary market in the Iron Curtain countries of Europe. I have tried to get long term agreements in Poland, Yugoslavia, Hungary and Czechoslovakia. These, in total, might add up to enough to hold up sales until we can convert more acreage into grass for beef cattle. Rightly or wrongly I have devoted much of my energies to this task on the assumption that, if we could sell wheat, we could hold the Prairie constituencies and have a chance in rural ridings in the East.

Now I gather that, because of the India-China situation, the national interest may best be served by slowing down efforts to sell in Communist countries. At the present time, thanks to the last Chinese agreement, we can expect sales of over 300 million bushels. With the new sales to South Africa and if 2 of the 3 deals with Russia, Hungary and Yugoslavia come through, we could hope for open quotas at most next June. This would mean continued good prices for cattle and hogs, and thereby a chance to hold rural seats in Ontario, as well as the Prairies. In my opinion, this has to be weighed against loss of support from those who feel we should act in a purer fashion than our allies. My personal judgment is that, unless open war breaks out, we would lose far more support by weakening our efforts to sell wheat.

Insofar as publicity is concerned, it will be difficult to play down sales to Communist countries, as details must come out eventually. To be clandestine would draw even more attention. Therefore, I believe factual statements should be made.

These are my considered thoughts. I would think that a careful review of the issues by Cabinet would be in order. Meanwhile, attached are the latest figures on grain sales and exports.

Yours sincerely,

ALVIN HAMILTON

[PIÈCE JOINTE/ENCLOSURE]

*Note*

SALES FOR DELIVERY WITHIN CROP YEARS  
(AS AT DECEMBER 12, 1962)

	<u>1961-62</u>	<u>1962-63</u>	<u>Difference</u>
Wheat	259.6 M	179.6 M	- 80.0 M
Flour	25.5 M	15.1 M	- 10.4 M
Domestic	57.5 M	24.6 M	- 32.9 M
	<hr/>	<hr/>	<hr/>
TOTALS	342.6 M	219.3 M	-123.3 M
	<hr/>	<hr/>	<hr/>

EXPORTS

Wheat	157.5 M	124.9 M	- 32.6 M
Flour	183.5 M	141.3 M	- 42.2 M

597.

DEA/9030-40

*Note de la Direction de l'Extrême-Orient  
pour la Direction économique*

*Memorandum from Far Eastern Division  
to Economic Division*

RESTRICTED

[Ottawa], January 10, 1963

Reference: Letter from Mr. W. Riddell to the Minister of Agriculture of 14 Dec/62.

TRADE WITH COMMUNIST CHINA

We have read Mr. Riddell's letter to Mr. Hamilton with considerable interest and, in the event that you may be called upon to comment, we are setting out our views below for your consideration:

1. The Canadian Government should not be stampeded into action merely by Chinese threats to cut wheat purchases if they cannot sell more to Canada. If the Chinese need wheat in the second half of 1963 and cannot purchase it elsewhere at a better price they will buy again from Canada.

2. The Chinese will stop buying grain from Canada and others if their crop production increases sufficiently to eliminate imports.
3. If Chinese grain imports are reduced, provided grain is available elsewhere (Australia, France, etc.), Canada will be the first supplier to be dropped because Canadian wheat is more expensive than competitors' wheat and the Chinese are not interested in the quality aspects of our grain which allow it to command higher prices in other markets.
4. Our competitors have not been more helpful to the Chinese than Canada in assisting them to market their exports. Indeed Australia has been much less helpful. If China has sold more in France and Germany than in Canada it is simply because of their larger populations and type of economy that require raw materials and commodities China exports. Neither of these two countries would allow China to flood its market with textiles. In fact Canada has lent considerable assistance to the Chinese through facilitating the efforts of their trade missions in this country.
5. The major commodity the Chinese have for export to this country is textiles. There is no reason why China should benefit by injury to, or destruction of, the Canadian textile industry. The failure of China to sell more of their other products has resulted from: poor design or quality standards, failure to promote sales by methods used in Canada, the appointment of poor agents or failure to appoint exclusive agents for various areas of Canada, the unstable Chinese supply situation, inability or unwillingness to establish post-sales service organizations, unacceptable Chinese terms of trade, general ignorance of Canadian market requirements, the relatively small size of the Canadian market and the fact that it takes time, study and effort for new suppliers to become established.
6. The Chinese refusal to sign contracts for the second half of 1963 almost certainly has more to do with:
  - (a) their expectation that Canadian prices will fall, and
  - (b) their hope that the 1962 improved Chinese crop position will continue in 1963,than with their failure to market more of their exports in Canada.
7. On the other side of the picture, the Chinese do have a point when they assert (and they frequently do) that Canadian importers have been frightened by previous assessments of dumping duties on Chinese textiles and paint brushes. In addition, while they recognize that no country will permit its domestic industry to be put out of business by foreign imports, they ask with some justification (after studying our import statistics) why China, for example, cannot obtain at least a small share of the very substantial market now enjoyed in Canada by United States textiles. If the recommendations of the Interdepartmental Committee on Low Cost Imports, dated November 30, 1962, are implemented they will probably go some distance towards mollifying the Chinese for the time being. In dealing with the Communist Chinese it is important to be able to offer some concession – however small – if business is to be successfully concluded and the first two recommendations are useful for this purpose.

J.M. TEAKLES

598.

PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], February 21, 1963

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Minister of Justice (Mr. Fleming),  
The Minister of National Defence (Mr. Churchill),  
The Minister of Public Works (Mr. Fulton),  
The Minister of Fisheries (Mr. MacLean),  
The Minister of Agriculture (Mr. Hamilton),  
The Minister of Defence Production (Mr. O'Hurley),  
The Secretary of State (Mr. Halpenny),  
The Minister of Mines and Technical Surveys (Mr. Martineau),  
The Minister of Citizenship and Immigration and Acting Minister of Finance (Mr. Bell),  
The Minister of Trade and Commerce (Senator McCutcheon).  
The Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

TRADE WITH MAINLAND CHINA; PROPOSED EXPORT OF ITEMS  
NOT ON THE INTERNATIONALLY AGREED EMBARGO LIST  
(Previous reference January 15th†)

12. *The Minister of Trade and Commerce* said that on January 15th the Cabinet had decided that export permits should not be granted at this time for the export of aluminum ingots and stainless steel to Mainland China. Subsequently, Canadian manufacturers had expressed concern about the possible loss of continuing markets for Canadian goods. Other allied countries did not impose comparable restrictions upon non-strategic materials and equipment.

Consideration should be given to a change in policy to permit the export of items not on the internationally agreed COCOM list. This might be done on the understanding that any proposed departure from the past pattern of the trade which might be of military significance would be submitted to the Cabinet.

An explanatory memorandum had been circulated (Minister's memorandum, Feb. 15 – Cab. Doc. 65/63†).

13. *During the brief discussion* some said that no change in the general policy should be made at this time, but that the two specific items under consideration ought to be approved.

14. *The Cabinet* agreed

(a) that export permits should be granted for the proposed export to Mainland China of 2¾ tons of stainless steel strip and 22 tons of aluminum ingot;

(b) that no general change of policy on exports to Mainland China should be made or announced at this time; and

(c) that if other urgent proposals for exports to Mainland China should arise during the next few months, they would be considered on their individual merits by the Cabinet or the Special Committee of Council.

. . .

599.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], March 11, 1963

*Present*

The Minister of Justice and Acting Prime Minister (Mr. Fleming) in the Chair,  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Citizenship and Immigration and Acting Minister of Finance (Mr. Bell),  
 The Minister of Trade and Commerce (Senator McCutcheon),  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

TRADE WITH MAINLAND CHINA  
 (Previous reference February 21)

4. *The Minister of Trade and Commerce* said that Canada's exports to Mainland China exceeded by many times our imports from China. It was desired to negotiate another long-term contract for the sale of wheat to China, but the Chinese Communists had indicated that continued wheat sales would not be possible without increased Chinese export opportunities in the Canadian market. They had stated that they recognized that some goods were particularly sensitive from the Canadian viewpoint.

An Interdepartmental Committee had studied the subject and had submitted a detailed report. It was now proposed that the Chinese be notified of a second list of non-sensitive goods; and that the Chinese be also given access to the Canadian market for up to \$3 million of Chinese goods, including quantities of a number of textile items, as listed in Annex C to the officials' report submitted with the Minister's memorandum. The valuation for duty purposes would in most cases be on the same basis as Japanese goods.

It was further proposed that the Minister and his deputy might discuss with Dominion Textiles Limited and Wabasso Cotton Limited the implementation of the proposed procedures. These companies now imported various textile items from the United States for further processing, and would be pleased to import them instead from China. The companies and the Federal government would both benefit financially from the diversion.

These proposals had been discussed with the Ministers of Finance and Agriculture who were in agreement. The Secretary of State for External Affairs, however, had not concurred.

An explanatory memorandum was circulated (joint memorandum of the Ministers of Trade and Commerce and Agriculture, March 1 – Cab. Doc. 84-63†).

5. *During the discussion* the following points were raised:

(a) Some said that the proposed arrangement with China might be prejudicial to negotiations with Japan. Canada exported goods valued at nearly \$250 million annually to Japan, but imported less than half as much. Furthermore, Japan was an assured customer, whereas the recent wheat sales to China were abnormal. The Japanese had agreed to place voluntary quotas on their exports to Canada, but might not be willing to continue this procedure if the proposed arrangements were made with China. Others said the comparison was not valid because

Canada's current exports to Mainland China were forty times as large as our imports from that country.

(b) Canada's trade with Japan, Taiwan and Hong Kong would not be adversely affected if the goods listed in Annex C represented only the diversion of items presently imported from the U.S.

(c) No announcement on this subject should be made at this time.

6. *The Cabinet* agreed,

(a) that the Mainland China authorities be notified in due course of a second list of non-sensitive goods as listed in Annex A to the report of the Interdepartmental Committee on Low-cost Imports, attached to the joint memorandum of the Ministers of Agriculture and Trade and Commerce (Cab. Doc. 84-63);

(b) that the Minister and Deputy Minister of Trade and Commerce be authorized to enter into confidential consultations with appropriate groups in the Canadian textile industry to establish procedures that might provide access to the Canadian market for limited additional quantities of Chinese goods; and,

(c) that no commitment should be made at this time on proposals that various textile and other items listed in Annex C to the report be imported from Mainland China on a quota basis.

Note: The Acting Prime Minister informed the Secretary (and the Minister of Trade and Commerce) that the Prime Minister desired that no action be taken on this decision at this time, even if it meant some delay in negotiating sales of wheat to China.

...

600.

DEA/9030-40

*Le délégué commercial à Hong Kong  
au ministre du Commerce*

*Trade Commissioner in Hong Kong  
to Minister of Trade and Commerce*

TELEGRAM TC-9

Hong Kong, March 18, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: External from T&C Ottawa.

TOUR CHINA – THOMSON AND ROBERTS

Returned Hong Kong March 16 after interesting and useful visit. Reception in Peking cordial. Predictably theme most discussions was China's (large?) imbalance of trade with Canada and problems affecting Chinese exports to Canada.

2. Last meeting in Peking, unexpectedly and (group corrupt) sought by us, was with Lu Hsu-Chang, Vice Minister of Foreign Trade responsible for trade with all non Communist countries and Cuba. He is shortly to visit on official invitation. Lu made formal and blunt statement along following lines: Canada's grain trade with China could continue over long period despite improving agricultural situation because it is China's policy to export rice and import wheat. Rice production can be increased quickly but not repeat not so wheat production. But China expects "fair, just and reasonable treatment" from Canada. At present Canada has "a policy of discrimination" against certain Chinese imports. It will be "difficult to continue" wheat trade if discrimination is not repeat not removed. No repeat no special treatment is asked for but only treatment as good as that accorded to similar Japanese and Hong Kong imports. Moreover Canada would have to meet "terms and conditions" offered by other countries if new wheat

sales were to be realized. I was asked to transmit this statement to you. I agreed to do so and added comment indirectly Canada's special problems and other relevant factors [sic], pointing out in particular why present basis for valuation for duty outside Chinese textiles was not repeat not discriminatory.

3. From our discussions with Lu and others we concluded that Chinese wish to continue to import wheat. We think however that they will try to find suppliers other than Canada unless Canada makes some effort to meet their point on taking necessary steps. Head Textile Corporation told us that they did not repeat not expect redress measures of trade or to earn much foreign exchange by textile exports to Canada. Neither did they have any textile surplus for export. But there was a point of principle at stake. "It is a question of our feelings" he said. We are inclined [to] accept this explanation and to think Lu was not repeat not bluffing. Full report† follows by bag.

4<sup>e</sup> PARTIE/PART 4

JAPON  
JAPAN

## SECTION A

PREMIÈRE RÉUNION DU COMITÉ MINISTÉRIEL CANADA-JAPON,  
TOKYO, 11 AU 12 JANVIER 1963  
FIRST MEETING OF CANADA-JAPAN MINISTERIAL COMMITTEE,  
TOKYO, JANUARY 11-12, 1963

601.

DEA/12937-40

*L'ambassadeur au Japon  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 5

Tokyo, January 2, 1963

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel Y-109 Dec 29.†

Repeat for Information: T&amp;C Ottawa (OpImmediate) from Ottawa.

## CANADIAN-JAPANESE MINISTERIAL COMMITTEE

With reference to proposed agenda Item B(3) the following might be useful background information for Ministers.

2. The general position of Canadian exports to Japan is favourable and the outlook for the future is promising. Japan is Canada's third largest market and Canada is an important source of industrial raw materials. Wheat comprises more than 40 percent of total exports to Japan, which is our second largest market for cash sales. More than 80 percent of Canadian exports to Japan originate in Western Canada. Our sales of raw materials to Japan and therefore the volume of Canadian exports is correlated to the level of industrial activity in Japan. The market for wheat and industrial raw materials is subject to strong competitive pressures from other supplying countries. While our export trade is primarily in raw materials, as Japanese import

restrictions and protective measures are eased there will be a potential market for some Canadian manufactured products which are competitive in world markets.

3. Japanese trade liberalization has purportedly reached 88 percent which in fact means 88 percent of non government imports in 1959 which itself was a restricted year. At the present time we estimate that approximately 60 percent of Canadian exports to Japan are not repeat not liberalized and are in restricted categories. So called liberalized products often are subject to highly protective tariff measures or to administrative persuasion on the part of the Government working closely with industry.

4. Following are current commodity problems about which Ministers may wish to be informed.

*Sulphur* – sulphur is on the negative list and no repeat no foreign exchange is allocated for imports. Domestic requirements are met in part from mining elemental sulphur but chiefly through production of sulphuric acid from smelting pyrites. Both are relatively inefficient industries which have been protected from foreign competition. On instruction the Embassy has pressed the Japanese Government to liberalize imports which could open the market for Canadian sulphur.

*Aluminum* – Despite current over capacity in all aluminum producing countries, the Japanese industry is working at full capacity and expanding facilities. Some export sales have been made to reduce stocks of ingot. Government pressure reportedly has been used to limit imports of Canadian ingot.

*Pulp* – Pulp and paper were freed from import exchange restrictions in October 1962. Since that date a substantial market for kraft pulp has developed and the first shipments have gone forward from Canada. The Japanese industry protested vigorously over the liberalization of sulphate pulp and the Government asked Japanese papermakers to guarantee the purchase of 240,000 tons of kraft pulp leaving an estimated annual market of 60,000 tons open to foreign suppliers. The chemical pulp market is controlled by the Japanese owned Alaska Pulp Co. and domestic users of this product have with Government suasion guaranteed to purchase from this source to the exclusion of other foreign suppliers. The Japanese economy is self-sufficient in sulphite grades of pulp and at the present time can produce most grades of paper and newsprint at prices below the Canadian export offerings.

*Nickel Oxide Sinter* – When metallic nickel was liberalized for import into Japan the Japanese applied a tariff quota system to it which in effect permits this product into Japan only in the amount which equals the excess of domestic demand over domestic production. In an effort to overcome this, INCO decided to market nickel oxide sinter, an intermediate product in metallurgy which is classified in the Brussels nomenclature under Tariff Item 75.01 to which no repeat no duty is applicable in the case of imports into the USA and EEC. The Japanese in a move to protect [their] refining industry ha[ve] classified it under Item No. 28.28 at 20 percent duty. We now understand that the Japanese intend to eventually put this product under 75.01 at a later date when a satisfactory protective tariff has been applied to that item. There could be a potential market in Japan for at least 3,000 tons a year under favourable conditions of entry.

*Coking Coal* – During the past few years Western Canadian coal operators have found a substantial market for coking coal and to a lesser extent anthracite in Japan although Canada is not repeat not a major supplier. The export of coking coal has been made possible by a freight subvention paid by the Federal Government. There is a continuing market for Canadian coking coal in Japan but neither the producers in Canada nor the importers in Japan can come to any satisfactory long term supply arrangement because of the fact that the subvention is on a year to year basis and therefore uncertain. A long term subvention policy would ensure a continuing market for Canadian coking coal in Japan amounting to \$7 or \$8 million annually.



*Nuclear Power* – The Japanese Government agency supervising the development of atomic energy ha[s] formulated a ten year program for the construction of nuclear power reactors. It is expected that contracts will be let in 1963 for the building of three power reactors proposed under this program. There is some hope that the Japanese will include a Candu type plant in this program although at the present time the Canadian export position is not repeat not as consolidated as the USA or the British, both of whom have extensive sales organizations active in this country, have built reactors in Japan, and have gained operating experience in medium sized nuclear power reactors.

*Agricultural Products* – Japan can be expected to consume rapidly increasing quantities of meat and dairy products. Livestock and poultry raising will grow greatly in importance, creating for Canada increased opportunities to supply breeding stock (cattle, swine and poultry), forage crop seeds, feed grains and possibly animal products such as cheese and meat.

602.

DEA/12937-40

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

*Chargé d'Affaires in Japan  
to Secretary of State for External Affairs*

DESPATCH NO. 27

Tokyo, January 18, 1963

CONFIDENTIAL

## CANADA-JAPAN MINISTERIAL MEETING

The members of the Canadian Delegation to the first meeting of the Canada-Japan Ministerial Committee, held in Tokyo on January 11 and 12, will have carried back to Ottawa their own account of what took place, but I thought it might be of some interest if we reported briefly on the meeting from the point of view of the Embassy.

2. I am convinced that in a general sense the meeting was an extremely useful one in promoting closer and friendlier relations between Japan and Canada. The mere fact that the meeting was held and that a strong Canadian delegation came to Japan for the purpose was undoubtedly much appreciated by the Japanese. As you know, they have been somewhat more actively interested in developing closer contacts of this kind with Canada than we have been inclined to be on the Canadian side. This is understandable, considering that Canada is a full and active participant in such things as NATO, OECD and the Commonwealth Economic Consultative Committee, while the Japanese are still relatively isolated and increasingly anxious to be more closely associated with the other members of the free world. It seems to me to be important that we take advantage of this Japanese attitude and seek to connect them to the Western world with as many threads as possible. This meeting, however, went considerably beyond a friendly discussion among Japanese and Canadian Ministers, serving to give the Japanese a greater sense of "belonging." There was a forthcoming exchange of points of view on trade and economic matters which are of very substantial importance to both our countries, as a result of which I believe there is now a much better understanding of the issues on which we differ, as well as the extent of common ground.

3. The Japanese were, I think, a little uncertain at first of what we meant by suggesting that the meeting begin with a review of the economic and financial situation and prospects in each country. However, they responded very well to Mr. Fleming's brief but succinct explanation of the basic factors in Canada's economic position at this time. Mr. Miyazawa, Minister of State and Director-General of the Economic Planning Agency, who spoke on Japanese economic

prospects, is a very intelligent and articulate member of the Cabinet. The conclusion of his analysis was that the Japanese economy is not expected to grow quite as rapidly as it has in recent years. Both Mr. Miyazawa and Mr. Tanaka, the Minister of Finance, ended their statements on this item of the agenda with an emphatic statement of Japan's urgent need to increase its exports.

4. The question of restrictions on Japanese exports to Canada was, as expected, a persistent and strong theme in everything the Japanese side said throughout the meeting. They pressed continuously their claim that Japanese exports to Canada suffer under a double handicap because they are subject both to the voluntary restraints imposed by the Japanese and, since June of 1962, to the temporary import surcharges applied by Canada.<sup>79</sup> Some of the Japanese arguments were overdrawn to the point of being untrue, and on certain points Mr. Fleming found it necessary to make a rather firm rejoinder in order to set the record straight. At one point, for example, the Minister of International Trade and Industry, Mr. Fukuda, said that in the negotiations over Japanese export restraints, Canada insisted on reducing imports during a bad year, holding the line during a normal year, and allowing only very small increases in a good year. Mr. Fleming found it necessary to quote specific figures to show that Japanese exports to Canada of some "sensitive" items had in fact increased by more than 10 per cent in certain cases. I think it was all to the good to have the basic Canadian position with regard to Japanese exports set forth so unequivocally by Mr. Fleming, since I am not sure that it has ever been put directly to the Japanese Ministers concerned in quite such clear terms.

5. In these exchanges on bilateral trade questions, while the discussion was vigorous and frank it was our impression that the Japanese were taking it all in good humour. On matters of this kind they are persistent and even aggressive in pressing their own case, but I do not think they mind an equally vigorous rejoinder as long as it is accompanied by apparent understanding of Japan's position and evidence of a willingness to work toward acceptable solutions to the problems in question. On our side I think Canadian Ministers were able to demonstrate that they understood Japan's position and while they could not accept all of the Japanese arguments they did hold out a good deal of encouragement for increased Japanese trade with Canada, including exports of "sensitive" items, on an orderly basis. I think it was particularly important that Mr. Fukuda, the Minister of International Trade and Industry, should have had this face-to-face meeting with Canadian Ministers. He is a relatively new Minister who has not had much contact with Canadians and probably had up until now little real understanding of Canada-Japan trade relations. While he is not personally one of the strongest members of the Cabinet, his portfolio is an important one and I am hopeful that his participation in this meeting will assist in making his Ministry more accessible and more appreciative of the basic factors in Canadian-Japanese trade relations.

6. In the discussion of international economic relations, there was evidence of some difference in approach between Canada and Japan toward the GATT Ministerial meeting. While the discussion on this item was not greatly prolonged, here again there were quite frank statements of viewpoints on either side and while I am not sure that these viewpoints were brought closer together, I am quite confident that the Japanese understand much better now why our interests are not entirely identical to theirs and that we are not, to use the phrase Mr. Fleming employed, prepared to "gang up" with them in advance of the Ministerial meeting.

7. Under the fisheries item on the agenda, the Japanese Minister of Agriculture and Forestry, Mr. Shigemasa, made only a brief statement in which he explained that Japan wanted to see the principle of abstention done away with in a revision of the North Pacific Fisheries Convention. The Minister of Fisheries, Mr. MacLean, gave a careful and very frank explanation of the basic

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<sup>79</sup> Voir/See document 761.

Canadian position on this matter, leaving no doubt that Canada could not consider the abandonment of this principle. He emphasized the efforts that Canada was making to conserve and increase the salmon population which spawned in Canadian rivers. He ended by indicating that while some formula of words might perhaps be found which would not actually use the word "abstention," the principle was of very great importance for the conservation of the resources of the sea. Although Mr. MacLean asked that no account of his statement on this subject be given to the press, since he was speaking very frankly for the benefit of his Japanese colleagues, one or two newspapers carried a statement that Canada had agreed to a revision of the fisheries treaty. There was certainly nothing in what Mr. MacLean said that could justify this statement.

8. Perhaps I might say something here about the Japanese press coverage of the meeting. It was very full and the proceedings were front-page news. This is perhaps a measure of the importance with which the meeting was regarded by the Japanese. One of the difficulties about holding such a meeting in Japan, however, is that it is apparently constitutionally impossible for Japanese officials to withhold from the press details of what are supposed to be confidential discussions. The members of the Canadian delegation were rather disturbed to see the extent to which statements made in the meeting had apparently been relayed to Japanese newspapers but it was even more disturbing to find that Japanese officials or ministers had apparently given quite misleading impressions to the journalists of some parts of the meeting for their own domestic political purposes. Some newspapers' stories gave the impression that the Japanese Ministers had wrung new concessions out of their Canadian colleagues on the questions of Japanese export restraints and Canadian import surcharges as well as on the fisheries question referred to above. In the long run, I think these press stories are probably not of serious consequence, although they are decidedly irritating at the time of their publication. I am told that the United States was subject to much rougher treatment in the Japanese press at the time of the United States-Japan Ministerial Committee meeting.

9. On the matter of Japanese membership in OECD, the Japanese Ministers, as expected, put forward a straightforward plea for Canadian support. Mr. Fleming was able, with his background of active participation in and chairmanship of the OECD Ministerial Council, to give the Japanese a careful, thoughtful and helpful reply on this point. On the basis of your telegraphic messages he was able to assure the Japanese of unqualified Canadian support for their membership in OECD. At the same time he explained to them that the decision on Japanese membership was a matter for the whole membership of OECD to decide and, pointing out some of the considerations which were in the minds of other members of OECD, he suggested that the Japanese should be guided by their friends in OECD in deciding the timing of their formal application for membership. Mr. Fleming ended his statement on this matter with an optimistic observation that Japan could probably expect to become a full member of OECD in a relatively short time.

10. As you may know, the Japanese decided at the last moment that they would not raise the subject of trade with Communist countries under the heading of "Other Business." We had made it quite clear that Canadian Ministers were not anxious to get into a discussion of policy on this matter and the Japanese evidently decided that they might only embarrass themselves if they raised questions to which our Ministers might not be able to respond. There was a very short exchange on this subject at a small dinner party given at the end of the meeting by the Foreign Minister, in which the Japanese asked one or two factual questions but did not pursue the matter. Under "Other Business," therefore, the only matters discussed were a request from the Japanese side that negotiations be undertaken at the earliest possible time on a convention for the avoidance of double taxation between Canada and Japan and on the Canadian side a request for sympathetic consideration by the Japanese Government tobacco monopoly of Canada's interest in selling tobacco. On the double tax question, Mr. Fleming explained that

Canadian officials concerned with this field were heavily engaged at the present time in revising existing conventions with other countries, but he assured the Japanese that Canada shared their desire to begin negotiations and would commence them as soon as our officials were available to participate. On the tobacco matter, the Minister of Finance, Mr. Tanaka, who is responsible for the tobacco monopoly, made a rather non-committal reply but indicated that samples of Canadian tobacco would be studied.

11. The drafting of a communiqué for this meeting proved to be not too difficult. The Japanese had prepared a draft which they submitted to the Canadian Delegation at the end of the first day and considering the vigour with which they had pressed their arguments about Japanese exports to Canada, their draft was fairly acceptable. A draft had also been prepared on the Canadian side and, by accepting in principle the Japanese draft as a basis for the communiqué, they were persuaded without too much difficulty to accept certain key paragraphs of the Canadian draft. I think the final document<sup>80</sup> is a reasonable compromise between the interests of Canada and Japan. From the Canadian point of view we have obtained a reiteration of the principle of orderly marketing of Japanese goods in Canada, there is mention of Canadian concern about Japanese import restrictions, and the paragraph on international economic relations represents some concession on the Japanese side. At the same time the Japanese are, I think, reasonably satisfied with the references to further expansion of trade between Canada and Japan, with our unequivocal support for their membership in OECD, and with the reiteration of assurances that Canadian import surcharges are temporary and will be removed as soon as possible.

12. The final event of the meeting was an invitation formally extended by Mr. Fleming on behalf of the Canadian Government to hold the next meeting of the Canada-Japan Ministerial Committee in Ottawa. Mr. Fleming suggested that the timing could be a matter for discussion through formal channels but perhaps there might be another meeting about a year from now. Later, at Mr. Ohira's dinner party, the Japanese revived the question of when the next meeting might be held and there was some rather light-hearted talk about the suitability of September or October and the beauties of the autumn landscape in Canada. This dinner table discussion may have been taken fairly seriously on the Japanese side because I noticed that the *Japan Times* reported next day that "in a later meeting with the Foreign Minister" it was agreed that the Ministerial Committee should meet in Ottawa in September. This report could only have come from the Foreign Minister or his Deputy, and I will try to determine at an early date if they are expecting the Canadian Government to make a move for another meeting in the fall.

A.S. MCGILL

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<sup>80</sup> Voir « Comité ministériel canado-japonais », *Affaires extérieures*, vol. 15, n° 2 (février 1963), pp. 73 à 78. See "Canada-Japan Ministerial Committee," *External Affairs*, Vol. 15, No. 2 (February 1963), pp. 76-79.

CHAPITRE VIII/CHAPTER VIII

AMÉRIQUE LATINE  
LATIN AMERICA

PREMIÈRE PARTIE/PART I

CUBA

SECTION A

RELATIONS CANADA-CUBA  
CANADA-CUBA RELATIONS

603.

DEA/2444-40

*Note de l'ambassadeur aux États-Unis  
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

Ottawa, January 13, 1962

CUBA; U.S. POLICY; FURTHER TRADE RESTRICTIONS

After dinner last evening, the U.S. Under-Secretary of State (Ball) and the Secretary of the Treasury (Dillon) informed us that, soon after the forthcoming OAS meeting (January 22), it was the U.S. Administration's intention to suspend remaining U.S. transactions with Cuba – if OAS did not take united action in this regard, the U.S. would proceed unilaterally.

2. As I understood it, the Administration had come to the conclusion that it could no longer tolerate provision to Cuba from U.S. sources of some \$30 million U.S. This revenue derived from U.S. purchases of Cuban goods remaining on the permissible list, including tobacco. Whether or not the forthcoming action will include all U.S. exports as well as imports was not clear.

3. The U.S. Secretaries said that they were not asking us to take any consequential action; they simply wished us to know in advance what they proposed doing. So far as Dillon knew, there would be no particular effects of the new order on Canada (in answer to my question on U.S.-owned subsidiaries). There were no problems between us on administration of present U.S. regulations. Dillon did not know whether the action intended would be taken under the FAC regulations (Trading with the Enemy) or under new Presidential powers.

A.D.P. H[EENEY]

604.

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 207

Washington, January 22, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My personal memo to you Jan 13.

Repeat for Information: T&amp;C Ottawa (OpImmediate), Finance Ottawa, PCO Ottawa (OpImmediate) from Ottawa.

## USA POLICY – CUBAN TRADE

At the suggestion of Martin (Assistant Secretary for Economic Affairs), we saw Hurwich, Head of Cuban Desk (State Department) last week to obtain clarification of some of the points which came up in the private conversation between USA Secretaries and Canadian Ministers in Ottawa regarding future USA policy towards Cuba. Hurwich said that USA hoped that the current OAS Conference at Punta Del Este would result in a general condemnation of the Castro régime. He said that their latest information was twelve of the Latin American countries felt strongly about Cuba and would go along with the Colombian proposals for economic and diplomatic sanctions; however, seven Latin American countries including Mexico, Brazil, Argentina and Chile were not repeat not prepared to go as far as this. It was not repeat not possible, therefore, to anticipate the exact nature of the decisions that might be reached at the conference.

2. Notwithstanding, as Ball had indicated to you in Ottawa, USA Administration itself intended to proceed with further steps against Cuba. The timing of such measures would depend on the results of the OAS Conference. Final decisions had not repeat not yet been reached, but the likelihood was that USA would cease all further trade and economic relations with Cuba. USA imports from Cuba last year were about \$30 million (mainly tobacco, fruits and vegetables). USA exports to Cuba of items outside the embargo (food and drugs) were about \$12 to \$15 million.

3. On the basis of USA intelligence reports, Hurwich continued, it was apparent that economic and living conditions in Cuba were deteriorating rapidly and that there was increased dissatisfaction and resentment against the régime. Some 1500 Cuban refugees were coming to USA each week. Cuban Government was increasingly turning to repressive measures. USA wished to make conditions as difficult as possible for the régime and also to make Soviet support of Cuba as costly as possible.

4. The next several months, USA estimates, will be a crucial period. Cuba was now launching its four-year plan and urgently required foreign exchange and essential equipment. Capital goods and equipment to be obtained from Soviet sources under trade agreements would not repeat not be arriving in Cuba until the end of the year. During this "hiatus" it was important to deny Cuba alternative sources of supply.

5. We were told that the further economic action by USA was to be taken after the OAS Conference and (hopefully) some time in February. It had not repeat not yet been decided whether the action would be under the trading with the Enemy Act (foreign assets control), or under new legislation (Section 620(a) of the Foreign Assistance Act of 1961 (paragraph 23 of our letter 1621 November 17/61.). This new provision authorized the President to establish a "complete embargo on all trade with Cuba" and was being interpreted in broad terms along

lines similar to the foreign assets control regulations. It was likely, therefore, that USA measures against Cuba would be all-encompassing, affecting exports, imports, in transit movements, financial transactions and operations of USA subsidiaries abroad.

6. We reminded Hurwich of the discussions that had taken place last year<sup>1</sup> (during the Washington meetings of the Joint Committee) between Canadian Ministers and USA Secretaries regarding subsidiaries in Canada and particularly the assurances we had then received that USA subsidiaries in Canada would be completely exempted from the operation of USA action. Canadian Ministers on that occasion, we emphasized, had made it clear that they would expect any such exemption to be unconditional.

7. In response, Hurwich assumed that the position in this last regard continued unchanged. (This was subsequently confirmed to us in categorical terms by Martin, Assistant Secretary Economic Affairs.) Hurwich went on to say that, while exemptions for subsidiaries in Canada would doubtless be unconditional, he thought it likely that Canadian authorities would be asked whether it might be possible for them to review Canadian trade with Cuba, with a view to restricting exports of sensitive items (such as, transformers and parts for equipment). Hurwich understood that USA Administration was considering making similar requests also to other free world countries; without such cooperation USA embargo would fail in its purpose.

8. We did not repeat not, of course attempt to forecast the response which Canada would make to any such request but took the opportunity to reiterate the Canadian position as previously expressed by Ministers (reference my telegram 820 March 15/61). We were assured that we would be given advance information as to the nature of USA decisions before any action was taken.

9. As you know, the Cuban problem is presently before the OAS at Punte Del Este and, from current reports, it is as yet in doubt what action will be taken by the conference.

[A.D.P.] HEENEY

605.

DEA/4723-D-40

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 354

Washington, February 6, 1962

SECRET. OPIMMEDIATE.

Reference: Our Tel 327 Feb 3.†

Repeat for Information: T&C Ottawa (OpImmediate), Permis New York, NATO Paris, Paris, London (Priority), Prime Minister's Office Ottawa, PCO Ottawa, Finance Ottawa (OpImmediate) from Ottawa.

USA AND CUBA; RECENT DEVELOPMENT; CANADIAN INVOLVEMENT

The February 3 announcement by the White House of additional embargo measures on trade with Cuba (our reference telegram) opened a further chapter in the Administration's policy toward Cuba and Communism in the Western Hemisphere.

<sup>1</sup> Voir/See Volume 28, document 398.

2. You will recall that, when USA Secretaries were in Ottawa for the meeting of the Joint Economic Committee, there was some private discussion on this subject.<sup>2</sup> At the time, we were told that, soon after the OAS Meeting, it was the Administration's intention to suspend remaining USA trade with Cuba (with the possible exception of USA exports of foods and medicines); if the Punta del Este Conference did not repeat not take action multilaterally, USA would proceed unilaterally. The point was made to us at that time that the Administration had come to the conclusion that it could no longer tolerate provision to Cuba from USA sources of USA dollars (estimated at some \$35 million annually) from USA purchases of goods remaining on the permissible list (largely tobacco).

3. Subsequently we reported (our telegram 207 January 22) on the basis of further information provided us by State Department officials on the steps USA planned to take.

4. Following the meeting at Punta del Este, and the day before the presidential announcement and proclamation (my telegram 327 February 3), we were informed by the State Department of the substance of the proposed statement (our telegram 322 February 2†).

5. Thus it can be said that USA authorities were careful to give us advance notice of their intentions. On none of these occasions, however, it should be noted, was there any suggestion of any action on our part.

6. It should also be noted that the procedure employed thus far, i.e. the import embargo under the Foreign Assistance Act of 1961 is such as to minimize the likelihood of consequential problems for Canada (as might have been the case under the Foreign Assets Control Regulations). This is in accordance with what USA Secretaries told us in Ottawa.

7. When the Secretary of State returned from Punta del Este, he met at once with the President, and shortly afterwards (February 1) with the press.<sup>3</sup> At his press conference, in reply to questions, Rusk forecast action on the lines taken and announced on February 3, expressing USA concern that Cuban dollar revenues were being used by Cuba for subversive purposes elsewhere in the hemisphere.

8. It was on this occasion and at this point that zealous correspondents asked the Secretary whether a problem did not repeat not arise in connection with Cuban-Canadian trade. While I am satisfied that the Secretary did not repeat not wish or intend to highlight the particular case of Canada, he replied to the effect that this question "would be taken up" but that he had "no repeat no comment" at this time. In reply to an immediately supplementary question from a Canadian correspondent, Rusk made it clear that he was "not repeat not referring to any single country." He did, however, express the hope that "other countries" would consider whether they might not repeat not align their policies with the policies of the Inter-American system (our telegram 313 February 2† reports the text).

9. You will have seen from my telegrams 336† and 343† February 5 that the Secretary of State testified yesterday before the House Select Committee on Export Control. His general statement with regard to Cuba made no repeat no specific reference to Canada. He did, however, say, as you will have noted, that "We (USA) expect that increased control of trade with Cuba by USA and Latin American countries will make evident to the member governments of NATO and other states friendly to USA the need to re-examine their trade policies and the extent of their commerce with Castro Communist Government of Cuba." You will also have noted the reference to Canada in answer to supplementary questions.

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<sup>2</sup> Voir/See Volume 28, document 399.

<sup>3</sup> Voir/See "Secretary Rusk's News Conference of February 1," *Department of State Bulletin* Vol. 46, No. 1182 (February 19, 1962), pp. 284-288.



10. In the period ahead it will be very important for us to continue to do what we can to ensure that the facts of the Canadian position are understood in USA Government (Congress as well as Administration) and, to the extent possible, by public opinion. So far as the Administration is concerned, there has been a good history of consultation between us on this subject. The press and public opinion constitute a more difficult problem. As you know, everything in this country to do with Cuba is charged with emotion and strong feeling. For this reason, Americans tend to be especially critical of those who take a different view, particularly of friends in the hemisphere. When one adds to this widespread public ignorance of the attitudes of others, the results can be most unhappy for Canadian-American "public" relations.

11. The next step presumably will be for USA to approach other friendly governments engaged in trade with Cuba to learn whether and to what extent their trade policies can be reviewed in the light of the Punta del Este decisions.

[A.D.P.] HEENEY

606.

DEA/4723-D-40

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

TELEGRAM 355

Washington, February 6, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 354 Feb 6.

Repeat for Information: T&C Ottawa (OpImmediate), Permis New York, NATO Paris, Paris, London (Priority), Prime Minister's Office Ottawa, PCO Ottawa, Finance Ottawa (OpImmediate) from Ottawa.

USA AND CUBA; PRESS TREATMENT OF CANADIAN POSITION

On February 2 and 3, several newspapers carried misleading and inaccurate accounts of the Canadian position on trade with Cuba. Because of this, and as we had just received the text of the Prime Minister's statement in the House of February 2, I thought it wise to make the facts available over the weekend on as wide a basis as possible. We, therefore, prepared and issued from the Embassy the press release repeated in my telegram 327 February 3.† As you will have noted, it is based on previous official statements. Copies were taken by Embassy officers early that (Saturday) afternoon to all the wire services, the *New York Times*, the *New York Herald Tribune* (whose story that morning had been particularly inaccurate and mischievous) and the *Washington Post*, and delivered to all Canadian correspondents in Washington. The text was also wired for press use to all Canadian consulates in USA as well as to Ottawa.

2. A check made since has shown that the Embassy's statement was carried by UPI in USA and in Latin America, and by AP in USA. It was also carried by Reuters and by Agence France Presse. It went by special correspondent to at least one Brazilian newspaper. As is inevitably the case with such "corrections," however, it did not repeat not receive as considerable or prominent treatment as the earlier (misleading) stories.

3. On Monday, February 5, the same statement was sent by our information office to two hundred editorial writers, columnists, radio and TV commentators and Washington correspondents. Copies went to Senators and Congressmen who belong to the Canada-USA Interparliamentary Committee and to American members of the Canada-USA Committee.

While the results of this distribution cannot repeat not be expected to "make news," we believe they will be reflected over the coming weeks in editorial and other public comment.

4. We will, of course, keep you informed of any further press treatment of Canadian policies. Meantime, it is of the greatest importance in this connection that we be sent in advance or immediately on delivery (for suitable distribution) any statements made in Ottawa from official spokesmen, particularly by the Prime Minister or ministers.

[A.D.P.] HEENEY

607.

DEA/4723-D-40

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

TELEGRAM 410

Washington, February 10, 1962

SECRET. PRIORITY.

Repeat for Information: T&C Ottawa, NATO Paris, Permis New York, London (Priority), Finance Ottawa, PCO Ottawa (Priority) from Ottawa.

TRADE WITH CUBA; CALL ON THE SECRETARY OF STATE; PUNTA DEL ESTE

In the course of a call on the Secretary yesterday afternoon, February 10, Rusk outlined for me and commented on action which USA Government had taken and proposed to take as a follow-up to the Punta del Este meeting. He recalled that, at the last NATO Ministerial meeting, he had referred to the forthcoming OAS Foreign Ministers' meeting and had expressed the hope that NATO governments would be prepared to consider the extent to which they could review their policies in the light of decisions which he then hoped would be reached at Punta del Este.

2. In referring to the further embargo action which the USA had taken following the OAS Foreign Ministers' meeting, Rusk pointed out that while this step was related to the resolution on economic relations (Resolution VIII), it had not repeat not been taken thereunder but under paragraph 3 of the Resolution dealing with security against the subversive actions of international Communism (Resolution II).<sup>4</sup> The principal motive had been to prevent USA dollar exchange obtained from Cuban exports to this country from being used for subversive purposes elsewhere in the hemisphere. Had USA-Cuban accounts been more or less in balance, he questioned whether this additional embargo measure would have been taken at all.

3. The next step which USA authorities planned, Rusk continued, would be to raise the problem of Cuba in NATO Council. There USA would propose that trade with Cuba be considered in relation to COCOM and dealt with on the same basis as trade with Soviet Bloc. USA, for its part, had in mind the addition of Cuba to the COCOM list and hoped to persuade other members of NATO to do likewise.

4. I took the opportunity of reminding the Secretary of the basis on which Canadian trade with Cuba had been for some time, and was now being, conducted. I pointed out again that it excluded military and strategic items: in addition, we did not repeat not permit any re-export from Canada of goods of USA origin. We had in fact gone beyond the Punta del Este decision on exports to Cuba.

<sup>4</sup> Voir/See *Department of State Bulletin* Vol. 46, No. 1182 (February 19, 1962), pp. 279, 282.

5. Referring to special problems to be dealt with in any collective look by NATO governments at the problem of Cuban trade, Rusk said that USA wanted especially to have considered such matters as ship charters. This would affect the British, Scandinavians and perhaps the Greeks. (I did not repeat not think Canada much involved, if at all). At this time, Rusk went on, [he] had no repeat no particular request to make of Canada. He would, however, like to review with me at greater length, perhaps towards the end of next week, the whole situation post-Punta del Este and the general perspective for future relations with Cuba. Such an exchange would help to minimize any misunderstandings which might still exist between us on the Cuban question.

6. In referring to the attitudes of Latin American governments, Secretary told me that he expected that Uruguay and Chile might soon follow Argentina in breaking off diplomatic relations with Castro. Indeed Castro himself might take steps against them (though not repeat not, he thought, against Brazil or Mexico) which would precipitate rupture. Rusk emphasized, in this connection, that USA was not repeat not pushing Latin American governments in this direction. (He also referred to the difficult problem of “asylees” in Cuba now under the protection of, for example, the Argentine Embassy; some alternative arrangements would have to be made.) In passing, Rusk suggested we might think about using our Missions in Latin American capitals to explain to OAS governments policy towards Cuba, particularly with reference to trade. He thought the Canadian attitude was not repeat not understood in these countries, for example in Colombia and Venezuela.

7. Finally, the Secretary made the interesting comment that there was some evidence that Castro had sought more aid of one kind and another from Moscow than the Soviet Government were willing to give him. There were indications that Soviets were being cautious about their commitments. This conformed with what Khrushchev had said to the President at Vienna when Khrushchev had taken the line that Soviet authorities had not repeat not pushed their position in Cuba but that it had rather fallen into their lap.<sup>5</sup>

8. It now seems likely that I will be having a longer talk with Rusk towards the end of next week when I shall, of course, report fully. Meantime, if you have any points which you would wish me to make, please let me know.

[A.D.P.] HEENEY

608.

DEA/7590-N-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-74  
 SECRET. PRIORITY.

Havana, February 12, 1962

Reference: Your letter No. XL-12 of January 22, 1962.†

<sup>5</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. V (Washington: United States Government Printing Office, 1998), document 85.

## PERIODIC REPORT NO. 1 OF 1962

The major development in the past quarter was the emergence of Cuba as a declared Communist state. This followed from Fidel Castro's December 1 announcement "I am and always will be a Marxist-Leninist." It is not clear why the Communist label was placed on the Cuban Revolution at that time. It is likely that following Blas Roca's and Carlos Rafael Rodríguez's visit to Moscow, the Communists demanded that Castro accept collective leadership and that he would have signed his political death warrant if he had remained a non-Marxist in a Communist-dominated politburo. An additional motive may have been the hope to force the Soviet bloc to provide greater military support against any United States or United States-supported intervention. The initial reaction in the Communist world suggests that Castro's announcement caught them by surprise, and it took some weeks for the Cubans themselves to perfect their new propaganda line.

2. Whatever the immediate explanations, Communists had clearly established a dominating position in the governing matrix which made it only a matter of time and tactics as to when the Revolution would become officially Communist. The Cuban Communists seemed pleased to be able to come out with their true colours. Efforts to train Marxist-Leninist cadres were stepped up as the Revolution moved from Castroism to Marxism. Fidel Castro was slated to become the Secretary-General of the new United Party of the Socialist Revolution but the propaganda spotlight was no longer directed solely upon his person. During the quarter Castro went an appreciable distance along the path from caudillo to chairman of the board.

3. A Communist Cuba presented an undisguised challenge to the United States and the Inter-American systems and opened a new gulf between Cuba and the Latin American republics with which it still maintained diplomatic relations. The United States was able to secure at Punta del Este at least the tacit acquiescence of the major Latin American states for the exclusion of Cuba from the Inter-American system, which they would previously have opposed. The Cubans treated Punta del Este as an American defeat, but are apprehensive as to collective measures which may be taken by the OAS and NATO in the months ahead. They remain confident that a Cuba-inspired Communist revolution will sweep Latin America but are becoming uncomfortably conscious of the obstacles in the way of revolution.

4. Cuba's economic situation worsened and Government leaders warned of a hard year ahead. Cuba suffers from the loss of middle-class technicians and professional men who have fled the country. It is difficult to re-adapt from United States to Soviet specifications and trading with the Soviet bloc demands not only long-term projection of requirements but also a willingness in many instances to accept what is offered. An additional difficulty is the 1962 sugar crop which will be well down from that of last year. Continuing shortages of basic foodstuffs and essential consumers' goods are increasingly costing the Government popular support and dampening the enthusiasm of its supporters.

5. On the other hand, the one-year crash campaign which had theoretically wiped out illiteracy in Cuba by the end of December last seems to have had at least partial success in achieving its goal, and to have been of great propaganda value both at home and abroad. The adolescents used as voluntary teachers in the countryside were given first call on the 50,000 scholarships announced by the Government at the conclusion of the literacy campaign. The houses of wealthy Cubans who had fled the country have been transformed into dormitories for scholarship-holders, who seem to enjoy the lush quarters provided for them.

6. The Government still retains the apparent backing of most of those under 25 (the prime military age), of a good proportion of the negro population, and presumably of the new managerial and Government elite; however, it is now opposed not only by the middle class but by substantial elements amongst the urban workers and the peasants. Opposition to Castro lacks any organized focus in Cuba and the conservative views of Cuban exile groups have

limited political appeal within Cuba itself. Cuba now has a well-armed and well-trained professional army and this, combined with the Militia and the mass organizations which reach into every nook and cranny on the Island, probably makes the Government's position as strong as before despite its loss of public support.

GEORGE P. KIDD

609.

DEA/4568-40

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 515

Washington, February 19, 1962

SECRET. OPIMMEDIATE.

Reference: My Tel 410 Feb 10.

Repeat for Information: T&C Ottawa, NATO Paris (OpImmediate), Permis New York, London, Paris (Priority), Prime Minister Ottawa, Finance Ottawa, PCO Ottawa (OpImmediate) from Ottawa, Bonn (Priority) from Ottawa.

CUBA; MEETING WITH SECRETARY OF STATE

You will recall (my reference telegram) that when I saw him on February 10, Secretary of State expressed the wish to see me later and at length to review with me his assessment of Punta del Este meeting and the general question of policy towards Cuba. I called on him Friday last, February 16, with Rae and Schwarzmann. We spent an hour and a quarter together.

2. Rusk began by saying that he wished to discuss Cuba with us not repeat not in the sense of a Canadian-USA problem but in terms of Canada's own policy and interest as a nation in the hemisphere. He had been wondering whether Canada had fully thought out its policy towards Cuba as such, and not repeat not merely as part of its general approach towards dealing with the Soviet Bloc. In his own judgment, the Cuban situation possessed certain special features inasmuch as it posed a threat to the whole hemisphere. The serious penetration and intrusion of the Castro régime into the affairs of other Latin American countries (which admitted of no repeat no doubt) was of special concern. Rusk was prepared to furnish us with detailed information of subversive and violent actions in various countries (Rusk gave as an example the recent bomb attempt on President Betancourt of which USA intelligence sources in Cuba and USA had been able to warn the Venezuelans in advance). There was also substantial documentary evidence of subversive activities on the part of Cuban embassies throughout Latin America. Even during the Punta del Este Conference various delegations had provided information about such difficulties, which were causing concern among them. The French had recently brought to the attention of USA the threat of illicit arms-running from Cuba into the French West Indies. It was for such reasons, Rusk concluded, that the present Cuban régime was thus not repeat not a purely Cuban domestic phenomenon but rather a "conspiracy" affecting the rest of the hemisphere. He thought that Canada would wish to examine and weigh all these ramifications of the Cuban situation since he felt sure that "in the battle for the Western Hemisphere" Canada and USA were on the same side.

3. Secretary then went on to review the history of USA and OAS relations with the Castro régime from its early days. One could ask whether any other policies could have been pursued; the record would show that repeated efforts had been made at solution, but they had met with little response from Cuba. He had, he went on, been particularly impressed by the much greater

awareness of the danger and urgency of the situation among other Latin American countries at Punta del Este. It was true that six countries had abstained on two paragraphs of the resolution for Cuba's expulsion. USA delegation (contrary to much public report) had not repeat not exerted great pressure on these delegations to vote in favour; indeed, USA had felt that this would not repeat not be wise because of internal elements within these countries, which made abstention a better and safer course for them. It would be recalled that Colombia had put the Cuban issue before the OAS Council. This had been done without consulting USA on the timing. Rusk thought that, considering the internal situations in some of the Latin American countries, USA would not repeat not in fact have picked this particular time for bringing the OAS Foreign Ministers together. However, while the timing had not repeat not been ideal, the results, in the USA view, had been helpful. Here, for example, Rusk contrasted Mexico's constructive attitude at Punta del Este with that it had taken at San José only some six months before: "an extraordinary change." Though they had some concern as to the legal implications of the resolution on expulsion, the Mexican delegation had been very firm on the question of the incompatibility of the Castro régime with the American system. This increased awareness on the part of Mexico of the problems posed by Cuba had developed quite independently of any pressure from USA.

4. Reviewing the voting on the Punta del Este resolutions, Secretary pointed out that the countries most anxious to take firm action had been those which were experiencing special pressures from Cuba (the Central American countries, Colombia, Venezuela, Peru and Paraguay). From USA point of view, the most important delegations at the conference were not repeat not those of the largest countries but from those which were under direct attack. USA would have derived little comfort from favourable votes by the larger and more distant countries if those under more immediate Cuban pressure had felt the OAS indifferent to their plight. It was also misleading to judge the results of the OAS votes on a population basis. In any event, Rusk concluded, it was not repeat not irrelevant that Punta del Este was an OAS Conference, and the population of USA could hardly be excluded in the count.

5. Secretary then went on to other aspects of the general problem. Cuban medium-range stations were now jamming domestic USA broadcasts in Spanish, from radio stations in Florida and Louisiana, directed to Cuban refugees in these areas. This appeared to be in contravention of international radio regulations although he was not repeat not clear what could be done about it. Another example of Cuban intervention was that Castro was putting strong pressure on Haiti by threatening to repatriate tens of thousands of Haitians living in Cuba (of whom there were some 300,000). All in all, the present Cuban Government on its behaviour must be regarded as an "activist régime" intervening beyond its borders; there was, indeed, plenty of evidence that many of the Cuban leaders were not repeat not so much interested in governing their own country as in using it as a jumping-off place for greater adventures outside.

6. USA Administration was convinced, Secretary continued, that Castroism was not repeat not the answer to the problems of the hemisphere. Over the long term this would become fully apparent but, in the meantime, USA proposed to make this clear by pursuing vigorously and simultaneously two complementary policies: on the one hand, to press forward with the Alliance for Progress to assist the other Latin American countries to strengthen their economies; on the other, to take steps to ensure so far as possible that nothing was done to contribute to the strength of the Cuban economy. In USA view, it was very important that the whole problem should be dealt with on a multilateral rather than a unilateral basis. It was for this reason that USA had wanted it brought into the OAS framework. Cuba had become a major preoccupation in the minds of USA public and of the Congress and was in danger of affecting USA policies and relations in other areas. Some Congressmen were already asking why USA should be worrying about such places as Southeast Asia with the Cuban problem on

their own doorstep. Cuba was also affecting the attitude of other countries towards USA (possible German doubts as to the strength of purpose of USA on Berlin if unable to deal firmly with Cuba). There was also the prospect of growing difficulties and irritations within the Western Alliance unless the Cuban problem could be dealt with effectively. In the Secretary's view, NATO should not repeat not look on Cuba as just "another member of the bloc," but the NATO countries should be aware of the special features of the Cuban situation and its repercussions within the Western Hemisphere.

7. In view of all these factors, Secretary continued, he would welcome, at our convenience, detailed discussions between Canadian and USA authorities. USA wanted to have a clear indication of how we appraised the Cuban problem in relation to the hemisphere, and in relation to Canada. They would be interested to know how we assessed the situation, looking at it from our own point of view and in terms of our own policies and interests; and also what we would consider to be the best response to it. Personally, Rusk thought, there might be certain items in the ledger which we might not repeat not have fully totted up so far, probably because we had not repeat not felt it necessary to do so.

8. Secretary then referred to Khrushchev's attitude towards Cuba. As he had said earlier, it was clear that the Cuban situation had not repeat not been deliberately engineered by the Soviets but rather had "fallen into their lap." Nevertheless, Khrushchev was, to a limited extent, willing to use Cuba to exploit existing dangers in the hemisphere. USA intended to make Soviet efforts as unpromising as possible and as costly as possible.

9. There were other points of view, Rusk went on, how best to deal with the Cuban situation. For example, Brazil had put forward a proposal to "negotiate" conditions of co-existence between Castro and the OAS; if the minimum conditions were not repeat not met, then military measures were to be taken by the organization. USA did not repeat not think this a sound approach, for (a) they did not repeat not accept that the present Cuban régime was a permanent situation and (b) it could lead to military measures which would be costly and unsatisfactory in many ways. Incidentally, USA had been keeping a careful watch on the military position in Cuba. There was no repeat no evidence of missile bases or of "modern (meaning nuclear) weapons." Cuba was now receiving fairly modern aircraft and torpedo boats which would have nuisance value and would require careful handling. But there was no repeat no evidence of any military build-up in Cuba which could pose a threat to USA itself.

10. Secretary then repeated his hope that, in the circumstances, as he had outlined them, we would wish to reconsider the Canadian long-range interest and the measures best calculated to protect the Canadian interest. So far as any formal USA approach was concerned, he was quite aware (as I had pointed out) that existing Canadian policy on exports to Cuba already went as far as the OAS resolution with regard to items on the COCOM list; USA was not repeat not asking its friends to go much further on export restrictions, although naturally if we wished to broaden our administrative interpretation of strategic items, this would be welcome. USA authorities believed that Canadian strategic controls (within their limits) were effective, though there had been some talk of evasion of our prohibition of re-export of USA-origin goods. (At this point I interjected that I would be surprised if our controls on USA items were being evaded since our licensing arrangements, as I understood it, were being strictly applied on all goods not repeat not of Canadian origin. I agreed, however, that it was important to ensure that USA were left in no repeat no doubt on this; Canadian authorities should be given promptly any information of alleged evasion which might come to USA attention. Rusk said he would have the USA Embassy in Ottawa check into this matter with Canadian officials and you will no repeat no doubt want to follow this up.)

11. Apart from the strictly strategic items, the Secretary continued, there were certain other things, for example in the "key spare parts" category, included in recent Canadian exports.

These could contribute to strengthening or maintaining the Cuban economy. President Dorticós of Cuba had boasted (at Punta del Este, I gathered) that, while spare parts had been a problem, this was no repeat no longer so since “a daily plane” now brought them to Cuba from Canada. USA was not repeat not now asking Canada to take any further steps (and Rusk emphasized this); the question was “whether Canada feels that it is in the long run to Canadian advantage to let the Cuban régime be supplied with such items on a normal basis.” Rusk had with him a detailed list of Canadian exports (over, I think, the first nine months of last year – our latest figures); he indicated that out of the \$21 million total, some \$6 million covered items which the USA would consider, in their definition, “strategic” or border-line.

12. The Secretary then went on to say that, in USA view, the objective of policy was not repeat not to overthrow the Castro régime but rather to isolate Cuba and deny it the means of strengthening its economy, and thus of extending its influence and subversive activity over the rest of the hemisphere. Canada might wish “to take a look at those things which might affect the success of the régime in Cuba, because this has a direct effect on its influence in Latin America.” He was not repeat not suggesting what particular means Canadian authorities might see fit to employ; we would make our own appraisal of the facts and our own judgment as to what we thought might be appropriate and effective in the serious situation confronting the hemisphere. As a theoretical example, the Canadian Government might decide that the best contribution Canada could make would be to send “one or two destroyers” to the Caribbean to help prevent Cuban arms going to Central American countries. Czech agents were being used by the Cubans in Latin America; they might be free to travel back and forth via Canada (presumably on Czech or Cuban airlines). These were merely illustrations of possible avenues. The two important questions to be considered were (a) suitable measures to prevent or limit the export of revolution in the hemisphere and (b) suitable measures to prevent, or minimize, Castro’s domestic success; at the same time, positive steps to demonstrate that Castroism was not repeat not the answer to Latin American problems.

13. Secretary went on to say that USA was proposing to discuss Cuba in NATO with particular reference to COCOM. In USA view, however, the position of Canada in this matter was different from that of other NATO allies; as a country in the Western Hemisphere, we had a special relationship to this difficult problem and the USA would be grateful for “a clear analytical statement” of Canadian views and policy after we had reviewed the situation. He would be interested in knowing first of all whether the Canadian Government accepted USA appreciation of the gravity of the Cuban problem and also in our assessment of the situation as seen from the point of view of another country in the hemisphere, directly interested and affected by developments. In appraising Canadian interests, Canada must, of course, take into account its relations with USA, although it was not repeat not in this context that our views were being sought. At the same time, he was, of course, anxious to minimize tensions between us on this subject. The whole matter was of such importance that it should, he felt, be discussed frankly and fully between us.

14. Because of their importance, I have reported Rusk’s views fully and consecutively in a conversation which lasted well over an hour. Although for the most part I listened, I did take the opportunity at the end, and in interjections, to make a number of points which might be summarized briefly as follows:

(1) The distinction in the traditional Canadian position deriving from our history and the absence of any commitment to “the Inter-American system”; this gave us in Canada a quite different view of the Monroe doctrine, for example, and a different perspective from that of the OAS countries.



(2) Our action with respect to exports to Cuba was taken two years in advance of the OAS resolutions and, so far as I knew, was more restrictive than that of any other NATO ally and most, if not repeat not all, Latin American countries.

(3) The general Canadian (as compared to USA) policy with respect to diplomatic representation and normal trade contacts with governments of whose systems we totally disapproved.

15. Nevertheless, I did, I said, agree with Secretary that we should continue to share our factual information on the Cuban situation and our assessments and appreciations of Cuban intentions. In drawing conclusions from the facts, I observed, there might continue to be differing views on the two sides of the border. But this did not repeat not mean that we should not repeat not, as he suggested, exchange information and consult with our usual [frankness?] and intimacy.

[A.D.P.] HEENEY

610.

DEA/4568-40

*Le sous-secrétaire d'État aux Affaires extérieures  
aux ambassades en Amérique latine*

*Under-Secretary of State for External Affairs  
to Embassies in Latin America*

LETTER NO. XL-[divers numéros/various numbers]

Ottawa, February 22, 1962

SECRET. CANADIAN EYES ONLY.

CUBA: MEETING WITH SECRETARY OF STATE

I attach copy of telegram no. 515 of February 19, 1962 in which the Canadian Ambassador in Washington reports on his conversation of Friday, February 16, 1962 with the United States Secretary of State. You will see that Mr. Rusk suggests that Canada should re-examine her policy vis-à-vis Cuba. His request is based essentially on the consideration that Cuba's case cannot be assimilated to that of any other member of the communist bloc, since it is situated in the Western Hemisphere of which Canada forms part. The Secretary of State underlined the subversive aspects of Cuban policies which in his view constitute a real threat to the Americas. He suggested that our policies be reconsidered with a view to ascertaining whether they meet the two objectives set out as a result of United States appraisal of the Cuban problem, namely (1) preventing the export of Castroism to other parts of the Hemisphere and (2) preventing or minimizing Castro's success at home by suitable measures.

2. It would be appreciated if you could provide us with your views on the general problem of Canadian relations with Cuba in the light of Mr. Rusk's approach, the results of the second Punta del Este Conference, and of Canada's general interests in the country to which you are accredited. We would appreciate receiving a brief report by cable as soon as possible. More detailed comments should be sent by bag.

3. The attached telegram is for your own information. You will note that this letter is marked for Canadian Eyes Only. In view of their sensitive character you will wish to ensure that appropriate security measures concerning these documents are observed.

A.E. RITCHIE  
for Under-Secretary of State  
for External Affairs

611.

DEA/2444-40

*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], February 23, 1962

## CUBA – TRADE POLICY

The following is an attempt to recapitulate the views expressed by the Minister in two long discussions on our trade policy towards Cuba – a policy with which the Minister is anything but satisfied at the moment.

2. The Minister broached the subject shortly after the Opposition had raised questions in the House concerning reports that Canada was continuing to export to Cuba substantial quantities of materials which bordered on the strategic category.<sup>6</sup> He strongly believed that the continued export of commodities of this nature was steadily leading Canada into a serious crisis in relations with the United States.

3. The Minister stressed that we had to recognize that whatever the rights or wrongs of American policy may have been and however responsible the U.S. Government might be for the present state of affairs in their relations with Cuba, the fact remained that the Cuban problem had thoroughly aroused public and Congressional opinion in the U.S.A. It was therefore of the utmost importance that we cease treating the Cuban problem as simply one of trade or of relations with Cuba but rather as a highly sensitive issue in Canada/U.S. relations. It was “the most serious problem in this category since he had assumed office, one which might do irreparable harm to our relations with the United States if we did not amend our policy and might even lead the United States to take retaliatory action against us in other fields.”

4. He declared that the strong stand he had personally taken on Cuba two years ago had been unwise; even if it had had some merit at the time, the situation in Cuba had changed radically since. The Cuban régime had been getting progressively more communist-oriented and he had satisfied himself during his Latin American tour in 1960 that there was good evidence of Cuban subversive activities in several of the countries he visited, particularly in Argentina and Peru. It was moreover not enough in his view, for Canada to apply the same trade restrictions to Cuba as we did to other communist states. Because this was a hemispheric problem, for the containment of which we had to share responsibility, more stringent criteria had to be applied. He believed we would lose stature in Latin America if we took a soft line on Cuba.

5. The time had come to review the whole question of our relations with Cuba, approaching it from the point of view of our relations with the United States. In this connection he said it would be pointless to begin by analyzing in detail and challenging the view expressed by Rusk to Heeney as reported in Washington telegram 515 of February 19. By and large he agreed with Rusk's assessment. In any event the important point to keep in mind was not whether the American arguments were valid or U.S.A. policies sensible but the strength with which American views on Cuba were held throughout the United States.

<sup>6</sup> Voir Canada, Chambre des Communes, *Débats*, 1962, vol. I, pp. 613, 806, 931, 948 à 951, 961 à 964, 1001 à 1017.

See Canada, House of Commons, *Debates*, 1962, Vol. I, pp. 575, 759, 881-882, 897-900, 909-912, 949-963.

6. In developing a revised approach to the problem of our trade relations with Cuba, action was required on three fronts:

(1) *Commodity Control List*

A minimum shift in the Canadian position must be the elimination of "border line" strategic commodities. The embargoed list should include everything that could be considered as military, strategic or vital to the Cuban economy. It would include industrial dynamite, aircraft engines, machine spares, transformers, iron and steel, etc.

(2) *Public Presentation of Canadian Policy*

In this field a great deal more restraint is required. There is a need to abandon the aggressive and almost boastful way in which Canada has dealt publicly with its relations with Cuba and with its right to continue to trade with that country. The Minister stressed that in dollar terms trade with Cuba was negligible and certainly not worth preserving at the risk of jeopardizing our relations with the United States.

(3) *Cabinet Attitudes*

Here the Minister thought there was a great need for the Department to start the process of persuading Government departments and Ministers to see Canadian Cuba policy in a broader context than that of trade statistics or even the national right to determine Canadian trade policy free from external pressures. There had to be a new emphasis on the magnitude of the crisis we were facing in Canada/U.S. relations, an emphasis which the Minister thought had been lacking in previous memoranda dealing with the Cuba problem.

7. In further discussions with the Minister concerning the manner in which his views might best be implemented, in the course of which some of the considerations militating against any sudden switch in policy were brought out, he agreed that his intention was not to reverse Canadian policy but to modify it, and then perhaps only gradually. Nevertheless, he insisted that we were vulnerable on the question of the commodities now being permitted for export to Cuba (Senator Croll in the Senate on February 21 and the latest issue of *U.S. News and World Report* are cases in point) and requested as a first step a paper from the Department examining in detail the commodities now being exported to Cuba and proposing measures for a tightening of control. If necessary, he said we should proceed by Order-in-Council to further limit permissible items.

8. It would then be his intention to put to Cabinet a proposal for more stringent export controls and in the same memorandum to stress, for the benefit of his Cabinet colleagues, the extent of the crisis in Canada/U.S. relations which we face. He would at the same time put it to Cabinet that we should accept Mr. Rusk's invitation to discuss Cuba policy on a bilateral basis, but should be ready to do so in a sympathetic, frank and friendly way.

9. Just prior to his departure for the East coast, the Minister discussed Cuba policy with the Prime Minister. He said the Prime Minister agreed that while we could not back down on the stand we had taken we certainly should be more discreet in the public handling of the subject.

ROSS CAMPBELL

612.

DEA/4035-40

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 627

Washington, March 1, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 515 Feb 19.

Repeat for Information: Prime Minister, Finance, PCO Ottawa (OpImmediate) from Ottawa, T&C Ottawa, Permis New York (for Ritchie on return) (OpImmediate).

## CUBA POLICY

It seems to me that serious consideration might well be given to a further comprehensive exposition of Canadian policy with respect to Cuba. I mentioned this in conversations with the Minister and the Under-Secretary, when I was in Ottawa on Monday last, as most desirable in terms of our relations with USA, if for no repeat no other reason.

2. It is true that there have already been a number of statements by Prime Minister in Parliament and by others in the House and elsewhere. Nevertheless, there persists in the USA a widespread misunderstanding of and, even where the facts are known, an inability to comprehend our present policy and practice, particularly with regard to trade but also generally concerning our relations with the Castro régime. We attempted to set the record straight by a press release from the Embassy on February 5 and this has been very widely used by our offices in this country. However, public understanding here has been further aroused and confused by the most recently published details of our exports and the questions to which these gave rise in Parliament on such items as "peaceful" explosives, machinery, aircraft engines, etc.

3. Our current scan of USA newspaper opinion will show a marked increase of critical editorial comment upon what continues to be regarded widely as our virtually unrestricted trade with Cuba. I would be surprised if the intended mission to promote export of Canadian fish products did not repeat not occasion further outbursts.

4. What I have in mind is that, following upon my long conversation with the Secretary of State (my reference telegram) and after reviewing the position in the light of such additional information as may be provided us by USA and after a careful scrutiny of our list of permissible exports (which I understand to be underway now) there should be an extended and authoritative statement of Canadian policy, probably in Parliament and by Prime Minister himself.

5. I am bound, of course, to look at this problem primarily in terms of our relations with this country. As I tried to emphasize in my talks with the Prime Minister, the Minister and officials in Ottawa earlier this week, there is no repeat no doubt that, quite irrespective of the merits, Cuba continues to cast a deepening shadow upon our reputation here. The whole question is deeply emotional among Americans; their attitude is rooted in their history and their frustration compounded by the very mistakes of the recent and less recent past. The clumsy publicity which attended the efforts of the Administration to obtain support from their European allies,<sup>7</sup>

<sup>7</sup> Voir/See Sydney Gruson, "U.S. Faces Test in NATO as Rifts on Policy Emerge," *New York Times*, February 20, 1962, pp. 1, 3; W. Granger Blair, "U.S. Bids NATO End Trade in Strategic Goods with Cuba," *New York Times*, February 21, 1962, p. 4.

far from advancing their case, bids fair to being counterproductive as the reaction in NATO has shown. This will mean more frustration, and judgment, which may extend to affairs beyond the hemisphere, will, I am afraid, continue to be clouded by emotion. In such circumstances, and despite what we regard as a reasonable, cooperative and realistic attitude on our part, Americans will go on expecting Canada to be closer to them than any other ally, even in this hemisphere, and will continue to be disappointed, hurt and even angry when we do not repeat not share their views and follow in their footsteps.

6. What I am trying to say is not repeat not that USA policy on Cuba is correct or calculated to achieve its objective; the arguments against the efficacy of trade embargoes and breaking diplomatic relations are well known and I have made them here many times in public and in private, nor am I suggesting any important change in our own policy. What I am seeking to convey is the pervasive importance of the Cuban problem in terms of our relations with our closest ally and making a suggestion as to how the traditionally friendly Canadian "image" among Americans might be restored.

7. Finally, and on a less exalted plane, it seems altogether likely that the Cubans will have less and less hard currency to pay for Canadian exports which, in any conceivable future circumstances, cannot repeat not be very large. On the other hand, our reputation with our largest customer is of material commercial importance.

[A.D.P.] HEENEY

613.

DEA/4568-40

*Le chargé d'affaires à l'Équateur  
au secrétaire d'État aux Affaires extérieures*

*Chargé d'affaires in Ecuador  
to Secretary of State for External Affairs*

TELEGRAM 15

Quito, March 2, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Let XL-35 Feb 22.

By Bag: Bogota from Ottawa.

#### CANADA-CUBAN RELATIONS

It seems to me that some of elements of problem in brief are

(a) Cuba will be principally Communist until present government or its similar successor falls.

(b) Cubans are both activists and a symbol making them a grave danger to Latin American political stability but at the same time they have salutary policy acting as a goad, if anything can, to reform.

(c) Menace to Latin America is increased since USSR and China have been provided with a base for information and an agent through which they can operate. The minority bloc is therefore most unlikely to allow Cuban economy to collapse.

(d) West will be loser if USA becomes increasingly preoccupied for a protracted period with Cuban problem.

2. I see problem as being important chiefly in the light of Canada-USA relations. The latter who is our most important ally is of course highly emotional about Cuba and I wonder therefore whether for partly psychological and self-advantageous reasons we might not repeat not consider stiffening (group corrupt) our attitude towards Cuba by e.g. broadening definition

of strategic materials and deprecating publicly (group corrupt) aspects of régime. Our non-membership in OAS does not repeat not seem to me to be material: Cuba is a base for subversion and it is not repeat not in our interest or that of West to have this additional constant threat to political stability hanging over Latin America nor to have attention of USA diverted from more vital areas. Of course whatever we do one way or other will have a minimal effect on political stability of Cuban régime but as long as latter continues to meddle in affairs of its neighbours I think we have grounds for attempting to avoid giving appearance of supporting it.

3. My thinking on this subject has shifted recently through receipt of a congratulatory letter on Canada's stand on Cuba from 15 prominent Ecuadorian Communists or Communist sympathisers (attached [to] my letter 5 February 27†). In logic I support cogent argument for trade with countries of differing ideologies; I (fear?) in this instance that in Ecuador Canadian trade with Cuba is generally being equated with political support. The Foreign Ministry does not repeat not accept this but referred to our increasing trade (second paragraph of its release on Sévigny statement; [see] my telegram 7 February 11†). There could be some danger in this if impression were to grow here that we are profiting by USA embargo. I doubt however that whatever we do will greatly affect Canada's relations with Ecuador.

[G.C.] LANGILLE

614.

DEA/4035-40

*L'ambassadeur en Argentine et Uruguay  
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Argentina and Uruguay  
to Secretary of State for External Affairs*

TELEGRAM 24

Montevideo, March 2, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Let XL-33 Feb 22.

CANADIAN RELATIONS WITH CUBA

Following is view of Buenos Aires and Montevideo. Continuance of our present Cuban policy is likely to do more harm than good to fundamental Canadian interest, partly because (it is?) misunderstood and partly because it is no repeat no longer appropriate. Reiteration of our present policy is not repeat not likely to be generally effective in dispelling widespread impression repeat impression Canada's sympathies are with Cuba in its difference with USA and other Hemisphere states. If we are to retain goodwill of USA and of responsible elements in Latin America, some gesture is needed to alter the current image. Unless it is altered our trade with USA e.g. oil could be adversely affected purely as a result of Congress attitudes. No repeat no serious effect on trade of other countries likely for moment.

2. Secondly, our policy does provide aid and comfort to Cuba which (2 groups corrupt) many Latin American states consider constitutes a threat to their security and which all consider incompatible with Inter-American system. Cubans are misrepresenting their relation with Canada in order to encourage other Latin American countries to stand up to USA and also to poison relations between USA and Canada.

3. Third, Cuban Communist threat is more serious throughout Latin America than that of any other Communist country. "Viva Castro" still draws crowds. "Viva Khrushchev" or "Viva Ulbricht" has little appeal. This fact justifies different treatment on our part.

4. What to do is difficult. Answer might be to announce although not repeat not member of OAS we have no repeat no desire to do anything in current situation which would have effect (group corrupt) even in part objectives of majority number and that we would favourably consider taking whatever steps majority took in matters relating to Cuba. This might require minor policy changes but would provide gesture which present situation appears to call for.

5. Any such move on our part should not repeat not weaken [reputation] we enjoy in Latin America of independence in foreign affairs, and could gain us marks for cooperation.

[R.P.] BOWER

615.

DEA/4568-40

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

TELEGRAM 16

Bogotá, March 5, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Let XL-31 Feb 22.

Repeat for Information: Quito.

CUBA

Apparently only first seven pages Washington's telegram 515 February 19 were attached your letter. Would appreciate receiving final page or pages in next bag.

2. Keeping in mind our interest both commercial and political in maintaining long-term stability in all countries of Latin America, I am inclined to see some merit in Rusk's analysis. I would balk at such an overt move as sending destroyer to Caribbean. Castro's propagandists have been taking advantage of our imaginary support of present Cuban régime (e.g. Dorticós' statement re daily plane from Canada with spare parts), and there might be some value in a statement reiterating, as did all nations in Americas including those who abstained on exclusion resolution, our strong opposition to Communism as exemplified in Cuba. Concept of controlling trade for political ends is of course one which both sides in Cold War have accepted for many years. The principle involved in interference for political reasons with our natural flow of trade with Cuba is clearly not repeat not at stake since, through control of strategic goods and re-exporting of USA products, we are already carrying out such intervention. Question must resolve itself then into whether commercial advantages to Canada of that portion of Canada's trade with Cuba which USA and presumably its Latin American allies find objectionable is worth adverse publicity which we are receiving in such Latin American states as Colombia, and in USA itself.

3. With regard to latter, I understand that at recent conference of Canadian Trade Commissioners serving in USA some concern was expressed over cool attitude engendered towards Canada in some parts of that country by "misunderstanding" of our position on Cuba. I do not repeat not think we should delude ourselves into thinking problem is merely one of "misunderstanding." Basic difference in policy on Cuban question exists between USA and ourselves and this fact cannot repeat not be concealed.

4. Second Punta del Este Conference showed an increased awareness in Latin America of threats posed by Communist Cubans in marked contrast, as Mr. Rusk pointed out, to San José meeting six months earlier. The willingness of even Mexico and Brazil to support what amounted to a vigorous condemnation of Cuba's Communist ties appears to represent a

hardening in positions of those two countries. While from USA standpoint conference might conceivably have had a more favourable result, many valid reasons exist for State Department to be satisfied with achievement of USA delegation in Punta del Este.

5. In view of previous reports to you, especially in our telegram 15 February 26, † you will be aware that a change in our policy toward Cuba would much improve our standing with Colombia Government and business community. Colombians have become to a degree emotionally concerned with Cuban question, partly because of fear of Communist subversion and partly because of involvement of their prestige in outcome of conference. Canada's position finds support here, and that not repeat not very vocal, only among left-wing Liberals and Communists, neither of which groups is likely to be running the Government for some time to come. Speaking therefore in terms of Colombia alone, Canada might be well advised to enlarge list of goods which for strategic reasons may not repeat not be exported to Cuba. Although complete approval of Canada's policy by Colombia would probably only be forthcoming if we broke relations with Cuba entirely, any gesture on our part in this direction would help our reputation here.

[T.F.M.] NEWTON

616.

DEA/4568-40

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

TELEGRAM 28

Havana, March 6, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Let XL-43 Feb 22.

#### CANADIAN CUBAN RELATIONS

As a useful starting point for this review I am summarizing below main direct Canadian interests in Cuba today

(a) *Trade*: In 1961 our favourable balance of trade was substantial and represented cash in hand and for some sectors of economy an increase in normal exports. However 1962 trade is likely to be drastically reduced owing to Cuba's shortage of foreign exchange and reduced sugar available for export unless Russians provide considerable quantity of convertible currency. In addition some of last year's items are probably a non-continuing requirement.

(b) *Commercial Interests*: Our banks have apparently been satisfactorily recompensed. Our insurance companies with no repeat no future in present day Cuba would not repeat not be severely hurt by nationalization, which would enable them to withdraw without breaking faith with their policy holders. Our remaining interests of some half dozen subsidiaries facing (group corrupt) represent an investment of \$500,000 at most.

(c) *Church*: Compensation of Church property nationalized last year does not repeat not appear to be an active issue since Church is essentially playing a waiting game with a view to a subsequent changing government.

(d) *Protection of Canadian Citizens*: The majority of Canadians have left Cuba, with total now reduced to under ninety. About half are members of religious orders whose positions have been improved by recent (softening?) in Cuban line toward Vatican. All our citizens have recourse to Embassy's assistance periodically and would be dependent on mission in an emergency.



(e) *Mission*: Apart from regular operations mission has value as a listening post. Any Canadian influence in moderating the trend of Cuban development is minimal.

2. The next consideration is our relations with USA, on which it is not repeat not my position to comment. Despite Mr. Rusk's demurrer that this was not repeat not the sense in which he was raising question of Canadian policy towards Cuba, it is presumably a major factor from our standpoint.

3. Turning to Rusk's general appraisal of Cuban problem I would agree that Cuba cannot repeat not fairly be viewed as just another star in Soviet constellation. First it represents initial intrusion of the Bloc into a Western area and specifically an American spherical influence as well as a potential threat of deeper intrusion into Latin America. The Cuban Government has thrown its lot in with the Bloc and must stand by this decision to maintain itself in power. Moreover, given way in which revolution has developed the country's racial associations and unnatural pattern of its present ties, Cuba has a vested interest in breaking through its present hemispheric isolation which has been stimulated by its exclusion from OAS. As reported in my telegram 24 March 2, † (all?) energy is therefore directed to promoting tension if not repeat not revolution in its sister republics and speaking to Latin American people over heads of their governments. It badly needs ideological allies in Latin America to ensure its durability just as it equally must maintain image of a voracious wolf on its doorstep to divert attention from domestic ills. The concept of withdrawing from Hemisphere and creating a Communist show of peace in isolation is politically too costly and difficult to sustain in present straits and furthermore caters to (group corrupt) idea of revolutionary leader.

4. One can accept the two objectives of USA policy outlined by Rusk even though harbouring doubt as to some of the measures employed to achieve them. Both as a Western and North American nation we can hardly be indifferent to spread of Communist influence in Caribbean. Also now that Cuba has presumably cast the die for Marxism and so closely oriented itself with Sino-Soviet Bloc I do not repeat not see it as in our interest to extend any aid or comfort to them. A related point is question of USA prestige in hemisphere which was particularly damaged by April fiasco leaving impression in some quarters that eagle had lost its claws. Thus it seems to me (plainly?) our interests [lie] in cooperating whenever possible with reasonable USA objectives.

5. Another factor bearing on our policy is question of stability of Castro régime. There is little doubt that Cuba is in serious economic difficulties which are likely to worsen before they improve. The revolution has lost some of its steam. The marriage between Castro and Communism has already run into trouble. As circumstances of life have deteriorated dissatisfaction has grown. The possibility that present government might later begin to stumble, perhaps also creating condition for USA intervention, cannot repeat not be ruled out. Furthermore although Rusk has talked about reducing effectiveness of government, he has also indicated that coexistence with Cuba is unacceptable. One cannot repeat not help but wonder whether USA intends if conditions are propitious to adopt a more forceful policy. Should revolution prove to be short lived then there is some advantage in ensuring we are not repeat not albeit mistakenly regarded as having prolonged its existence by those who follow.

6. In general and depending particularly upon weight given Canadian-USA relations my feeling would be that Canadian policy could afford to reflect somewhat more emphatically the liability of Cuban situation. Certainly our direct national interest in Cuba need not repeat not place any great restraint on such a policy modification. However I remain unconvinced that there is anything very decisive we could do to influence course of events here. Essentially it comes down to a shift in emphasis without engaging in any form of open antagonistic act which would be counter-productive if we wish to maintain diplomatic relations and protect our residual interest in Cuba.

7. Trade would appear to be one field for effecting some modification. While recognizing that practical results would be very limited we could with some justification and for presentational reasons place Cuba in same category as other Sino Soviet Bloc states for export control purposes. We might also be a little more restrictive in denying permits for quasi-strategic items such as industrial spare parts. Again a case could be made for our prohibiting re-export to USA of Cuban imports into Canada now that USA has embargo on such imports.

8. One can appreciate Rusk's desire for Canada to have a community of views with USA on a hemispheric problem that has in due course wide implications. However I am not repeat not certain it necessarily follows that our policy toward Cuba should be identical or in fact that this would be in our or America's best interests. While agreeing on desirability of not repeat not contributing to strength of revolution and containing its expansionist tendencies there is a risk that any indication of ganging-up on the part of Western states only enables Cuban government to blame domestic failings on outside pressure.

[GEORGE P.] KIDD

617.

DEA/4568-40

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

TELEGRAM 30

Santiago, March 6, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel XL-48 Feb 22.

CUBA – MEETING WITH SECRETARY OF STATE

It can be agreed with Mr. Rusk that Canada shares with USA the ultimate aim of encouraging Latin America to develop in democratic tradition and to remain outside Soviet orbit. It may be also agreed that Canada as a western hemisphere nation has a special interest in obligations in Latin America. It is in assessing Cuban and Latin American situation and means likely to achieve our commonly sought objectives that Canada differs with USA. It is suggested here however that while Mr. Rusk's presentation of USA views and policy contains nothing to justify a fundamental change in Canadian Cuban-Latin American policy, the time may be opportune for a shift in emphasis of that policy, especially in view of Mr. Rusk's indirect emphasis on importance of some such Canadian effort in broader context of USA-Canadian relations.

2. Before proceeding to suggestions for a possible positive response to Mr. Rusk's approach three fundamental points may be explored:

(a) Is Mr. Rusk's analysis of Cuban problem and defined USA policy objectively convincing?

(b) Can Punta del Este results be interpreted as confirming soundness of current USA-Cuban policy?

(c) Would it be in Canada's interest in Chile to follow USA line?

3. *USA-Cuban Policy Objective*

Mr. Rusk stated by isolating Cuba and denying it means of strengthening its economy USA aims to prevent extension of Cuban influence and subversive activities throughout Latin

America until Alliance for Progress takes effect. In connection with these objectives I should like to make following comments:

(a) Cuba cannot repeat not be fully isolated politically or economically from West and not repeat not at all from Soviet Bloc. To extent however that Cuban economic relations with West are cut off they increase with East not repeat not only in trade but in aid as well. It is obviously in Soviet interest to grant economic concessions to Cuba on a massive scale in order to build up Cuba as a growth model for Latin America. Is it impossible as Mr. Rusk assumes, for Cuba to achieve economic success in these circumstances? Surely the adverse political consequences in Latin America flowing from such a development would be infinitely greater than those resulting from Cuban penetration and subversive activities.

(b) The basic tenet of USA Alliance for Progress programme is that unless Latin America introduces fiscal economic and social reforms, liberalizes their regimes and redistributes incomes in favour of depressed classes, Communist forces in many of their countries could ultimately gain power. USA-Cuban policy on the other hand is forcing progressive and non-Communist left forces who share this view and whose support is necessary if Alliance reforms are to be implemented, to align themselves with Castro for domestic political reasons. This fundamental contradiction in USA policy seriously weakens prospects for successful Alliance programme and at the same time is so alienating [to] political forces which will (advance?) to power in event of programme's failure that USA could soon find itself cut from some key countries in Latin America as a result. We have pointed out for example that such a left wing element could come to power in Chile in 1964.

(c) While sympathizing with USA desire to counteract threat of Cuban penetration, I believe it is a mistake to assign more importance to propaganda and penetration than to the cause of the great receptivity in Latin America to Cuban propaganda and Cuban example. "Sanitary" measures alone will not repeat not root out existing pro-Castro elements in Latin America. As for other forms of Cuban intervention, e.g. Rusk's example of Castro's pressure on Haiti by threatening repatriation of thousands of Haitians – surely USA approach encourages rather than discourages this form of pressure?

#### 4. *Second Punta del Este Conference*

It is difficult to share Mr. Rusk's views that Conference results indicates substantial Latin American support for USA-Cuban policy:

(a) Whatever ingenious construction is put on vote at Punta del Este, the fact remains that key governments chose to abstain on expulsion.

(b) It is remarkable that in his approach to us Rusk chose to emphasize desire for further sanctions while failing to mention that support for this existing USA policy was so obviously lacking at Conference it was not repeat not even introduced for formal discussion.

(c) Rusk's remarks imply that stand taken by most Latin American countries at Punta del Este was spontaneous. Whatever restraint USA delegation may have exercised was probably related to tactical considerations since both Colombia and Peru were doing the running for USA. Chilean delegation for one (see my despatch 48 February 12†) returned with impression that USA pressure was a factor at Punta del Este.

(d) USA spokesmen are (paragraph 2b Washington telegram 398 February 9†) on extremely shaky ground when they say if not repeat not for (divergent juridical?) approach there would have been a larger degree of unanimity of views on Cuba at Punta del Este collusion [sic]. Chile was one of countries that used legal argument at Punta del Este collusion [sic] but only because they provided an easy and tactical attractive presentation to a touchy political case.

### 5. *Canadian Interest in Chile*

Canada maintains a small but significant trade relationship with Chile. Canadian missionary activities, capital investment and ECIC backed loan in Chile must also be taken into account. Canada also has an interest in maintaining cooperative relationship enjoyed with Chile in international forums such as UN. The best protection for these interests in the long run would be afforded if Chile remains outside Soviet orbit. At the same time it would be in Canada's best interest in Chile to align itself with Chilean-Latin American view on such divisive issue as that of Cuba when it is doubtful that USA views command general support in area. In Chile specifically the line pursued by government regarding Cuba is identical to that followed by Canada. This will remain so in the predictable future in addition to which there is a strong possibility that a left-wing coalition more sympathetic to Cuban régime might come to power in 1964.

### 6. *Possible Positive Response*

Mr. Rusk's approach to us makes propitious the consideration of a shift in emphasis in a policy which would render it both more acceptable to USA and perhaps more fully consistent to Canada's assessment of the Latin American situation and its ultimate aim in the area. The following suggested points contain two elements which might be registered as contributing to such a shift of emphasis:

(1) Continue to observe control on strategic goods and transshipment of USA goods to Cuba. Canada might also offer to participate in other security arrangements within limits of our traditional approach to such questions. I might note that, according to Argentina's Ambassador here, USA is considering possibility of a SEATO type Caribbean treaty organization. Canada could hardly agree to participate in such a pact. However consideration might be given to Canada's participation in a less formal hemispheric arrangement designed to control illegal transshipment of arms in Caribbean.

(2) Canada might offer to participate in any arrangement ultimately decided upon by OAS to counteract Communist penetration and propaganda activities.

(3) Finally, to be consistent with our assessment that social and economic development in Latin American countries is ultimately the only effective antidote to Cuban threat, Canada might offer to commit itself to objectives of the Alliance for Progress programme. This would certainly involve a Canadian aid contribution to the effort although not repeat not necessarily affiliated directly with Alliance for Progress. Specifically I would think that a substantial contribution to the Inter-American Development Bank would be simplest and most effective form in which Canada could make this contribution (see paragraph 17 my despatch 189 May 30/61). The overall effect of a Canadian policy debate on above line would be to commit ourselves publicly and in practical terms to ultimate aims in Latin America identical to those expressed by USA. To this extent, we would be demonstrating to USA and to Latin America our fundamental solidarity with USA despite our difference of views on trade with Cuba and as well our determination to follow our independent concept of how best to achieve these aims.<sup>8</sup>

[PAUL] TREMBLAY

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<sup>8</sup> Note marginale :/Marginal note:  
positive instead of negative [Auteur inconnu/Author unknown]

618.

DEA/4568-40

*L'ambassadeur au Costa Rica  
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Costa Rica  
to Secretary of State for External Affairs*

TELEGRAM 9

San José, March 7, 1962

SECRET. PRIORITY.

Reference: Your Let XL-21 Feb 22.

## CANADIAN RELATIONS WITH CUBA

I believe situation created by Castro régime and consequent attitude of other American states as shown at Punta del Este warrants thorough re-exam of Canadian policy toward Cuba.

2. The serious Communist threat from Cuba for Latin America cannot repeat not be overestimated. In Central America at least Communist organizations are active in promoting Castro's ideology through press, literature, groups and plentiful financing. Agitation is conducted among workers particularly in banana areas and seaports. Groups of sympathizers and students go to Cuba from time to time for indoctrination, the guests of Cuban Government.

3. While I do not repeat not believe there is any serious danger of Cuban armed invasion to these parts despite claims made at times by Presidents of Guatemala and Nicaragua, it remains that Communist infiltration is a reality and there seems to be no repeat no doubt all this activity is directed from Cuba in cooperation with Soviet agents. Central American countries I feel are justified in showing serious concern over Castro's declared intentions and visible efforts to set up regimes of his brand in this area. I do not repeat not think chances to bring about progress through democratic ways should be jeopardized through Castroist interference.

4. Although only a limited measure of social reform has heretofore got underway in Central America I believe present situation on whole warrants a fair try for Alliance for Progress and other help from Western international sources. There is hope for greater and faster improvement in every one of five countries of this post where, except for Nicaragua, progressive democratic governments are in power. The necessity for reform and self-help is permeating more and more the minds of government and public opinion. There is therefore a very good case for holding Communists at bay and making it possible for these countries to try to work out freely their salvation with Western help.

5. In this context Canada's (divergence?) from OAS policies as well as Canadian press hostility toward present USA policy in regard to Latin America on one hand and Canada's growing trade with Cuba on the other hand appears somewhat strange on the part of a nation often regarded as leader of secondary democratic powers. As seen from here Canada's behaviour is tantamount to indifference and selfishness in presence of hemispheric problems of real gravity. Canada's goodwill in these parts has so far more or less escaped unfavourable reaction but I believe this will not repeat not go on for long if we continue saying nothing about our awareness of solidarity with other American countries in present struggle between Castroism and democracies.

6. I believe therefore that Canadian Government should at least emphasize publicly and clearly its dislike of totalitarian régime in Cuba and its disapproval of subversive activities in Latin American countries. As a first positive step in helping to contain Castroism Canada might revise and broaden its list of strategic exports to Cuba. It seems this revision should take into account potential supplies for guerilla warfare in addition to materials for modern warfare which presumably make up NATO list. Perhaps also some manufactured items, the supply of

which is particularly sensitive for Cuban industry, could be included. Such a measure would I think do much to demonstrate in practical terms to Latin America our solidarity and understanding of their situation. The psychological value of an announcement to the effect the list of strategic materials has been broadened would be important for Canada's prestige and interest.

7. I would not repeat not for the time being advocate an overall embargo on non strategic trade for apart from humanitarian aspects involved in regard to Cuban people, I would doubt its effectiveness as long as other countries are likely to step into our shoes in supplying same exports. I have doubt also about wisdom of help in addition to (amendments?) for arms shipments as suggested by Mr. Rusk unless we were asked to fulfill a mission of this sort both by Cuba and other Latin American countries. I do not repeat not think we are qualified thus to intervene actively between two camps but believe we should at least assert in some unmistakable way where our sympathy and conviction lie and do our part within our trade relations with Cuba to avoid giving impression Canada is bringing undue strength to Cuban economy and Communist apparatus and thus contributing indirectly to further Castro designs in Latin America.

619.

DEA/4568-40

*Le chargé d'affaires à l'Équateur  
au sous-secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires in Ecuador  
to Under-Secretary of State for External Affairs*

LETTER NO. 65

Quito, March 8, 1962

SECRET. CANADIAN EYES ONLY.

Reference: Washington's tel. 515 of February 19 and my telegram 15 of March 2, 1962.

## CANADA – CUBAN RELATIONS

These comments, which you have requested, are supplementary to those given in my telegram under reference. Since, as I stated there, "I doubt however that whatever we do will greatly affect Canada's relations with Ecuador," I will be more concerned here with Canada's relations with Cuba in the light of Mr. Rusk's approach.

2. I would find it difficult to quarrel with Mr. Rusk's analysis of the activist nature of the Cuban régime. However, I think it could lead to a few difficulties for the Americans if they continue to believe that because "Khrushchev was to a limited extent willing to use Cuba to exploit existing dangers in the hemisphere" (paragraph 8 of Washington's telegram) the extent of this willingness will continue to be "limited." This is what I had in mind in point (c) of paragraph 1 of my telegram; Cuba is a base from which and an agent through which the Soviet bloc can operate. The possibility of increased use adds considerably to the menace to the hemisphere. In passing I should mention that I note I worded the second sentence of that point incorrectly. I should have said that the Soviet bloc would go to considerable lengths to prevent (rather than "unlikely to allow") the Cuban economy and consequently the régime (be it of Castro or a more communist one without him) from collapsing.

3. The activist side of the Cubans has been clearly demonstrated in Ecuador in the year I have been here. The Embassy has grown to seven members on the diplomatic list, not including the absent Ambassador; this makes it the largest Latin American mission in Quito although the Brazilians will also have seven diplomats when an Ambassador is accredited. The Embassy here is notoriously a centre of Castrista intrigue. For example, it is known that Dr. Manuel

Araujo Hidalgo was a frequent visitor at the Embassy before his political eclipse. The events recounted in paragraphs 10 and 11 of the annex to Canadian JIC 413/2(61) attached to your letter DS-184 of October 11, 1961, clearly show that the Cuban Embassy (and the Cuban government) are active in local politics. I have reported that it was most likely that former President Velasco received money from the Cuban Government for his June 1960 campaign. The political party URJE was formed for the sole purpose of supporting the Cuban revolution and while, of course, it cannot be proved, it would be surprising if the Cuban Government, through its Embassy, was not instrumental in the founding of this party and was not its chief financial supporter. Similarly there must be Cuban money in the weekly news magazine *Mañana* (established just two years ago) which trumpets the Castro line. There have been a few cases when Cuban diplomats have been caught out. The former Cuban Ambassador and the Cuban Cultural Attaché (as I have reported) made ill advised speeches at Ambato and Ibarra respectively in praise of the Cuban revolution. In the dying days of the Velasco régime the Cuban Chargé d'Affaires was asked to leave the country for his political activities. Similarly the Cuban Consul in Guayaquil late last year was withdrawn at the Ecuadorian Government's request. Plans are afoot, as I have reported, for taking 300 Indian peasants to Cuba for "training," and, as I informed you in early January, sixty-two selected Ecuadorians spent three weeks in Cuba at the Cuban Government's expense.

4. That Cuba has been and is a divisive political issue in Ecuador is not, of course, solely attributable to subversive actions by Cubans or Castrista agents. Much of the responsibility lies on the shoulders of past governments who have done little in the way of social reform. Ecuador was ripe for social unrest and the aims and ideals of the Cuban revolution enabled it to become the focal point for this discontent. That is why in my telegram I suggested that while the activist side of the Cuban régime constitutes "a grave danger to Latin American political stability," it has acted and can act as a goad to reform. It has often been truly said that without Castro we might not yet have the Alliance for Progress trying to get off the ground. In the sense of keeping the pressure on Latin American countries from Cuba (and consequently from the U.S.) to institute reforms, it could be an excellent thing for the continent if Castro or a similar régime could remain in power in Cuba for the next five years or so. However, I agree with Mr. Rusk's point that Castroism is not "the answer to the problems of the hemisphere," but I am afraid that reforms, having been so long delayed, possibly cannot come quickly enough in many countries to avoid the establishment of some Castro-like régimes. That, as I see it, is the danger in Ecuador.

5. Turning to the internal situation in Cuba, I was surprised to read in paragraph 9 of Mr. Heeney's telegram that the United States does "not accept that the present Cuban régime was a permanent situation." I suppose it is not, in the sense that Castro may be replaced by the older converts to communism who now seem to be in the process of taking over, but surely that latter type of government will take much longer to dislodge than the normal type of Latin American caudillo, such as Castro in many respects is. It is easy to become involved in semantics as to whether or not Cuba is now a communist state but I think that Mr. Kidd's informative despatch No. D-628 of December 16, 1961, can only lead one to believe that Castro's only hope of remaining the titular head of the government in succeeding months is on sufferance of the communists. In considering the Cuban problem it seems to me that for planning purposes we have to assume that Castro or a similar régime (given no armed intervention) will be firmly in power in Cuba for the foreseeable future.

6. This latter point assumes that the Soviet bloc will be willing to buttress the flagging Cuban economy (which I believe) in order to counter-act to a sufficient degree both the effect of the U.S. embargo itself and any success which the latter might have in getting its friends to reduce their trade, and, secondly, that it will be able to do so, to keep enough goods and loans flowing to prevent an utter economic collapse (which may be an inaccurate assumption). It seems to me

that the U.S. will meet with some success, but to a degree only, in denying Cuba “the means of strengthening its economy” (paragraph 12 of Washington’s telegram) because while the Soviet bloc will make good some of the difference, there are bound to be less funds than otherwise available for Cuba to extend “its influence and subversive activity over the rest of the hemisphere.” It remains to be seen whether the U.S. will get sufficient cooperation from Latin American countries to enable it “to press forward with the Alliance for Progress” and whether whatever projects may be implemented will sufficiently and promptly enough “assist the other Latin American countries to strengthen their economies” (paragraph 6 of Washington’s telegram) to enable some of the more vulnerable governments to withstand the challenge of Castroism.

7. Since I believe that Cuba (with or without Castro) will plague Central America and the continent for some years, we are likely to find the United States if not more involved at least as much involved as at present with this additional constant threat to the political stability of Latin America. Rather than growing accustomed to the situation I would think that there is a good chance that the Americans will grow increasingly frustrated that that small island should continue to require so much attention. Their emotionalism will tend to increase and it is for this reason in my telegram I suggested that the problem was more one of Canada-United States relations than those of Canada-Cuba. In this connection I think that Mr. Rusk’s statements concerning Canada-United States relations in paragraph 13 of Washington’s telegram are of considerable significance. Here, of course, I have left my field of Ecuador but I can’t help wondering for how long the Americans will curb their emotionalism in their relations with us. It would be a different problem, I believe, if the Cubans were to relax into peaceful co-existence with their neighbours. (In so far as their relations with the United States are concerned, the fault is not all theirs.) However, as long as they are a threat to our interests – both political and commercial – in having Latin America as stable as possible and in having the United States free to devote its full attention to more vital areas, I believe we would be justified in going some little distance further to satisfy the United States (and all the countries of Latin America who at Punta del Este condemned communism in Cuba) that we, too, disapprove of the régime’s activities.

8. This could have no effect on the stability of the Cuban régime although it would get rid of Cuban propaganda (if our definition of strategic materials were broadened somewhat) that Canada was a good source for spare parts. There is always a possibility too, I suppose, that if the United States were to become sufficiently exasperated with us on the grounds that they thought we were taking advantage of their embargo to expand our trade, we might suffer in United States tourist dollars and in some of our exports. It wouldn’t take long to lose more than the, say, \$6 million referred to by Mr. Rusk which he said was for items in our exports to Cuba which the United States would consider either “strategic or border-line” (paragraph 11 of Washington’s telegram). Again, if the feeling of frustration in the preceding paragraph were to grow in the United States, we might just possibly be in a position to counsel restraint, should armed intervention be again considered, if we have previously shown an increased sympathy for the problem which the United States is facing.

9. Much of this, of course, is what I take to be self-interest and in my opinion it is worth considering whether we might not therefore broaden the definition of strategic materials and make a declaration supporting the Punta del Este condemnation of communism in Cuba. One other possibility occurs to me (I don’t consider destroyers to the Caribbean or travel restrictions as possibilities) and that is the granting by Canada of some financial aid to those Latin American countries which appear to be carrying out effective reforms, to supplement to a small degree Alliance for Progress assistance. I am convinced that development linked to reforms is the only effective answer to Castroism. To help modestly in development areas not touched by the Alliance (if it starts to function effectively) would show that, even though not



members of the O.A.S., we are sympathetic to the plight of the under-developed countries of this hemisphere. At the same time such a programme might help us, eventually, to expand our trade; at least we would be doing our part to try to achieve that stability on which our present trade depends.

G.C. LANGILLE

620.

DEA/4568-40

*L'ambassadeur au Brésil*  
*au sous-secrétaire d'État aux Affaires extérieures*  
*Ambassador in Brazil*  
*to Under-Secretary of State for External Affairs*

LETTER NO. 132  
CONFIDENTIAL

Rio de Janeiro, March 8, 1962

CANADA AND CUBA

Despite a few tendentious UPI reports in the press at the time of the Punta del Este Conference, and some indications of bad humour on the part of some of our American friends in their interpretation of Canada's policy in regard to Cuba, it remains that generally the press here has treated our position fairly in reporting it, and has even in some cases given it as an example of maturity in its editorials.

2. Even newspapers which lean to the fire and brimstone in regard to Cuba and to Brazilian policy in regard to Cuba, gave our rebuttal of the UPI articles a good report.

3. Two cases have come to my attention in recent times which exemplify the treatment of our position. On February 4 the *Estado de São Paulo*, which is not tender to the position taken by Brazil at the Punta del Este Conference and would have liked it to have been fully lined up with the United States position, reported on the imposition of the United States embargo on trade with Cuba. In its report from Washington under the byline of its correspondent James Minifie, the *Estado* had one section entitled "Canada's Position," which listed the rules applied by the Canadian Government in regard to Canadian trade with Cuba as made known by the Canadian Embassy in Washington: 1) that Canadian exports of arms, munitions and military equipment to Cuba had been prohibited for two years already; 2) that strategic materials were not being exported to Cuba; 3) that exports to Cuba of other products which could have a strategic importance were carefully watched and export licenses were required; and 4) that re-exports through Canada of United States-produced items had been prohibited since October 1960, when the United States had imposed restrictions on their trade with Cuba.

4. The liberal-minded *Jornal do Brasil*, which approved of the attitude taken by Brazil at Punta del Este and therefore looks for support abroad, had an editorial on March 2 commenting on a statement by Senator Gunnar Thorvaldson, which had already been reported in most papers.<sup>9</sup> It points out that Senator Thorvaldson is the President of the Conservative Association of Canada and a close collaborator of our Prime Minister. The Canadian position, comments the *Jornal*, is fully consistent. It is not a result of systematic opposition to United States ways; it stands on its own; it has majority support in Canada; and is not meant to show, obviously, any veiled sympathy with Castro's dictatorship. In one word, it is showing Canadian good sense. The same, the editorialist concludes, applies to Brazil. The Brazilian position does not mean ideological preferences or sympathies for a dictatorship. It means solely that Brazil does

<sup>9</sup> Voir/See "Canada-Cuba Trade Sanctioned by People, PC Says in Senate," *Globe and Mail*, February 28, 1962, p. 4.

not desire to burn its vessels, vessels which are required in a democratic way as much to reach as to leave an island (Cuba).

5. The Canadian position is at least understood by a majority of people here, even amongst those who oppose the Brazilian Government's attitude and would like Canada to show Brazil the way back to the United States fold. It is fully appreciated in Government circles and in the bourgeois liberal press, such as the *Jornal do Brasil* and the *Correio da Manhã*. We need not expect an unpleasant press unless a campaign were mounted by some of the United States agencies independently of or helped along by suggestions or unofficial releases from United States Government sources. In such a case the manoeuvre would be quickly noticed and we could count on sympathetic support from most quarters who retain a sympathy for the "underdog."

6. Many United States businessmen locally will continue to look askance at our position: one can understand their apprehensions and lack of understanding. I have, I regret to say, a little less patience with such as former Foreign Minister Horacio Lafer, – a good friend nevertheless – who already before I left on leave last December had expressed to me his regrets that Canada were not taking a harder line on Cuba, which would help tip the scales in this area. Mr. Lafer had not shown such intransigence when he was in the seat of responsibility (until January 30, 1961), although to his credit it must be admitted that his attitude was moving towards greater sternness in the months before he had to surrender his portfolio with the termination of the term of office of President Kubitschek. It will also be remembered that he was one of the four former Foreign Ministers who earlier this year signed a letter to the present Foreign Minister expressing their regrets at the present lack of firmness of the policy of Brazil towards Cuba (our letter no. 60 of January 29, 1962†).

JEAN CHAPDELAINÉ

621.

DEA/288-40

*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 8, 1962

RELATIONS WITH CUBA

As a result of the discussions in NATO and the talk between Mr. Rusk and Mr. Heeney in Washington in mid-February, ministers will undoubtedly wish to re-examine carefully our policy with respect to Cuba.

2. The implications of our relations with Cuba, particularly in terms of U.S.-Canada relations, are complicated and far-reaching. Our policy has frequently been misunderstood and occasionally distorted both at home and abroad.

3. To simplify the re-examination of our policy and to enable ministers to focus on what seem to us to be the key issues, the problem might be divided into four fundamental questions:

- (a) Has the Government been able to implement effectively its announced policy? Do we need to tighten up our procedures?
- (b) What response should we make to the U.S. approach in NATO?
- (c) Since the U.S. clearly has in mind that Canada should go farther than what has to date been proposed in NATO, what, if any, additional measures should Canada agree to undertake in co-operation with the United States?

(d) How can we explain and present our policy more effectively both to the public in Canada and abroad and to the United States administration?

(a) *Has the Government been able to implement effectively its announced policy?*

4. The policy of the Government has been to prohibit the shipment of arms and military items (whether of Canadian or foreign origin) to Cuba for over two years. Although a few minor items on the COCOM strategic list may have been exported to Cuba in the past year, at the moment, in practice, the Department of Trade and Commerce are not granting export licences to Cuba for any items on the COCOM list (whether of Canadian or foreign origin). Finally, in keeping with a long-standing practice with the United States, we do not permit the shipment to Cuba of any goods of purely U.S. origin which the United States itself would not export to Cuba.

5. We are assured by the departments concerned with the enforcement of our regulations that our control with respect to arms and strategic material has been effective in practice. It is always, of course, conceivable that there may be a few instances where U.S.-origin goods are slipping through, but the authorities are watching this possibility very closely. A dozen or so cases of attempted circumventions of these regulations have already been picked up by our people. Co-operation with the United States here is satisfactory, but we might show a willingness to examine procedures jointly to ensure that there is no evasion.

6. The embargo on trans-shipment of U.S.-origin goods, however, begs the question of how to define U.S.-origin. In the light of statements that we would not permit back-door evasion, it might be fair to assume that this embargo extended only to goods imported from the U.S. into Canada with the specific purpose of re-shipping them to Cuba. However, a number of so-called Canadian items which are being shipped to Cuba probably include a varying degree of U.S. content (as is in fact true of much of our export trade of manufactured items generally). In some cases this U.S. content may be very high. While, on the face of it, it might be possible to establish a percentage for U.S. content above which the item would be regarded as of U.S. origin for embargo purposes, such a step gives rise to difficult problems.

7. It could be represented that a policy related to a definition based on content was in fact a result of pressure by the U.S. Government or by U.S. parents on Canadian subsidiaries. It would open up generally the question of whether or not Canada was able to pursue an independent policy with respect to export trade, since so much of our normal exports contain a high proportion of U.S. content. In the circumstances, it would appear to us not desirable to establish a general content rule. It might, however, be desirable to prevent the re-export of not only goods which are entirely of U.S. origin but also of goods which for all intents and purposes were manufactured in the United States and then exposed to some simple form of packaging, labelling or processing in Canada with a view to avoiding control.

(b) *What response should we make to the U.S. approach in NATO?*

8. When Rostow appeared before the NATO Council, he asked the alliance to join in the following measures:<sup>10</sup>

- (i) Deny arms to Cuba and forbid trans-shipment of all items of U.S. origin;
- (ii) Apply COCOM regulations to Cuba;
- (iii) Report to NATO all credits extended to Cuba;
- (iv) Assess individually the meaning of all resolutions agreed at Punta del Este and adjust their trade policies accordingly;

<sup>10</sup> Voir/See W. Granger Blair, "U.S. Bids NATO End Trade in Strategic Goods with Cuba," *New York Times*, February 21, 1962, p. 4.

(v) Re-examine their trade policies with respect to the whole of Latin America. (This point was not elaborated on and is probably not as important in the present context as the previous four requests.)

9. From subsequent discussions it seems that the U.S. are going to concentrate on obtaining a NATO resolution that the alliance will apply the COCOM regulations to Cuba and therefore deny all arms and strategic materials to Cuba. The views expressed by other governments so far have shown little enthusiasm for such a decision, which the United States would probably wish to make public. The wisdom of NATO extending its operations to the Caribbean has been questioned and it is difficult to assess how much support in the last analysis the U.S. will be able to muster within NATO. At your instruction we have prepared a memorandum† seeking Cabinet's guidance for the discussions in NATO with respect to a resolution concerning applying COCOM controls to Cuba.

*(c) Since the U.S. clearly has in mind that Canada should go farther than what has to date been proposed in NATO, what, if any, additional measures should Canada agree to undertake in co-operation with the U.S.?*

10. It has become apparent as a result of the Rusk-Heeney talks and further conversations with U.S. officials that the United States really wishes Canada to join them in a quarantine of Castro. It is reasonable to think that they will follow up their limited success at Punta del Este by pressing their OAS partners to take steps in a similar direction. Although we are outside the OAS, the direct pressures on us may be even greater. During the meeting of the U.S.-Canada Parliamentary Group, the U.S. side, time after time, stressed that they were not interested in what we did with respect to one or another item in our trade. They maintained that the struggle with Castro was a question of principle on which they expected Canada to stand with them.

11. In recent talks with U.S. officials, they have suggested that appropriate measures for Canada to take would extend well beyond the application of COCOM controls. These might include:

- (i) Denying certain items of essentially Canadian origin to Cuba which, although not on the COCOM list, have a strategic significance to the Cuban economy;
- (ii) Make stronger and more critical statements about the Castro régime;
- (iii) Deny transit and landing rights for Cuban or Bloc aircraft enroute through Canada to Cuba;
- (iv) Join U.S. in preventing export of Cuban arms to Central America by, as Mr. Rusk suggested, possibly sending Canadian destroyers to the Caribbean;
- (v) Although not mentioned specifically by Mr. Rusk, there have been indications that the U.S. would like us to break diplomatic relations with Cuba and thereby deprive Castro of any semblance of respectability which he might derive through his contacts with us.

12. With the exception of the first and perhaps the second, all these proposals are very extreme. If we adopt some of these proposals but stop short of the furthest limit, there undoubtedly will be many critics in the United States and Latin America who will give us no credit for having moved at all. If we were to go the whole or most of the way with proposals such as these, we would no doubt be credited with having belatedly joined in, but some unfortunate results would undoubtedly be produced as well. A complete disruption would, of course, occur in our own relations with Cuba and probably the door would be closed for any effective contact in the future for as long as the Castro Government remains in power. Such a drastic change in position would probably be represented throughout Latin America as Canada "knuckling under" to U.S. pressure. The spreading of such an impression would not be in our own interest nor in the interest of the United States. Such a substantial shift in our policy could make the positions of such friendly Governments as those in Argentina, Brazil and Mexico

much more exposed and difficult. The OAS and the Alliance for Progress might suffer in the process.

13. Although the facts are not entirely clear, it is not impossible that U.S. economic pressure on Cuba may create chaos and destroy Castro's position. There is, however, little assurance that if Castro should come down, he would be replaced by a non-communist régime or one better disposed towards the United States.

14. If the United States intervened with force, they would probably find themselves supporting, as they have in so many parts of the world, a puppet régime which would have little appeal throughout the rest of Latin America. As long as Canada maintains the type of contacts we now have with Cuba, the existence of such links might conceivably lessen the possibility of such drastic action by the United States. This, however, to some extent will depend on how effectively we can present our case in Washington. It will also depend on presenting the facts to the public in both countries in such a way as to keep temperatures down; in particular, we cannot leave ourselves open to the charge of being insensitive to any real threat of Soviet-controlled communism in this hemisphere.

15. At the same time, in view of our interest in the orderly progress of Latin America, we should presumably help to keep the way clear for these nations to achieve changes in their own social and economic order, sometimes at revolutionary pace.

*(d) How can we explain and present our policy effectively both to the public in Canada and abroad and to the United States Administration?*

16. We now have before us an invitation to sit down and discuss with the United States fundamental relations with Cuba. To comment merely on the detail of various proposals put forward may avoid the fundamental question which Mr. Rusk has raised: Are we prepared to join the United States in an effort to weaken the Castro régime and to prevent the re-export of Castro's revolution to other parts of Latin America?

17. The single-mindedness of the United States to date has made it difficult to work with them on anything short of the latter promise. Nevertheless, if we take advantage of the United States' invitation to discuss these questions in a frank and co-operative manner, we would be obliged to question whether it would be desirable or possible to bring Castro down through external pressure and even if this were possible, whether a subsequent régime (and the repercussions elsewhere in the hemisphere) would be an improvement.

18. In essence, we would be questioning the fundamental wisdom of basic United States policies, both past and projected. This means that great skill would be required to avoid the impression that a small power was telling a major power how to run its affairs. Because of the particular relations between United States and Canada, we would also have to avoid the impression, particularly with the public, that our independence of view was based on a "plague on both your houses" view towards the Cold War. Finally, and perhaps most important, it would have to be clear that our policy was not calculated essentially as a mere demonstration of independence for its own sake regardless of the merits of the case.

19. If we are to engage in a frank discussion with the United States, we need to take to the conference table not only carefully-thought-out views on the points raised earlier in this memorandum but also new evidence that we were prepared to play a constructive role in hemispheric relations.

20. There are numerous ways in which the latter might be achieved. We should examine in advance any proposals which would demonstrate to both the United States Government and to the public everywhere that we were serious about decreasing tension in the Caribbean.

21. This might be done through an extension of our aid activities to other areas where Castroism may be threatening, e.g. British Guiana, West Indies. These areas have a

longstanding link with Canada and development aid from us would undoubtedly be well received. To the extent that we could demonstrate to the United States that we were taking an enlightened and effective interest in the future of these areas, we would be much better placed to refute any inference that Canada was insensitive to the dangers involved in the spread of communism through the Caribbean. A Colombo plan for aid to the Caribbean of the kind which we were considering some months ago could, by excluding Cuba, be a very effective and constructive form of "quarantine." It might in fact encourage a more moderate régime in Cuba, which might be forced by economic necessity and domestic opinion to seek entry into the Aid Programme. (In a sense, it could then be said that the aid being given by us to the Caribbean area outside Cuba represented earnings from our continuing trade with Cuba. Insofar as this trade in the future will have to be based largely on the dollar income received by Cubans working on the U.S. base at Guantanamo, it could also be said that to that extent our trade with Cuba and our aid to the West Indies would be absorbing for constructive purposes the dollars which the U.S. pretty well has to put into Cuba so long as it occupies Guantanamo. From all points of view our trade and aid activities should be welcomed by the United States.)

22. Another positive act which may be forced upon us in any event by our relations with Latin America would be a more active participation in the Alliance for Progress.

23. Finally, perhaps the most positive act in the eyes of both the United States and Latin America would be Canadian membership in the OAS. The Americans could maintain that we could take an independent view of the Cuban issue and the future developments in the Caribbean even if we were members of the OAS. To some extent this contention is borne out by the Punta del Este Conference where several Latin American countries appear to have held out against the most extreme U.S. requests. Some Latin American countries may think that Canada declines membership in the OAS simply to avoid being drawn into disputes which are likely to become more prevalent in the future where members of the OAS will have to stand up and be counted.

24. To summarize, I think it should be our objective to look towards a very careful presentation of our views to the United States. We should be able to point out that there is within the bounds of our existing policy room for an adequate degree of co-operation on trade controls. You might also consider that it would be possible for us to volunteer a well-publicized statement of support for the spirit of the Punta del Este resolutions even though not subscribing to them formally. In discussing steps that go beyond this, we would be obliged to question some of the basic premises of the United States. We would be better placed to do this if we had carefully worked out our policy in advance both with respect to membership in the OAS and to the provision of additional aid to the Caribbean.

25. Several months might be required for such a fundamental re-examination of our policy. Clearly, these may be issues of such importance that the Government may not wish to act before an election. It is vital, however, not to give the impression to the United States that we are delaying deliberately. In these circumstances and in the light of any discussions which you may have on this subject with Mr. Rusk in Geneva, you might wish to suggest technical consultations on the official level in advance of any thorough ministerial discussion. Arrangements might, for example, be made for a more thorough review of the intelligence picture as both we and they see it. A joint examination might take place of the scope for further co-operation with respect to trade controls, particularly regarding evasion of existing regulations but perhaps also with regard to the possible extension of our lists. There could also be closer and more forward-looking consultation, at both the technical and policy level on the role of economic aid in the Caribbean both for its own value and as a protection against the spread of Castroism (or perhaps even as an inducement to Cubans to seek closer links again with the West). In addition, consideration could be given to the kind of public statement which

might improve our appearance in the United States without losing the political advantages for ourselves and other Western countries in a continuation of relations with Cuba.

N.A. ROBERTSON

622.

DEA/4568-40

*L'ambassadeur au Venezuela  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 11

Caracas, March 10, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Let XL-43 Feb 22, our Tel 9 Mar 1. †

CANADIAN-CUBAN RELATIONS

As seen from Venezuela, Cuba poses a real and immediate threat to security and peaceful development of Americas. Their own proximity, ease of travel by legitimate or clandestine means, the turbulence of own extreme left which has become more violent and noisy as popular support for Fidelismo here has seemed to dwindle, explain Venezuela's concern and indeed contribution to their decision to break relations with Cuba last November. Since outbreak of terrorist activity here coinciding with second Punta del Este Conference, Government has been arresting known Venezuelan leftists who return from visits to Cuba. Yesterday Government communiqué announced discovery of guerrilla training camps in several mountain areas and arrest of 52 persons believed involved. The Venezuelan Government therefore has own good and sufficient reasons for its attitude towards Castro-Cuba, which it now fits into "Betancourt doctrine" of excluding from OAS regimes of usurpation i.e. governments not repeat not freely elected.

2. Nevertheless when I called on Foreign Minister earlier this week to present copies of my letters of credence Dr. Falcon indicated his complete understanding of Canadian position regarding Cuba and his appreciation of our willingness to continue our trade in non-strategic material. The moderate Socialists of government coalitions are not repeat not critical of our stand and opposition parties, generally farther to left, if moved to comment would probably applaud what they would regard as Canadian independence. The conservative and far right elements here currently have no repeat no party. Such criticisms as we have heard come in private conversations with members of this group and local American businessmen. Nor has Venezuelan press, some of which is centrist or inclined to the right, itself initiated any criticism of Canada's Cuban policy. Newspapers have from time to time reproduced the criticism of others. However to date we have not repeat not felt it necessary to issue locally any "defence" of Canadian policy.

3. It would seem therefore that in the terms of purely Venezuelan-Canadian relations and in present circumstances here Canada's Cuban policy is not repeat not a complicating factor. However the trend has been for government to move gradually closer to Washington lines and it may be forced to rely more heavily on support of the Venezuelan armed forces if Congressional situation deteriorates further. If a rightist dictatorship emerges here, a possibility which can never be completely ruled out, it would probably need no repeat no Washington urging to adopt a critical line toward Canada on Cuban issue.

[YVON] BEAULNE

623.

DEA/4568-40

*Le chargé d'affaires à l'ambassade en Uruguay  
au sous-secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires, Embassy in Uruguay,  
to Under-Secretary of State for External Affairs*

LETTER NO. 91

Montevideo, March 12, 1962

SECRET. CANADIAN EYES ONLY.

Reference: Mr. Bower's telegram 24 of March 2, 1962, from Montevideo.

## CANADIAN RELATIONS WITH CUBA

As suggested by Mr. Bower in his telegram under reference, the time has come to review our policy towards Cuba. Castro's public profession of Marxism-Leninism on December 1, 1961, the decision of the OAS Foreign Ministers at Punta del Este to exclude Cuba from the Inter-American System, and the rebuffs met by Cuba at the United Nations are all important factors which have a bearing on our position. Something must be done to counteract the impression that Canada has sympathy for Cuba or at best is neutral in the conflict which opposes her on the one side and the U.S. and Latin American Governments on the other. The failure of the larger Latin American countries to support at Punta del Este the exclusion of Cuba from the OAS did not stem from their sympathy for Castro but was due mainly to domestic political preoccupations as well as to their concern lest the decision to exclude Cuba would set a dangerous precedent which might threaten the sovereignty of the other member states and the solidarity of the OAS. Insofar as Uruguay is concerned, it has become obvious over the last few weeks that Canada's policy towards Cuba is misinterpreted, both by those who approve of it and those who are critical of it, and that some clarification and/or modification of our public stand is required.

2. The Cuban crisis has posed a conscience problem to all Latin Americans. Basically, the average Latin American is resentful of U.S. economic and political domination or supremacy. Even those who profess to be pro-Americans are not loath to criticize the U.S. on some of its policies when it suits them. There is therefore no wonder that the vast majority of Latin Americans hailed the Cuban revolution as the forerunner of a movement of economic and social emancipation which they hoped would sweep through all the other Latin American countries. However, the excesses of the Cuban revolution, such as the mass trials and executions staged by the Castrist forces, the curbing of freedom, particularly that of the press, gradually had the effect of dampening enthusiasm in the rest of Latin America. Castro's declaration of faith in Marxism-Leninism as the only means of bringing about the emancipation of Latin America came as a severe blow to those responsible elements outside Cuba who were still hoping that the Cuban revolution would return to a democratic form of Government. By falling [into] the lap of the Soviets, Castro has also shown the difficulty for Latin America to free itself from U.S. tutelage without running the risk of becoming a stooge of the Communist world. In fact, Castro's basic mistake, as suggested to me recently by the Bolivian Ambassador Siles Zuano (the former President of Bolivia), is not to have waged a Socialist revolution, but simply "to have changed the foreign masters of his country."

3. This leads us to the heart of the problem. The Communist leanings of the Castrist régime can no longer be ignored even by those who still believe that the Cuban revolution, at least in its original form, has set the pattern for economic and social reforms in Latin America. A choice has to be made. The Communists, of course, are more than ever supporters of Castro – even more so than at the beginning of the Cuban revolution. A good many Socialists and other



extreme leftists (at least in Uruguay) have become too compromised with the Castrist régime to backtrack. For others, "Yankee imperialism" remains the main threat and must be fought by all means. For the majority of former pro-Castrists, however, the choice is more difficult to make, if only because it appears to be a choice between Cuba and the U.S., or between the Cuban revolution and the U.S.-inspired Alliance for Progress Programme, in which they have little faith. It is for the latter group, which includes members of the left as well as of the right, that Canada's position towards Cuba assumes a particular importance. By making it quite clear that we disapprove of the Cuban régime as it has evolved and that we support the Alliance for Progress Programme as the only means of making orderly advances on the road to economic and social development, we could have a salutary influence on progressive elements throughout Latin America which are still hesitant. Such a reaffirmation of our policy would also reassure those conservative elements which may be in doubt as to where our sympathies lie in the Cuban issue. In either case, it would appear necessary to resolve our present differences with the U.S. on Cuba.

4. It is a matter for regret that some U.S. officials did not see fit to exert more restraint in their criticism of Canada's policy on trade with Cuba. Surely the Canadian Government, if only to preserve its reputation of independence in foreign affairs, had no alternative but to resist these undisguised attempts at dictating our policy. However, it seems that we should not allow these incidents to becloud the more important issues of our relations with the U.S. and the rest of Latin America, and of the security of the Western Hemisphere to which we belong. We must recognize that Cuba presents a different problem to us than Communist satellites in Europe. If it is admitted that Cuba, willingly or not, has become the spearhead of Communist infiltration in Latin America, we must accept the fact that it poses a more direct threat to us than, say, Czechoslovakia. And yet, we have never left anyone in doubt as to our opposition to the Czech Communist régime. The fact that we have been trading with the latter country has never been interpreted either as a sign of sympathy for its rulers. The situation is not so clear with respect to Cuba. Several Latin American countries, including Uruguay, have purposely refrained from trading with Cuba. Last year, for instance, Uruguay turned down a tempting offer by the Cuban Government to buy Uruguayan surplus rice in exchange for sugar, at a time when Uruguayan exporters were facing difficulties on the Canadian market because of the decision of the U.S. authorities to allow the export of U.S.-subsidized rice to Canada. While the average Uruguayan would probably not object to Canada's maintaining normal trade with Cuba, an attempt on our part to take advantage of the present situation to increase our sales to Cuba would certainly raise questions. One of the most important local newspapers, *El Día*, recently pointed out that Canada was the only NATO country which had actually increased its trade with Cuba. I am not in a position to confirm or deny this assertion, but if it proved to be true, we could expect further criticism. The Bolivian Ambassador, whose Government as you know is definitely of leftist tendencies and opposed to sanctions against the Cuban Government, told me quite frankly that Canada's trading policy with Cuba was slightly "mercantilist and opportunist." It seems, therefore, that we should pay more attention to the views of our Latin American friends on the question of trade with Cuba. This is not to suggest that we should stop trading with Cuba, but perhaps the time has come to be somewhat more selective in granting export permits and in controlling the volume of our Cuban trade.

5. It is recognized that if we wish to play a role in Latin America, we must preserve our independence from the U.S. We should also guard, however, against any expressions or appearances of sterile anti-Americanism, which could only provide comfort and encouragement to those irresponsible Latin American elements who are determined to bring about upheavals under the guise of anti-imperialism or Castrism. It seems that the best way of avoiding the pitfalls of pro-Americanism and anti-Americanism is to relate our policy on Cuba to the OAS decisions. One step which could be taken without involving us in any dispute with

the U.S. and/or Latin American Governments would be to endorse the OAS declaration of incompatibility of Communism and, by way of consequence, of the Cuban régime, with the Western Hemisphere democratic system and way of life. A second step might be to indicate our willingness to support or abide by any decision taken by the OAS member states to protect against Cuban subversive activities. Could we not, for example, offer to cooperate, outside the OAS framework, with the Security Committee which has just been set up as a result of a recommendation of the last Punta del Este Conference? There are no doubt other avenues which could be explored. The important thing is to give some tangible evidence of our solidarity with the OAS in its quest for economic and social development and also in its concern for the security of the Western Hemisphere. This we can do without seeking OAS membership and while maintaining normal diplomatic and trade relations with Cuba.

F.X. HOUDE

624.

DEA/4568-40

*L'ambassadeur au Brésil*  
*au sous-secrétaire d'État aux Affaires extérieures*  
*Ambassador in Brazil*  
*to Under-Secretary of State for External Affairs*

LETTER NO. 134

Rio de Janeiro, March 12, 1962

SECRET. CANADIAN EYES ONLY.

Reference: Washington's Telegram No. 515 to External

CUBA – MR. HEENEY'S TALK WITH SECRETARY OF STATE RUSK

In paragraph 11 of this telegram it is stated that "President Dorticós of Cuba had boasted (at Punta del Este, I gathered) that, while spare parts had been a problem, this was no longer so since 'a daily plane' now brought them to Cuba from Canada."

2. I was not able to see Lincoln Gordon, the United States Ambassador, until Saturday March 10 from the time of my return on February 23. Until that time he had been very busy with the negotiation of Aid Agreements, the complications of the expropriation of the IT&T subsidiary in Rio Grande do Sul and some travel to Brasilia and Bahia as well as his participation in carnival festivities. We had a long chat on Saturday morning, March 10 at the end of which, he had kept the bouquet for the end, he told me that he had this little story for me. We had been discussing Cuba and Punta del Este and he gave me the story in all amity and good humour. He nevertheless would like to know, he said, what I thought of it.

3. As you may remember President Dorticós wanted to meet with President Goulart en route down to Punta del Este. President Dorticós had to detour to finally meet up with President Goulart, very briefly, on the airstrip at Florianopolis, in the south of Brazil. On the plane which took Dorticós and company to Florianopolis, they were accompanied by the Parliamentary Under-Secretary at the Foreign Office, Renato Archer. According to the report which Gordon had had from Renato Archer, the atmosphere was not of the most cordial, and the conversation, to say the least, spasmodic on this trip. Dorticós had had to run around to see Goulart. One of Archer's gambits had been to ask how Cuba looked after itself for spare parts, to which the rejoinder had been, I could not be sure whether it was from Dorticós or one of his party, it was not Raúl Rao, who kept completely silent as he later did in Punta del Este, that while there had been a problem, this was no longer so ... etc.

4. Whether the boast was repeated publicly at Punta del Este or whether Secretary Rusk used Gordon's report, I do not know, I would be inclined to believe it was the latter.

5. Lincoln Gordon's inclination was to believe that the Cuban statement was a boast with very little foundation.

6. I repeated to him what our policy was, on exports to Cuba generally and on re-exports; and added that there would be required ingenuity beyond compare on the part of the Cubans to make good their boast. I concluded my statement in the same vein as Mr. Heeney did in the last paragraph of his telegram No. 15.

7. The above will clear up a point of history. You may think, however, that Washington deserves a factual rebuttal of the Dorticós boast. If one were given there, it would be useful if I were also apprised of the line you have taken in Washington. I would like to go back to Gordon on this, and if I could draw Renato Archer on it, I could also correct the impression which he may have carried from the Dorticós boast.

JEAN CHAPDELAINÉ

625.

DEA/4568-40

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

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

LETTER NO. 111

Buenos Aires, March 13, 1962

SECRET. CANADIAN EYES ONLY.

Reference: Your letter No. XL-57 of February 22.

CANADIAN RELATIONS WITH CUBA

Our telegram No. 24 of March 2, 1962, from Montevideo requires little elaboration. Canada's policy with respect to Cuba has not generally been a controversial issue in Latin America, whatever may have been the reactions in the United States. Judged from Buenos Aires, there appears to be waning sympathy for Castro throughout Latin America, – probably less marked in Brazil than elsewhere. This is partly due to Castro's now obvious and professed links with communism, and partly to a belief that the Alliance for Progress will succeed in improving conditions in the area more assuredly and *acceptably* than would be possible through closer links with the Iron Curtain countries. Punte del Este focussed attention on the unity of the area in its opposition to communism, and has led to a vague but nevertheless widespread inclination to face realities, – to admit that if a choice must be made between the U.S. and Cuba, the U.S. presents by far the sounder course. This is not to say that there are none left to write "Cuba Sí, Yanquis No" on the walls. It means that many who were sympathetic to Castro in the early days are that way no longer. This change in Latin America is similar to the one which took place in attitudes in the U.S. itself: the main difference is that it has come later here. In Argentina, for example, a pro-Castro line was largely responsible for the victory of the Socialist candidate Sr. Palacios in elections to the Senate in February 1961. Within six months, Palacios and the bulk of his followers were attacking Castro and all he stood for. During the recent Punte del Este Conference, a number of Argentine trade unions passed a resolution urging the government to take a firm stand against Cuba. Almost certainly these same unions would have backed him 18 months before.

2. While many who previously supported Castro, or were uncommitted, have swung against him, the attitudes of those traditionally opposed to him have hardened. This change has naturally produced a change in the reactions to Canadian policies, and tended to make them more critical of those aspects which "appear" to conflict with Argentine viewpoints.

3. It must be admitted that very few Argentines or Uruguayans really know what Canada's policy is towards Cuba. Nevertheless the impression is widespread that we are:

- (a) taking advantage of U.S.A./Cuban difficulties to increase our export trade;
- (b) if not supplying a full list of strategic materials, at least sending enough to seriously undermine U.S. efforts to contain the Communist threat represented by Cuba;
- (c) sympathetic towards Cuba in its differences with the U.S.A. – *and* with various Latin American countries as well.

4. It is true that these are false impressions, but this does not mean that they are not widely held. Dorticós' statement at Punta del Este that a regular air service between the two countries had solved an acute spare parts problem conjured up visions of the Berlin air lift. The Cuban Chargé d'Affaires here, as well as the one in Montevideo, congratulated our officers at both missions on Canada's enlightened trade policy, implying of course that it helped Cuba in its struggle against the U.S.A. Such statements seem to make much more impact (and to receive better press notice) than do our reiterations of the true Canadian policy. In our day-to-day contacts here, we encounter more criticism of the "supposed" Canadian position than we do praise, – perhaps understandable because we meet more people of centre or rightist persuasion. Such misunderstanding of the Canadian position is not doing us any harm in an economic sense in Argentina, – our trade is unlikely to suffer unless the situation gets a great deal worse. On the other hand, the "image" is not one we can be very proud of. We cannot say what the trade impact will be in other Latin American countries, but the chances are in favour of it doing us harm in the U.S. Rusk, if he didn't threaten reprisals, let it be known that public opinion in the U.S. might make them necessary. It is clear from press clippings that the average U.S. citizen misunderstands the Canadian position despite all our explanations, and resents what he believes to be the true situation. (I gather that Rusk himself doubts the effectiveness of our strategic controls.) Unless this U.S. attitude can be corrected, the consequences to Canadian trade interests in the U.S. could be very serious. For example, we have a privileged position in that market with respect to oil. This could easily be withdrawn if we should lose general sympathy in Congress because of what is generally thought to be an unhelpful policy on Cuba. Other interests of considerable importance could also suffer.

5. In their quarrel with the U.S. the Cubans can be expected to do all they can to exacerbate Canadian/U.S. relations. Similarly Cuba will do what it can to poison relations between Canada and those other American states that have taken the hard line against Cuba, – e.g. Venezuela, Peru, Colombia, etc. Those countries that feel themselves particularly threatened with Cuban Communism will be bound to resent any Canadian policy which they believe aids Cuban influence in the area. No doubt the same misunderstandings exist in these countries as in the U.S.A. with respect to Canada's Cuban policy. Because our relations with these countries are less intimate the consequences of any misunderstanding are not so serious but they could easily be worrying. These countries see a threat from Cuba which they do not sense from Russia, China, or any of the other Iron Curtain countries.

6. Our cable contained our thoughts on one line we might take. We said:

"Answer might be to announce that although not member of OAS we have no desire to do anything in the current situation which would have the effect of thwarting even in part the objectives of the majority of the members and that we would favourably consider taking whatever steps the majority took in matters relating to Cuba. This might require minor policy changes but would provide the gesture which the present situation appears to call for."

7. Such a statement would not materially affect our current policy, but should satisfy the bulk of the Latin Americans. The U.S. could hardly expect us to do more than their associates in the O.A.S. so that they too might be able to relax.

8. A notice in this morning's paper to the effect that food rationing is to be imposed on the Cuban people is complicating. It would be unfortunate in our long-term relations with Cuba if the impression were to be left that food shortages on the island were due in any part to Canadian economic pressure. However, as long as we allowed food and medicines to move freely the damage would be minimized.

R.P. BOWER

626.

DEA/4568-40

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

DESPATCH NO. 161

Mexico City, March 14, 1962

CONFIDENTIAL

Reference: Your letter XL-68 of February 22, 1962.

CANADA AND CUBA

This despatch is our reply to your request for comments on the general problem of Canadian relations with Cuba in the light of Mr. Rusk's remarks to our Ambassador in Washington, of the result of the Punta del Este meeting, and of Canada's general interests in Mexico. Since we had already reported on the Punta del Este Conference by cable and sent two despatches on the subject,† we did not reply by cable, as we felt these previous reports, in some measure at least, had dealt with the questions you raise.

*Mexican Estimate of the Cuban Threat*

2. As regards the Punta del Este Conference itself, we have nothing further to add to our description of Mexican policy bearing thereon. However, we have sounded the Foreign Ministry on its views on follow-up action to the Conference; and it is clear that whereas the Ministry agrees in some measure with the U.S. appreciation of the nature of the Cuban threat it differs sharply with the views advanced by Mr. Rusk, and by Mr. Rostow in Paris as to how the threat should be met.

3. The Mexicans are prepared to agree that Cuba represents a threat to the hemisphere along more or less the same lines described by Mr. Rostow, namely:

- (a) as an agent of Communist power;
- (b) as a rallying symbol for the Latin American left;
- (c) as a base for subversion.

Acting on the basis of this assessment, the Mexican Government is taking measures to prevent Cuban agents or Cuban propaganda from entering Mexico, and does not hesitate to harass those political groups in the country which admire and support Castro. Mexicans returning from Cuba are searched at the airport, and whatever literature they may have which is regarded as suspect, even though it may have nothing to do with Cuba, is liable to seizure. Demonstrations or meetings which may be planned by left-wing groups are not infrequently subjected to controlled limitation or even banned.

4. Internally, therefore, the Mexican Government is by no means timid in taking action against certain of the more overt forms of Cuban infiltration. It is still possible, however, to voice support of Cuba in the press, particularly in the periodical press. Speakers with pro-Cuban views are in frequent demand at the National University. Occasionally, they may be

heard on university radio programmes, although not on commercial broadcasts. Communist literature is available in bookstores even though publications of the Cuban government are not. Thus, in general, the Government is attempting to follow a policy mid-way between repression of left-wing opinion and activities stimulated by the Cuban example, or in some cases by Cuban agents, and complete freedom for Cuban supporters to publicize their beliefs. This is not a policy easy to implement, as the Mexican Communist party is quite legal, even though numerically small. Groups supporting Cuba, therefore, could hardly be banned if the party is not. Nor would it be easy to reconcile a more restrictive policy with the necessity of the Government's maintaining support from the left, or with the provisions of the Mexican Constitution.

*Mexican Aversion to "Intervention"*

5. This somewhat ambivalent attitude, to some extent at least, also affects Mexico's attitude toward her formal relations with Cuba. At Punta del Este, the Foreign Minister argued the incompatibility of a Marxist-Leninist Cuba with the inter-American system; nevertheless, Mexico's bilateral relations with Cuba continue on a normal basis in accordance with the Mexican creed that the kind of government which a country supports is its own business, and is of no concern to Mexico unless such government interferes in Mexico's internal affairs. Thus far, the Mexican Government apparently has found no reason to believe that intervention is taking place on a scale sufficiently significant to warrant modification of its formal relations with Cuba, even though, as already stated, it sometimes acts internally as though it believed that Cuba may represent a threat to Mexican political stability.

6. Exactly what constitutes intervention is, of course, one of the basic problems, but the Mexicans are more prepared to take a broader view on this aspect of the matter than some other Latin American countries because of their deeply-rooted devotion to the concept of non-intervention deriving from their history. Mexicans have suffered much from intervention and, despite their advocacy of the incompatibility thesis they fear that direct action against Cuba would establish a precedent which could be used against other countries including themselves in other circumstances in the future, with consequent undermining of the whole basis for peaceful co-existence in Latin America. On the other hand, if it could be proved that Cuba was committing actual physical aggression, as was demonstrated in the case of the Dominican Republic and Venezuela, then presumably Mexico would support more direct sanctions against Cuba.

7. Furthermore, on a purely pragmatic basis, the Mexican authorities feel strongly that policies aimed at economic strangulation of Cuba will not achieve the overthrow of the present Cuban government. On the contrary, they argue that such measures would tend to strengthen the Cuban Government's position, both in terms of domestic popular support and in support from other Communist countries, and would thus be counter-productive. They would argue that Cuba should be left alone, either because they do not believe the Cuban people will support a Communist form of government indefinitely, or because they think that Cuba, if left alone, ultimately would loosen its ties with the Soviet Bloc, and perhaps develop into a sort of western hemisphere Yugoslavia. Finally, many Mexicans are conscious of the parallel between the Cuban revolution and their own revolutionary experience, and they are by no means ready to write off the Cuban revolution as a failure.

*United States Appreciation and Policy*

8. All of the above is by way of background to consideration of Canadian relations with Cuba and their effect on our relations with the United States. If I correctly understand Mr. Rusk's views as reported by our Ambassador in Washington, the U.S. would characterize the Cuban development as being essentially and principally a conspiracy whose objective is the

subversion of the hemisphere, or at least of the Latin American parts of it, rather than as simply a domestic revolution seeking to replace an old order with a new one. The Secretary speaks of the “Battle for the Western Hemisphere,” asks us whether or not we accept the United States appreciation of the situation, and requests our views as to the best means of dealing with it.

9. He defines the aims of United States policy as not the overthrow of Castro (this I regard with some scepticism), but as:

- (a) The isolation of Cuba;
- (b) The denial to Cuba of the means to strengthen its economy, and thus prevent or limit Castro’s domestic success;
- (c) The denial to Cuba of the means of extending its influence and subversive activities to the rest of the continent;
- (d) Development of positive steps to demonstrate that Castro is not the answer to Latin America’s problems through implementation of such projects as the Alliance for Progress;
- (e) Enlistment of the cooperation of its allies in achieving these objectives on a multilateral basis.

10. To all this, the Secretary adds that Canada, as a western hemisphere country, has a special responsibility toward the Cuban problem, and that NATO countries generally should not regard Cuba merely as another Communist Bloc country, but as a special situation which constitutes a serious threat to the western hemisphere.

11. In general, I should think that one must agree with the U.S. appreciation of the seriousness of the threat if not with the appreciation of the fundamental reasons for the seriousness. There is substantial evidence to indicate that Cuba is attempting subversion in various parts of the continent. Moreover, there is no doubt that Castro has been a rallying symbol for the Latin American left, although lately the symbol may have lost some of its original bloom. Furthermore, to some extent at least, Cuba is functioning as a proselytizing agent of Communist power.

12. Nevertheless, I do not agree with the minimizing of the importance of the domestic aspects of the Cuban upheaval. It seems to me of cardinal importance to remember that the Cuban revolution is primarily and essentially an attempt to reconstitute a society which suffered from the political, economic and social ills common to many Latin American countries. One may condemn the methods used and oppose its current international orientation, but the essence of the threat, it seems to me, lies in the degree to which the movement succeeds in achieving its internal objectives and in establishing itself as an example to other Latin American peoples in search of release from conditions of life which they regard as intolerable.

13. One agrees with, of course – and welcomes – the Secretary’s assessment that Cuba does not constitute a direct military threat to the United States (and *ipso facto* to Canada). It is reassuring, moreover, to note that he dismisses military action against Cuba as a possible solution on the ground that it would be costly and would be “unsatisfactory” in many ways. The adjective I would apply to this solution would be “disastrous,” both in terms of its effects on United States relations with Latin America and with the non-committed countries, and, to a lesser degree, even with her allies.

#### *The Policy of Isolation*

14. Coming now to the first three objectives of American policy, enumerated in Paragraph (9) above, namely, isolation of Cuba – and by this I take it that the Secretary means isolation achieved by positive rather than passive means – and the denial to the revolution of the means to internal success and external subversion, I would be inclined to question the feasibility of isolation as a road to these ends. It is a self-evident fact that, short of military measures which

are admittedly unacceptable, the United States has not the power to isolate Cuba from the Communist world; and I would doubt whether it has the power to isolate it from the non-committed world. Furthermore, unless it succeeds in convincing its NATO allies of the soundness of its current tactic, there is doubt as to whether it can isolate Cuba from significant areas of the Western world.

15. At the moment, there is an obvious disposition on the part of some Latin American countries to follow the U.S. line, but I would question whether or not even this measure of support is likely to continue on a long-term basis. Prospects are that we shall have more upheavals in Latin America like that of Cuba, or at least that governments which represent the aspirations of the people for social justice and a higher standard of living will come to power. Such governments would be unlikely to go along with the policy of isolating Cuba for, whether or not they agreed with the forms and methods of the Cuban revolution, they would inevitably be sympathetic toward its basic objectives.

16. Moreover, I am inclined to agree with the Mexican view that it would not be wise to seek to isolate Cuba by positive means even if this were feasible. We cannot be at all sure that such a policy would lead to a new revolution in Cuba. It would not cure the Cuban "infection" in Latin America, for the very fact that the Cuban revolution has happened is what "infects." Indeed, the spectacle of continuing Cuban resistance to continuing American pressure might well tend to increase Cuba's prestige and her power to influence the rest of the Americas.

17. I would argue, moreover, that it is a somewhat naïve view of the politics of Latin America to assume that the cutting off of Cuban efforts at subversion in Latin America will substantially increase the prospects for political and social stability in the region. I would contend that, not subversion, but the conditions of life of the mass of the people and the reluctance of entrenched power groups to accept peaceful change are the primary factors behind the drive toward reform and revolt.

#### *Constructive Counter-Measures*

18. If this view is valid, then it would seem to me the prime emphasis should be placed on the fourth and fifth objectives of U.S. policy enumerated in Paragraph (9) above, namely, on measures to meet the social and economic needs, and to satisfy the political aspirations, of the Latin American peoples, together with enlistment of the cooperation of the allies of the United States in achieving these objectives on a multilateral basis. This, of course, is an enormous undertaking, fraught with innumerable difficulties, but if it is not accomplished – Cuban subversion or no Cuban subversion – the consequences are likely to be seriously adverse to the interests of the Western world. In other words, I would argue that our tactic should be one of seeking to align ourselves with the forces of change in Latin America and trying to direct their expression along channels which would achieve consequences more or less acceptable to us. This approach may well fall short of complete success but any other it seems to me, is certain to fail. And frankly, I feel strongly that Canada, not only as a western hemisphere country but as a member of the Western Alliance, should be participating in this enterprise to a much greater extent than is at present the case.

19. Meanwhile, one asks, what should we be doing about current relations with Cuba? Here, I would be inclined to go along with the Mexican view and argue that for the time being at least, we should maintain a patient but watchful attitude toward events in Cuba itself, while at the same time seeking to counteract attempts at Cuban subversion in the rest of the hemisphere by encouraging constructive counter-measures by the West in the countries, towards which such subversion is directed. In other words, our offensive should be marshalled at the point of attack, not at the point of origin. This tactic may run counter to accepted military doctrine but this is not a military problem and it would seem to me to be sound psychology to concentrate



our offensive on the areas where the issue remains to be resolved rather than on an area where, for the time being at least, it has been resolved.

### *Trade Policy*

20. I would also urge the desirability of some elements of the West keeping open lines of political and commercial communications with Cuba; although in the case of Canada, I would agree that in seeking to follow this policy we should consider the susceptibilities of the U.S. Government and its problems with U.S. public opinion.

21. I do not believe we should embargo all trade with Cuba; in fact, if I understand Mr. Rusk correctly, he is for the time being at least not asking that we should do this. I do think, however, that we should try to reach an understanding with the U.S. as to what items should be included in the strategic list, and that where there is doubt as to individual items, we might go so far as to lean towards the U.S. view. I also think that we should make certain there is no evasion of our prohibition of re-exports of U.S. goods to Cuba. There should be no possibility of doubt on this aspect of the matter. Further than this, while maintaining our position on the desirability of keeping open some channels to Cuba, we might wish to consider taking such administrative measures as might tend to limit our trade with Cuba more or less to its traditional components and dimensions. I realize this could well present administrative difficulties, and that to a great extent the success or failure of such a manoeuvre would depend on its presentational handling; nevertheless, the price might be a reasonable one if it alleviated tension with the United States while at the same time enabling us to maintain our basic policy line.

22. I should perhaps add that Canadian official statements on our Cuban trade policy have received some publicity here, but that so far we have seen no adverse published comment; rather, the opposite. On the other hand, we would not be surprised to see or hear criticism in those quarters which habitually take a strong anti-Castro line, chiefly the business community and the Church, and during the past month I myself have encountered such criticism in a few individual instances.

### *Conclusion*

23. I would conclude from the above that, barring overt aggressive action by Cuba against the territory of some other Latin American state, it is in Canada's general interest not to alter substantially our present relations with Cuba, although as mentioned we might take a careful look at certain items in our trade. For Canada to align her policies on Cuba with those of the United States, although it might please a number of Latin American countries, would not be welcome here. Mexico rather looks upon Canada as a hemispheric ally despite our hesitations about involvement in the affairs of Latin America, and they attach importance to our capacity for exercising some influence on American policy. United States views on such matters must, of course, weigh more heavily with us than those of Mexico. But the fact that Mexico's views are shared by other important countries in Latin America and the probability that the forces of social change will triumph sooner or later throughout Latin America are also factors to which, I would argue, we should give careful thought.

W.A. IRWIN

627.

DEA/4568-40

*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*

SECRET. PERSONAL.

Washington, March 22, 1962

Dear Norman [Robertson],

Thank you for sending me with your letter of March 13<sup>†</sup> a copy of the memorandum on relations with Cuba which was put to the Minister before his departure for Geneva.

I am attaching, in response, a memorandum of our comments thereon. You will observe that I concur heartily in the final recommendations for early joint consultations with the United States and for the long-term study of the situation "in depth." At the same time, I have a number of comments from the Washington point-of-view.

We will look forward eagerly to the decisions that may be taken.

Yours sincerely,

ARNOLD [HEENEY]

[PIÈCE JOINTE/ENCLOSURE]

*Note de l'ambassadeur aux États-Unis*  
*Memorandum by Ambassador in United States*

SECRET

Washington, March 22, 1962

CANADA'S RELATIONS WITH CUBA: THE VIEW FROM WASHINGTON

The re-examination of our policy to which the Departmental memorandum on Cuban policy of March 8, 1962, is directed, and which will necessarily require the careful consideration of Ministers, is essentially what I had in mind in following up the report of my discussion with the Secretary (our Telegram No. 515 of February 19) by my message No. 627 of March 1. The memorandum itself provides a useful basis on which such a re-examination can be conducted. As it, rightly, points out, such a re-examination will take a considerable time. It must necessarily include not merely a study of our present trade policies and their administration but also the important substantive political aspects of the problem posed by a Communist Cuba in the Western Hemisphere and how best to deal with it. I agree, therefore, as the memorandum concludes, that, with this in mind, it would be valuable for us to participate in preliminary exchanges of view at the official level with the Americans.

Accordingly, I agree heartily with the final recommendations of your memorandum for early joint consultations with the U.S. and for the longer-term study of the situation in depth (paras. 24 and 25). At the same time, you will not take it amiss if I make a number of specific and critical comments on various points raised in the body of the memorandum:

*Paragraph 9:* I am glad to note that the guidance of Ministers is being sought with respect to the discussions in a NATO context in the possible application of COCOM controls to Cuba. While such action would not involve any substantial modification in our own policy, I believe it is true to say that the Americans attach considerable importance to action by NATO governments to deny arms and strategic materials to Cuba. For geographic and other reasons, they regard Canada as having a special concern with this problem.

*Paragraph 10:* It is not accurate to suggest on the basis of my talk with the Secretary (I realize there have been other conversations with United States officials in Ottawa as well as here) that the United States “really wishes Canada to join in a quarantine of Castro.”<sup>11</sup> Rusk did not say this in terms, nor did he imply it; in fact, he took care not to do either. The opinions expressed by United States Congressional leaders during the meeting of the U.S.-Canada Parliamentary Group are something else again; our concern here is with the U.S. Administration.

*Paragraph 11:* None of these points ((i) to (v)) were raised as requests to us by the Secretary. Indeed, Rusk was meticulous in avoiding any request other than that we review the position ourselves in its broadest aspects and as a nation in the hemisphere. Nor has any U.S. official ever raised with me the question of our continued diplomatic relations with Cuba. If these points have been put to us in the way suggested in the memorandum, it must have been in talks (presumably in Ottawa) with “other U.S. officials.”

*Paragraphs 12 - 15:* The problems with which this section of the memorandum deals are, of course, of great importance in the review that is contemplated. I am sure that the Department will want to give careful study to the various reports which are coming in from our missions in Latin America in response to the Department’s request of February 22 for comments on the Secretary of State’s discussion with me. We have not yet seen all of these messages here. I think it fair to say, however, on the basis of those we have seen that there is a good deal of support among our colleagues in Latin America for a more positive emphasis in Canadian policy vis-à-vis Cuba. A number of our missions share our view here (again, our message of March 1) that a clear public statement of the Canadian position, including not only our trade measures but also our attitude with regard to Communist penetration in the hemisphere, would be useful at this time.

United States policy is not based on the assumption that economic pressure on Cuba will destroy Castro, or “bring him down” (para. 13 and the reference in para. 17), but rather that it will help to prevent the Castro régime’s gaining strength at home and abroad. It is directed at reducing the capacity of the régime to engage effectively in subversion in the Caribbean area and elsewhere in Latin America. The Americans may wish that we would adopt the same policy and measures; no doubt they do. But, apart from the requests put forward in NATO, decisions have been and are left to us.

*Paragraphs 16 - 25:* The latter part of the memorandum is, I think, particularly helpful and constructive. Our trade arrangements with Cuba cannot and should not be isolated from the broader perspective of our role in Latin America as a whole. It is in this area, I believe, that a fruitful exchange of views could take place. The memorandum makes some useful and positive suggestions about action that might be taken to put the Cuban problem in its proper framework. These include consideration of our current aid measures in the area and, in some form, closer relations with hemispheric institutions. I am not sure that aid to the Commonwealth Caribbean countries alone would have much impact in terms of our relations with Latin America. There are, however, a number of other measures – our membership with ECLA, our export finance facilities which are being used considerably in Latin America, and trade missions in the area as a whole – all of which could profitably be brought out in any new statement of policy as evidence of the importance we attach to the principles of the Alliance for Progress.

Perhaps of greatest importance in any review of the situation would be a thorough-going re-assessment of our own relationship to the inter-American system.

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<sup>11</sup> Note marginale :/Marginal note:

This reflected particularly comments by Merchant and Achilles. A.E. R[itchie]

From the two Punta del Este meetings a number of general conclusions can, I think, be drawn:

- (i) The OAS role in hemispheric affairs has been enhanced and strengthened;
- (ii) The OAS is the chosen instrument for implementing the Alliance for Progress to strengthen the base of democratic societies in Latin America by economic means;
- (iii) Economic and social problems facing the Latin American Republics have taken on new urgency against the backdrop of Communist subversion based on Cuba and fed by Castro;
- (iv) Failure in the cooperative effort to improve the living standards in Latin America could result in the division of the hemisphere with grave political consequences for the North American countries.

In fact, there are grounds for concluding that the OAS is gaining vitality, not only on the economic side but also as a more effective political and security entity. Such developments are of significance to Canada.

So far, we have had well-founded misgivings about joining the Organization. We have been reluctant to get involved in the political turmoil which often prevails in Latin American countries. We have recoiled from the prospect of being wedged between the United States and the Latin American countries. We have also feared that participation in the OAS might cause undue strain upon our resources.

Be that as it may, I am inclined to believe that, sooner or later, mainly because of geography, but also because of our broader world interests, Canada will have to join the OAS or accept increasing criticism from the Latin American countries. At this crucial time when they are confronted with the threat of Communist subversion and economic instability, I believe that a gesture of solidarity on our part could be of considerable importance. Quite apart from views of the United States, there is reason to believe that the Latin Americans feel disappointed and mystified at Canada's unwillingness to join the Organization and to take a more active part in the problems of the hemisphere.

My own hope is that there will be a thorough and serious re-examination of our relationships to the hemisphere and to the OAS in particular. It will, I believe, be more and more difficult for us to postpone a decision on membership, and the later it is taken, the more likelihood there will be that our decision will have to be taken under pressure.

Finally, when our review is completed, careful attention should be given to the public presentation of our position both in the United States and elsewhere, particularly in the hemisphere. At the level of public, including Congressional, opinion in this country, the Cuban problem is an extremely serious one in terms of Canadian-U.S. relations. While our first attention should be devoted to developing an adequate response to the Administration's suggestions for consultation, we should follow up actively the related question of measures to ensure so far as possible that our position is not intentionally or unintentionally distorted, but is understood as widely as possible. In this last connection we should, I believe, put our attitude and policy with respect to Cuba in the broad context of our interest in, and concern for, the problems facing Central and South America and the Caribbean area.

A.D.P. H[EENEY]

628.

DEA/4568-40

*Note du chef de la Direction de l'Amérique latine  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Latin American Division,  
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], March 23, 1962

## CANADA – CUBA RELATIONS

As you know, most of our missions in Latin America were requested to send in their views on the question of Canada's relations with Cuba in the light of the Rusk-Heenev interview of February 16, 1962, the results of the Second Punta del Este Conference and of Canada's general interest in the country to which they are accredited.

2. Our missions generally recognize the validity of Mr. Rusk's contention that Cuba is a threat to the security of the Hemisphere, to the stability of Latin American governments and to the peaceful development of the area. The majority point out that the danger comes on the one hand from the exemplary value of the Cuban experiment and on the other from the subversive activities orchestrated from Havana.

3. It would appear that Canada's policy of maintaining diplomatic relations and trading in non-strategic goods with Cuba has not led to misinterpretations in the more important countries of Latin America. In particular, the policies of Brazil, Mexico and Chile are practically identical to those pursued by Canada vis-à-vis Cuba. The independent stand of Canada is also generally approved by Venezuelans and understood by the Venezuelan Government in spite of their own particular grievances against Castro. However, Canada's treatment of Cuba appears to be widely misunderstood in those Latin American countries which adopted a hard line against Cuba at Punta del Este, last January: Peru, Colombia and the Central American states. These countries seem to equate trading with Cuba with political support of the régime, or more generally with indifference to other than purely mercantile considerations.

4. None of our missions suggests that substantial changes are needed in Canada's current policy. Nevertheless, considering the general context of our relations with the United States and the recent approach of the State Department, most missions recommend that Canada should go some way towards meeting Mr. Rusk's suggestion that we should review our Cuban policy.

5. The majority emphasize the need for a clear-cut statement of Canadian policy designed to remove current misunderstanding (such a statement should contain a strong censure of Cuba). In general, practical recommendations are limited to a possible broadening of the list of strategic exports to Cuba. Two missions specify that this broadening should be in the direction of spare parts or manufactured goods, the lack of which is particularly damaging to the Cuban industry.

6. Our missions in Rio de Janeiro, Santiago and Lima refer specifically to economic and social progress as the most effective answer to Castroism or Communism in the Hemisphere, and recognize the merits of the Alliance for Progress in this connection. They suggest that even though she is not a member of the OAS, Canada should contribute aid to Latin America through the Alliance for Progress programme or through other aid media such as the Inter-American Development Bank. Mr. Tremblay suggests that a substantial contribution to the latter would constitute the simplest and most effective demonstration of our "fundamental solidarity" with other countries of this Hemisphere despite differences of view on trade with Cuba.

7. To sum up, Canada need not introduce major changes in her Cuban policy. However, it is generally felt that some gesture on our part is required if we care to avoid further antagonizing the United States, and that a shift of emphasis is indicated if we wish to correct the impression created in many Latin American circles that Canada is moved principally by mercantile considerations.<sup>12</sup>

J.R.B. CHAPUT

629.

DEA/2444-40

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

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

RESTRICTED

[Ottawa], March 23, 1962

U.S. CONTROLS ON IMPORTS WITH HIGH CUBAN CONTENT

Mr. Willis Armstrong of the United States Embassy told me at noon to-day that the U.S. government will be announcing to-morrow a ban on imports into the United States of goods from third countries which have a very substantial Cuban content. He was not certain of the proportion of Cuban content which would bring any product under the ban. His understanding was that the main items affected would probably be cigars and tinned pineapple.

2. Mr. Armstrong indicated that this action would be taken under the Trading with the Enemy Act. It would not, however, involve any attempt to apply controls to activities of U.S. subsidiaries or U.S. nationals abroad. While the legislative authority was the same as that for the Foreign Assets Control Regulations, the United States Government was not in fact taking this action under those regulations. The new decision would only affect goods which were being imported into the United States.

3. Mr. Armstrong emphasized that there is no intention of interfering in anybody else's affairs; all that was being sought was an effective method of preventing evasion of the United States embargo on direct imports from Cuba.

A.E. R[ITCHIE]

630.

DEA/4568-40

*L'ambassadeur au Cuba  
au chef de la Direction de l'Amérique latine*

*Ambassador in Cuba  
to Head, Latin American Division*

PERSONAL AND CONFIDENTIAL.

Havana, May 17, 1962

Dear Alfred [Pick],

I wanted to drop you a line to send you my very best wishes on your new appointment. It is certainly good to know that Latin American affairs will be in such capable hands, and I personally look forward to renewing our former association.

<sup>12</sup> Note marginale :/Marginal note:  
Seen by SSEA 31/3. R. C[ampbell]

Over the past year I have followed with interest your many reports analyzing events in Peru, as well as the accounts of your visits to Bolivia. From your valedictory despatch† I gather you are leaving Lima with some concern as to the course of future developments.

It may perhaps be useful to take this occasion to mention one or two matters related to the operation of this mission. The first point on which I should like to say a word or two is that of Canadian policy towards Cuba. When I was first posted to Havana last summer I had hoped to get some sort of policy statement from the Department on this subject. For various reasons this did not prove possible at the time, and it was therefore my hope that this gap would be filled when my Letter of Instructions was sent down. However, I gather that this document has also encountered certain roadblocks. After almost a year in Havana the Letter is no longer as essential as it first was, but a guidance memorandum on Canadian policy towards Cuba would still be most useful.

Admittedly one can glean something from ministerial statements, and clues as to the trend of thinking in the Department also appear in various official papers. This, however, does not fully satisfy our needs here, particularly as our policy has at times appeared from this vantage point to be somewhat ambiguous, and in any event the situation here has undergone a change. It would therefore be of great value to have some clear indication of the lines of our present policy thinking, even if only informally. This would help in such matters as judging what attitude to adopt when aspects of Canadian policy come up in discussions with Cuban officials, in shaping our reaction to Cuban policies, as well as deciding what public functions to attend here, which increasingly are employed by the Cubans as a propaganda forum directed against not only the United States and other "imperialist" powers but against the West in general.

I fully appreciate the difficulty of doing anything on this score during the next month, but would be grateful if you could bear it in mind for later in the summer. If you should find it possible even on a personal basis to give me an outline of how you see current Canadian policy towards Cuba and the relationship of the inevitable American shadow to this question, this would be extremely helpful.

While on this subject I was also wondering if the mission could in future receive more Departmental papers dealing with Cuba than we have been getting in the past. We have, for example, seen no Departmental memo on the results of the survey of our posts conducted following the Heeney-Rusk talks. I realize that in many cases memos going up to the Under-Secretary and/or to the Minister may be of a tentative nature or may not always crystallize fully, but it would nevertheless be useful to see these as an indication of the trend of Departmental thinking. If you prefer, I would be very happy to get such material on a "read and destroy" basis only so that it would not form any permanent part of the mission's files. Anything you feel you can do in this regard will, I assure you, be most welcome since I have at times in the past felt a little out of touch in this field.

You may perhaps have already heard from Supplies and Properties or Defence Liaison (2) that we are anxious to find new chancery premises. Our present location is not only very inadequate from a security standpoint but, like so many facilities in Cuba today, the building in which our offices are located has sadly deteriorated and it is no longer very suitable for a mission for a variety of reasons, and would be particularly vulnerable if we had to face another emergency situation again. We have a house in mind but have not yet succeeded in prying it loose from the Cuban authorities.

Finally, let me say that I should be only too happy to hear from you at any time if there is a particular aspect of the Cuban scene on which you feel the need for additional information. We naturally try to cover the waterfront within the limit of our capacities but may not always be cognizant of the special requirements of the moment.

I trust you found your charming home in Rockcliffe had been well looked after in your absence and are getting well settled into the pleasures of Ottawa life again. Lola joins me in sending Patricia and yourself our very best wishes.

Yours sincerely,

GEORGE P. KIDD

631.

DEA/4470-A-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. 401

Havana, August 16, 1962

SECRET

SOVIET MILITARY AND ECONOMIC ADVISERS FOR CUBA

In recent weeks there have been widespread rumours in Havana that Soviet troops have been landed in Cuba. These rumours were picked up by the United States and Canadian press. As you know, a State Department spokesman has said that a large number of Soviet experts, both military and economic, have been brought to Cuba during the past three weeks on five Soviet ships, but that the story of the landing of 4,500 soldiers appeared to be without foundation. The U.S. keeps a watch on shipping to Cuba and a specially equipped radar vessel was visible off Havana at the time the Soviet ships were arriving.

2. For its part, the Havana press reported that a large group of experts of "different levels" who will work in the various branches of the national economy arrived here on August 6 aboard the *Admiral Najinov*. They were greeted by Che Guevara and Carlos Rafael Rodríguez. A number of local reports suggest that in addition to those who came ashore openly, others may have been brought in surreptitiously at Havana itself, Mariel, Matanzas and Casilda, which is the port of Trinidad on the south coast of Cuba. Rumour also has it that 100 men, taken from a Soviet ship on the high seas, were brought into Bahia Honda at night on two small pleasure cruisers.

3. There are various stories that non-Cuban soldiers have been seen; seven groups of twenty-five men at the base near La Coloma; twenty trucks filled with troops on August 6 at Guanito near Pinar del Rio; a column of tanks and vehicles with Russian drivers on a highway leading from Mariel and Russian manned tanks participating in military manoeuvres near Trinidad. Another claimed that there were movements of tanks and artillery, starting on the 7th of August, at the San Julien Air Base near Las Martinas and that a number of Orientals were seen. The Torrens Reformatory School, near Havana, was cleared out about a month ago and turned over to the armed forces. A member of the Embassy drove by and saw a number of young men in blue shorts who did not appear to be particularly Cuban in appearance. He noticed no Negroes amongst them, but he saw at least one man who was undoubtedly Slavic. The area was guarded by Cuban soldiers and there are known to be Cuban troops stationed in the neighbourhood. The Reformatory had extensive sleeping accommodation but, nonetheless, a number of small tents had been put up.

4. We usually try to avoid wasting our time and yours in reporting unsubstantiated rumours. In the present case, however, the rumours have been both more wide-spread and more specific than usual and in some instances we have received accounts alleged to be first hand. Indeed some claim that the rumours were initiated by government sources. Like the State Department,



I discount the more far-fetched rumours; for example, that there are now 18,000 international volunteers on the island including a large contingent of North Koreans or that actual Soviet units are in the country. It seems reasonable to assume, however, that a fair number of Soviet military advisers are now working with the Cuban armed forces.

5. Given the local situation it would be a perfectly plausible development. It stands to reason that the armed forces are in as much need of technical advice as other sections of the Cuban community. If it is necessary to teach Cubans how to care for Russian tractors, the same must hold true for tanks, artillery or helicopters. Indeed, the need may be greater because the Cuban army was completely rebuilt from guerrilla forces and new recruits and as a result lacks officers and technicians fully trained to use modern equipment. It has been the local assumption that at least a few Russian and Czech advisers have been helping the Cuban armed forces for some time. It is likely that the number has now been increased and may possibly include experts in some special fields such as paratroop training. I would think that the Russians would view this as strictly a question of providing military advisers rather than stationing troops in Cuba, but if the number of advisers were to reach a certain point, there might be little difference between the two.

6. All this appears to be a part of a general stepping-up of technical assistance to Cuba. The Russians are training a group of young Cubans, who recently graduated from a fishery school, aboard five Soviet fishing vessels which are to be turned over to the Cubans when they have mastered the necessary techniques. Over 1,000 Cubans are to go to the Soviet Union for training in agriculture, farm management, and the operation and maintenance of farm machinery. This is more than went last year and they are being selected with greater care. They are to be sent over on the ships bringing in the Soviet experts. A new group of Soviet agricultural specialists are thought to be included amongst the experts that have just arrived. More Soviet technicians are apparently on the way. It was announced from Moscow this week that doctors, musicians, singers and dancers, as well as 100 Russian language professors, are to be sent here as teachers.

7. The flight of the Cuban middle-class and the earlier departure of American and other foreign residents has deprived Cuba of a large part of its educated, trained manpower. Soviet technical assistance is desperately needed to fill this gap. From the Soviet point of view it may be the easiest kind of assistance to provide for there may well be a greater supply of agricultural experts than agriculture produce available for export. Moreover, there is no point in sending tractors or tanks if the Cubans are going to break them after only a few months of use. It remains to be seen whether the Soviet experts can deal successfully with the technical and human problems they will run up against. Past experience would point to limited rather than complete success, for the Cuban is not psychologically disposed to view the Russians as the repository of all technical know-how and often does not take too readily to advice and direction from foreigners. In any event, it would seem that the Soviet Union is launching a greater effort both in a military and an economic field to provide the Castro government with the skills necessary for survival. I will send a further report on the latest developments in the technical assistance field when more information becomes available.

GEORGE P. KIDD

632.

DEA/4470-40

*L'ambassadeur au Cuba  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 172

Havana, September 13, 1962

CONFIDENTIAL. OPIMMEDIATE.

## CUBA AND USSR

This week's Soviet declaration on Cuba<sup>13</sup> came at a time when Cuban leaders were showing some signs of nervousness at strong reaction in USA over presence of Soviet military personnel in Caribbean. With limited additional Soviet military assistance predictably provoking rather than deterring USA, the Cubans were right to press USSR for a statement of support. The Castro régime knows value of USA enmity for rousing patriotic fervor but it prefers for this purpose a paper tiger, not repeat not a live one.

2. The declaration has been enthusiastically welcomed by Cuban press with one paper featuring it in a full page headline "Khrushchev to Kennedy, Rockets on USA if it Invades Cuba." Raúl Castro has commented that Cuba has no repeat no words with which to express its gratitude to USSR. Fidel Castro, however in a fiery address delivered just before declaration was released in Moscow spoke at length of threats of a USA invasion and of Cuba willing to die in resisting it but he avoided any mention of Soviet assistance in such an eventuality. Indeed he presented issue as a moral one, of a small country wishing to work out its revolution in peace which was menaced by a forceful and voracious aggressor. Perhaps he had been bluntly told that USSR would make its own statements with regard to any aid which it intended to provide or perhaps he recognized risk inherent in Cuba becoming just another Cold War question.

3. While Soviet declaration is designed for maximum propaganda advantage it would also seem to represent a new stage in Cuban-Soviet relationship. Following on the heels of recent accord signed in Moscow earlier, it represents deepest Soviet commitment yet made to Castro régime. Moreover Cuba has been placed more prominently in (group corrupt) East-West differences to be dealt with in the same context as Berlin and disarmament. Soviet prestige has also become almost as much bound with success of Cuban Communism as USA prestige with its failure. Whether or not the USSR would make good on its threat it might feel impelled to take retaliatory action of some kind in an invasion of Cuba.

4. If USSR is really accepting increased responsibilities for Cuban defence it would not repeat not be unreasonable to assume it would insist on exercising greater control over Cuban policy and centre of gravity for major Cuban policy decisions may shift even further from Havana to Moscow. It would be intolerable for USSR to be at mercy of unpredictable act of a small undisciplined ally. I doubt however that control can be fully exercised without creating friction.

5. Despite all verbal sounds and fury both USSR and Cuba seem to be proceeding in fact with some caution and to have taken note of President Kennedy's warnings. The Soviet's declaration specifically states that long-range missiles will not repeat not be installed in Cuba and Cuban authorities are being careful to avoid incidents at Guantanamo, on high seas or with

<sup>13</sup> Voir/See "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16.

USA planes. Despite some press reports to the contrary the Cubans have not repeat not claimed that they have received an iron-clad military guarantee from Russians and Roa in a conversation with me last night specifically denied such a guarantee existed.

6. The Cubans might easily take formal Soviet assurance of assistance as a green light for a more reckless policy in promoting Castro's Communism in Americas. For this reason alone the USSR may keep extent of their commitments ambiguous. Jingoism is in full flower among Cuban extremists and they unfortunately have inherited strange Spanish combination of preoccupation with and disregard for death, buttressed in their case by a blissful ignorance of facts of modern warfare and Cuba's intrinsic importance and strength. On the other hand there is no repeat no indication that Cuban authorities expect an early attack and security measures especially two weeks ago (see my telegram 161 August 31†) have been relaxed somewhat. If USA retains its composure the Cuban exultation should soon subside and Cuba will be face to face once more with their less heroic and very intractable economic problems. The need for Soviet economic and military aid is a confession of failure by régime but there is no repeat no reason to suppose with help [of] this aid and machinery of control at hand it cannot repeat not retain power for immediately foreseeable future.

[GEORGE P.] KIDD

633.

DEA/4470-A-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. 451

Havana, September 14, 1962

CONFIDENTIAL

Reference: Our letter No. 401 of August 16, 1962.

SOVIET MILITARY ASSISTANCE TO CUBA

The presence of Soviet military personnel in Cuba was an open secret well before it was publicly acknowledged in the communiqué issued at the conclusion of Che Guevara's recent trip to Moscow. Russian soldiers could not function in Cuba without being seen, but the initial security precautions gave time for them to be landed before United States public opinion became aroused.

2. We are not equipped to secure full information on the number of Soviet troops here or the functions they are performing. The information released by President Kennedy, however, strikes us as reasonable and in accordance with such information as we have been able to gather. Convoys of military trucks driven by seeming Soviet soldiers have now been seen by many westerners here, including members of the Embassy. While the men are clad in civilian garb, sometimes wearing sportshirts which come in three or four different colours, there can be no mistaking their military bearing and Slavic physiognomy. A convoy we saw on the road from Quiebra to a small naval base in the bay of Mariel consisted of tank trucks, an enclosed canvas-covered truck seemingly for transporting personnel, and trucks pulling small square trailers, the function of which was unclear.

3. The Soviet personnel appear to be operating in self-contained units. Whether or not they are all going to be employed in training Cuban forces remains to be seen. In fact, the permanent use of Soviet supporting units would provide a measure of Soviet control over

Cuban freedom of action, not altogether unwelcome to Moscow in view of the present tense situation and the Cuban penchant for irresponsible action.

4. The Russians are reputedly operating radar and other electronic equipment required for guiding MiG planes and for anti-aircraft and ship-to-ship missiles. Although such aid is essentially defensive, the Soviet Union might later try to slice the salami further, if this could be done without triggering U.S. intervention. There are, no doubt, ways that Cuba could be militarily useful to the Soviet Union (missile tracking stations, radar installations, submarine refuelling and supply depots, etc.). On the other hand, for security reasons alone, the Soviet Union might be reluctant to send its latest equipment to Cuba.

5. We assume that there were substantial military reasons from the Cuban standpoint that led to the agreement to station Soviet forces personnel in Cuba. Possibly the efficiency of the Cuban Army, its ability to use Soviet equipment and its overall capacity to prevent any exile incursions or the establishment of guerrilla beachheads was considerably lower than the Cuban Government had managed to make out. Even now it may prove difficult and prohibitively expensive to police, effectively, the extensive Cuban coastline, particularly when the three-mile limit makes it so easy for small vessels to nip in and out. (This could have an effect upon the U.S. approach to the law of the sea.) Nevertheless there have been some indications recently of a strengthening of the coastal and air defences of Havana. President Kennedy has termed this upsurge in USSR military aid as essentially defensive in character and said that it would not notably impede any action against Cuba which the United States might at some future time be compelled to undertake. If this is correct the aid would, therefore, seem destined to increase the Castro régime's ability to prevent exile-sponsored attack or subversion. A secondary objective may well be to raise the military cost of direct U.S. intervention. It is also worth bearing in mind that a strong well-trained military force in Cuba could, the U.S. permitting, send emergency help to a revolutionary régime newly established elsewhere in the Caribbean, as well as providing covert assistance and training to Latin American revolutionaries. To the extent that the aid may be designed to improve the Government's capability of controlling the population it could have serious domestic political repercussions. Even now the presence of Soviet military personnel in Cuba and the publicity given to them creates a certain impression of satellite status to the Cuban people which runs the risk of offending national pride.

6. Early this spring the Soviet Union had to decide whether to accept the likelihood of the ultimate collapse of the Communist experiment in Cuba or to try to bolster the régime by increased military and economic assistance. They obviously chose to stand by their problem child, for the present anyway. The decision must have been made around the time Kudriavtsev, the previous Soviet Ambassador, was removed. The visit of Raúl Castro to the Soviet Union this summer can be seen in retrospect to have had more military significance than we gave it originally, although in view of the time factor he can have done no more than reach final agreement on measures probably already provisionally agreed upon.

7. Our Embassy in Moscow is doubtless in a better position than we are to speculate on the motives for the Soviet action, but perhaps it is worth passing on some of the ideas of myself and others in Havana. One theory is that the Soviet Union was deliberately trying to provoke the U.S. into taking armed action against Cuba which would damage the U.S. image abroad, and particularly in Latin America, and thus allow the Russians to take retaliatory action in a part of the world of greater intrinsic value to them. I doubt myself that this is the reason for their help, but it obviously provided them with a fall-back position. In any case, from a Soviet point of view, it might have been preferable to force the marines to move in and destroy the Revolution than to see the Cuban experiment with its Communist label crumble of its own weight as a result of its domestic shortcomings. Another possibility is that the Soviet Union

knew that the United States was unlikely to attack Cuba, but counted on Soviet assistance calling forth bellicose statements which would damage the United States' reputation in the neutralist world and throughout the hemisphere by presenting a picture of an Uncle Sam nasty, vicious, weak and senile. The Soviet Union could then impress the world by rattling its rockets to prevent an attack of which, in fact, there was no danger. This view, I think, is overly Machiavellian, although Soviet propaganda would naturally exploit any opportunities open to it.

8. The volume of aid now being provided and the risks which the Russians are accepting, in view of the uncertainty of what reply the United States would make, suggests to my mind that a Communist Cuba has become a matter of greater importance to them or at least that its demise at this time was too grave a blow to bear. The Soviet Union has its position as the leader of the world Communist movement to take into account. The establishment of Communism in Cuba and the aid being provided can be used to demonstrate, in refutation of Chinese insinuation, that the Soviet Union has the wisdom and generosity required of the leader of this movement. Nor should one perhaps overlook an element of revolutionary romanticism and Communist idealism in the minds of Soviet leaders. But, possibly over and above these considerations was the prospect of Cuba's potential future value in the cold war. In the international chess game Khrushchev may wish, in the words of *The Economist*, to say to the United States "Take my pawn in Cuba and you risk your castle in South Vietnam or your Berlin queen."<sup>14</sup> From choice the Soviet Union might have preferred to avoid a direct challenge to U.S. power in the Caribbean, but it not unnaturally took advantage of the opportunities which so unexpectedly opened up in Cuba, and it must have seemed like sweet revenge to follow precedents established by the U.S. on the periphery of the U.S.S.R. Besides, if you are preaching a religion, it is hard to refuse converts.

9. It is unpleasant for North America to have Soviet power take root in the Caribbean. There are, however, perhaps one or two minor assets in an otherwise dismal situation. Strategically Cuba is as vulnerable as Berlin; in one way even more so, since an air-bridge could not keep its economy afloat. In the same way that U.S. world-wide commitments have limited its freedom to take action against Cuba, the Soviet Union may now find its stake in Cuba politically inhibiting in Berlin and elsewhere, at least to the extent that it values the survival of the régime here. Moreover, the level of aid required by Cuba could serve as a warning of the possible economic cost to the Soviet Union of Communist advances in the underdeveloped world. If so much must be spent on Cuba, what would be required for the 70 million citizens of Brazil? The Soviet bloc has taken Cuban sugar, but could they absorb Venezuelan oil? Finally, even with aid, the long-term survival of a Communist régime in Cuba is far from assured and, indeed, the deeper Soviet involvement in the island may ultimately weaken further the popular basis of Castro's original support. A rejection of Communism by Cuba would represent a serious blow to the myth that the Communist tide comes in but never goes out.

GEORGE P. KIDD

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<sup>14</sup> Voir/See "Snow on Their Boots," *The Economist*, September 8, 1962, pp. 871-872.

634.

DEA/288-40

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

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

CONFIDENTIAL

[Ottawa], September 26, 1962

## RELATIONS WITH CUBA

The Cuban Ambassador called on me today by appointment on what was said to be an urgent matter. He wanted to know whether Canada was changing its commercial policy towards Cuba as he claimed there was some concern in Havana about this possibility. He said they had received a recent indication that Japan was about to curtail or terminate its commercial relations with Cuba or had done so. Up to now there had been a fair volume of trade between Japan and Cuba, I think mainly Cuban sugar for Japanese machinery. I told him that we had no knowledge of a change in Japan's trade policy on Cuba (we shall try to learn about this from our Embassy in Tokyo).

2. He could provide no basis for the alleged concern that we might be about to restrict our present trade with Cuba. When I mentioned the withdrawal of the commercial officer from Havana, he said that he knew of this and realized that it should not affect our trade as most of the business with Cuba is conducted through their office in Montreal.

3. When the discussion broadened and he attempted to probe into the future relations between Canada and Cuba. I took the opportunity to say there was growing uneasiness and anxiety here about the developments in Cuba's external relations. The increasing identification of Cuba with the Soviet world and the steadily worsening relations between Cuba and the United States could not but affect the outlook of Canadians on Cuba. It had been our view here that there was merit in maintaining normal diplomatic and commercial relations with Cuba as this policy might facilitate the return of Cuba to the Inter-American community where it properly belongs. However, relations had steadily deteriorated between Cuba and the United States as well as with many Latin American countries. I suggested that Cuba itself had failed to seek out sincere opportunities of restoring normal relations with the United States. The Ambassador claimed that on some five occasions Cuba had made offers to get on to a more normal basis with Washington, though I expressed doubt whether these had been very genuine attempts. I went on to say that because of Canada's very close relations with the United States in various domains, with which he was quite familiar, the very strained situation between Havana and Washington inevitably had repercussions on our own intimate relations with Washington.

4. After referring to matters which the United States had raised in NATO on relations of NATO countries with Cuba, the Ambassador asked me directly whether, if the United States requested us, we would terminate our commercial relations with Cuba. I refused to answer such a hypothetical question.

5. I think Dr. Cruz left understanding clearly we were not changing our present policy but without any real assurance as to the future. I assume that he will convey the substance of our conversation to his Government.

N.A. ROBERTSON

635.

DEA/4568-40

*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 5, 1962

## POLICY ON CUBA

Cuba has become an important element in the cold war in Washington and Moscow and at the United Nations. Cuba is also under consideration in NATO. In the light of the arrivals in July and August of Soviet military equipment and technicians in several Cuban ports, you may be interested in having a brief review of the situation behind the Sugarcane Curtain, an assessment of the recent Soviet assistance to the Castro régime and an examination of Canadian policy towards Cuba.

*The Internal Situation*

It would appear that over the past several months, the Fidelistas in the Cuban Government have been consolidating their position over their orthodox Communist allies. An outward sign of the Fidelista dominance may be the return to public prominence of "Che" Guevara, the Minister of Industries, and a relative withdrawal to the background of the orthodox Communists, with the exception of Carlos Rafael Rodríguez, the head of the National Institute of Agrarian Reform. Raúl Castro would appear to have played an important role in the negotiations which preceded the recent Soviet shipments to Cuba. Since the March purge of Anibal Escalante, there has been no report of progress in the formation of the United Party of the Socialist Revolution which is to replace both the Popular Socialist Party (Communist) and the already disorganized "26 of July" movement. Nevertheless the alliance of Fidelistas and orthodox communists, necessary as it is to both factions, seems to be functioning with some measure of smoothness.

The country is facing major economic problems. The health of the Cuban economy is greatly compromised by inefficient administration and an inability to make the adjustments required by its reorientation in the Bloc system. Whereas Cuba used to import large quantities of foodstuffs from the United States, the lack of foreign exchange limits the supply of food staples from abroad. The diversification of agriculture that has been attempted has not met with much success so far. Whereas Cuba used to obtain equipment and replacement parts from the United States, the U.S. embargo and the lack of foreign exchange imposes the total conversion to Soviet standards, specifications and tools of the whole industrial set-up from machinery of all descriptions, and spare parts for vehicles, to sugar refinery installations.

The immediate consequence is a shortage of food and other consumer items, growing dissatisfaction and a hardening of the government policies affecting industrial workers and members of the sugarcane cooperatives. Measures were decreed recently designed to introduce greater control, uniformity and efficiency in the labour field. The main stumbling-blocks of the Cuban economy have so far been widespread absenteeism in industry and the lack of manpower in agricultural activities.

It is believed that the system of vigilance represented by the 100,000 Committees for the Defence of the Revolution coupled with a trained police force and a disciplined army enable the government to meet what internal opposition there is in Cuba now. Nevertheless, the Cuban Government may have felt that massive aid from abroad was needed to prevent the opposition from endangering the survival of the régime.

### *Soviet Assistance*

In reality Soviet assistance to Cuba dates back to February 1960 when Mikoyan visited Havana prior to the renewal of diplomatic relations between the two countries. Soviet equipment and machinery including arms have been arriving in Cuba throughout the two past years. It will be recalled that well-publicized reports of the C.I.A. indicated last February the extent of the Soviet arms build-up, including the number of MIGs and tanks estimated to have been delivered to that date.<sup>15</sup> The provision of Soviet technical assistance was embodied in the Mikoyan agreements and several hundred Bloc technicians were reported in Cuba as early as November 1960. However, Soviet aid reached unusual proportions in July and August last. Reports of landings of Russian military personnel were confirmed although there is little information on their numbers or the functions they are performing.

The whole operation appears to be part of a general stepping-up of technical assistance to Cuba. Logically the Armed Forces are as much – if not more – in need of technical advice as other sections of the Cuban community. The Cuban army, rebuilt from guerrilla forces, lacks technicians fully trained to use modern equipment. Bloc technicians are necessary to teach Cubans how to care for and handle the complex equipment supplied to Cuba.

If the Soviet military aid to Cuba is essentially defensive in character, as seems to be the view accepted by President Kennedy and his advisers, the aid would therefore seem destined to increase the Castro régime's ability to prevent or repulse attacks from abroad or subversion from within.

### *The United States and Cuba*

The increasing attempts of the United States to contain and isolate the Cuban régime coupled with the highly emotional reactions provoked in important sections of the United States Congress and the press make it necessary for us to re-examine Canada's position on Cuba. On the whole, the United States up to the present has met with little success in seeking the co-operation of NATO allies in measures to reduce their economic intercourse with Cuba. The United States has now indicated that it will take positive action to prevent NATO shipping from participating in the movement of arms and other goods from the Soviet Bloc to Cuba. We can anticipate other proposals in NATO or unilateral actions by the United States designed to isolate still further the Castro régime with a view to bringing about its overthrow. It will be for history to decide whether the United States was itself largely responsible for putting Castro's Cuba into the Soviet camp; but there can be little doubt that it is increasingly oriented towards and identified with the Soviet world. Indeed, because something like 80 per cent of Cuba's trade is now with the Bloc countries, one may doubt the effectiveness of further United States measures in the nature of trading restrictions or even economic sanctions. There is also some uncertainty as to the extent the United States can put itself in the position of endeavouring to dominate the destiny of Cuba without arousing the latent anti-American and non-interventionist sentiments that exist throughout Latin America.

### *Canadian Interests*

Apart from our natural and growing concern about the ever-increasing alignment of Cuba with the Communist Bloc, Canada has no direct quarrel with the Castro régime or concrete reasons for terminating normal diplomatic relations. Our specific interests in continuing normal relations with Cuba include:

<sup>15</sup> Pour un article de journal qui fournit ce type d'information sans toutefois prétendre l'avoir obtenue de la CIA, voir "Reds' Military Aid to Cuba Increases," *New York Times*, February 5, 1962, p. 13. For a news article that provided this sort of information, albeit without claiming to have acquired it from the CIA, see "Reds' Military Aid to Cuba Increases," *New York Times*, February 5, 1962, p. 13.



(a) Our trade in other than arms and strategic materials. This is of a diminishing character and it appears that this year our exports will be about only one-third of what they were last year – that is worth perhaps \$12 million rather than \$31 million. The prospects are that this trade will continue to decline because of Cuba's economic difficulties, increasing association with the Soviet Bloc and the drastic reduction of U.S. dollar earnings because of American trade regulations;

(b) There are in Cuba some 90 Canadian citizens, nearly half of whom are Catholic missionaries who enjoy the protection of our Embassy, as well as that of the Papal Nunciatura in Havana;

(c) The negotiations concerning the assets of Canadian life insurance companies, which are in effect in the hands of the Cuban authorities;

(d) We have an interest in the flow of information of a high and valuable character from our Embassy in Havana on the Cuban situation, and much of this is passed to the United States as well as Britain, which appreciate it.

(e) From a humanitarian point of view, our presence in Cuba is also being justified by the interventions which Canada has made in favour of Cuban prisoners. We have even been encouraged in this by the United States.

While our Embassy is a valuable source of information and, as such, is a "window on a dark courtyard," it cannot be said at this time that there is any prospect of our mission being used as a means of initiating some reconciliation between the United States and Cuba or bringing Cuba back into the hemispheric family. These possibilities cannot be excluded in the long run.

#### *Recommendations*

(a) Although concern can be expressed about the increasing identification of Cuba with the Soviet Bloc, with the implications this has for the security of the free world, there seems to be no substantial reason for terminating our present normal diplomatic relations with Cuba;

(b) Our trade policy on Cuba as explained in the past, including the Prime Minister's statement in the House of Commons last February 2 and the press release of the Canadian Embassy in Washington on the following day, does not appear to call for any basic revision or even restatement. We must be prepared, however, to have it misunderstood and misrepresented in certain circles in the United States. We should be prepared, however, to consider sympathetically any specific requests that we may receive direct from the United States or through American approaches to NATO to restrict our policy somewhat more. This might mean widening the concept of strategic materials on certain items, although our present policy appears already to be more restrictive than that of other NATO countries. We can, for example, renew assurances that government credits or guarantees are not being extended, and will not be, in any way to promote our trade with Cuba. A much more difficult problem would arise if we were asked to control in any way the transfer of funds to or from Cuba through Canadian banks. As indicated in my memorandum to you of September 26, there seems to be no good reason for giving the Cuban Government assurances that our trading policy with Cuba will remain unaltered in the future.

(c) In recent weeks, much of the discussion has turned on transport to Cuba, specifically the movement of Soviet aircraft in transit through Canadian territory and whether ships of Canadian registry or ownership are being used in the trade between the Soviet Bloc and Cuba, for the movement of persons, non-strategic goods or even arms.

It may be desirable to limit, if we can, the movement of Soviet civil aircraft through Canada to Cuba. It has not been established that any arms or military personnel have moved from the Soviet Bloc to Havana in this way, but a few recent flights have caused very adverse criticism

in the United States. We should certainly enforce rules against any possible transport of arms in such aircraft. Even if Russian civil aircraft were not to move through Canada, there would still remain the problem of Czech and Cuban flights through Canada and Cuban flights to and from Canada, the latter involving, it appears, the overflying of United States territory.

It seems clear that no ships of Canadian registry are involved in the Cuban trade although there are a few ships of British registry, of nominal Canadian ownership but probably not substantial or beneficial Canadian ownership, that participate. In this domain, Canada can perhaps cooperate, at least passively, with the United States without any damage to Canadian interests. In any event, the United States by unilateral action is now going to go some distance to prevent NATO and other free-world shipping from engaging in the trade between the Soviet Bloc and Cuba.

#### *Public Statements*

It is not possible to anticipate all of the detailed and varied questions that may be asked in Parliament but it is thought that the following two paragraphs which have been tentatively included in your Handbook and are now submitted for your consideration, may be helpful to you:

#### MAINTENANCE OF NORMAL RELATIONS WITH CUBA

Canada wishes, without prejudicing its relations with other countries, to maintain normal trade and diplomatic relations with the Government of Cuba. It has long been Canada's practice to carry on normal relations with countries of a different outlook or constitution. The maintenance of diplomatic and commercial relations is not regarded by the Canadian Government as indicative of approval of a particular régime. The Canadian Government has not therefore joined moves to isolate Cuba. Most Western European countries maintain diplomatic, cultural, consular and trade relations with Cuba as well as with members of the Sino-Soviet bloc.

#### THE CANADIAN VIEW ON SOVIET MILITARY ASSISTANCE TO CUBA

The Canadian Government is concerned over the intrusion of international communism in the hemisphere. The recent arrival in Cuba of what appears to be large quantities of military equipment and important numbers of Soviet personnel does not, in the view of the Canadian Government, contribute towards the solution of Cuba's current troubles and difficulties and increases the international tension in the area.<sup>16</sup>

N.A. R[OBERTSON]

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<sup>16</sup> Note marginale :/Marginal note:

I think this has been overtaken by events. [N.A. Robertson] 26.10.62

636.

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*

CONFIDENTIAL

[Ottawa], October 5, 1962

## SHIPPING TO CUBA

You may wish to have a résumé of the recent measures the United States Government propose to take with respect to the problem of shipping to Cuba. According to the statement made by the United States Permanent Representative to the NATO Council on October 3, the United States intends to take the following measures:

1. The United States will close all United States ports to all ships of any country if any ship under the flag of that country hereafter carries arms to Cuba.
2. The United States will direct that no government cargo shall be carried on a foreign flagship if any ship of the same owners is used hereafter in Soviet Bloc trade with Cuba.
3. The United States will direct that no United States flagship and no United States owned ship shall carry goods to or from Cuba.
4. The United States will close all United States ports to any ship that on the same continuous voyage was used or is being used in Soviet Bloc trade with Cuba.

2. Our Embassy in Washington asked a State Department official whether the definition of ownership resulting in point 2 of the United States formulation given above would have the effect of depriving a Canadian flag vessel from participating in carriage of United States government cargoes if another vessel of the same owners but operating under non-Canadian flag were used in bloc trade with Cuba. The State Department official replied that the question of ownership was obviously a complex problem which would require the most thorough consideration. He agreed that the United States Permanent Representative's statement to the NATO Council was vague and imprecise on a number of points. He pointed out that these measures had not yet been formulated in executive orders and regulations or in legislation. Until they are formulated it would be impossible to say how certain potential problems might be dealt with.

3. These new United States measures will doubtless affect the Canadian-owned ships under British registry which have reportedly been engaged in Soviet bloc trade with Cuba. It is not yet certain that they will not affect ships under Canadian registry. They may indirectly affect Canadian trade with Cuba, as all carriers may now become reluctant to call at Cuban ports because of the adverse publicity they might receive in the United States.

N.A. R[OBERTSON]

\* I attach telegram No. 2883 of October 4 from Washington† which gives text of Under-Secretary Ball's recent statement, in which some favourable comments on Canada's position are made.<sup>17</sup>

<sup>17</sup> Voir/See "Trading Relations between the Free World and Cuba: Statement by Under Secretary Ball," *Department of State Bulletin* Vol. 47, No. 1217 (October 22, 1962), 591-595.

637.

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 2987

Washington, October 15, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Paris, NATO Paris, Permis New York, Bonn (OpImmediate).

By Bag Oslo, Moscow from London, Havana from Ottawa.

## CUBA

Congress has at last adjourned and, barring unforeseen crises, American public opinion is free to focus on the election campaign. You will be kept abreast of developments generally by the press but I should like to call your special attention to one issue, Cuba, which seems likely to be in the forefront of the campaign and which could well have an impact on Canada-USA relations.

2. We have as you know been relatively clear in recent months of direct criticism from the Administration on Cuba. Both Rusk in his conversation with you late in August and Ball in his testimony to a Congressional Committee two weeks ago have spoken understandingly of the Canadian position. While they would naturally welcome any further support or sympathy from Canada, and while concern about our general attitude lies not repeat not far below the surface, their heavy guns are at present trained on others whose cooperation could be more instrumental in intensifying the economic pressure on Castro.

3. From the Canadian standpoint this state of affairs is satisfactory as far as it goes, but it would, I think, be a mistake to take its continuance for granted. The Administration understanding of the Canadian position is one thing; the public impression is another, and perhaps just as important in prevailing conditions. It is regrettably true that both in Congress and in the press we continue to be the targets of criticism, much of it admittedly uninformed. This would be less a matter of concern were it not repeat not for the depth of the passions which have been aroused over Cuba. Unfortunately the sense of national humiliation is so pervading and the public feeling in favour of "doing something about Cuba" is so strong that it is almost impossible to exaggerate the inflammatory character of the issue. As the elections approach, the Republicans can be counted on the keep the fire burning. Toughness will become more and more the badge of patriotism. While the Administration's handling of Castro and the Moscow-Havana axis will be the focus of public judgment, verdicts will inescapably be passed on USA's allies according to what is publicly known of their respective attitudes. In this situation, every shade of outside sympathy is noted, every sign of reluctance magnified and emotionally assessed.

4. I mention these considerations because I am sure you will agree that they merit serious attention in the formulation of Canadian policy. It should, I think, also be borne in mind that, despite bitter memories of the Bay of Pigs and growing domestic pressures, the President and his colleagues, particularly the Secretary of State, are making a creditable attempt to maintain a public sense of perspective and restraint. It is very much in our interest that this attempt should not repeat not fail.

5. While there is perhaps not repeat not a great deal that we can do directly to help it succeed, I think we should recognize that the measures proposed recently in the NATO Council on shipping and overflights are in reality part of the Administration's effort to forestall the need for more extreme courses of action, e.g. recognition of a Cuban Government in exile, etc. Seen in this light, these moves are very much the lesser of two evils and deserve to be regarded, I think, as attempts at compromise solutions of problems which have neither been invented by the Administration nor repeat nor created solely by Republican political pressure.

6. In the public realm, I am impressed with the importance of our moving with special prudence on Cuban matters in the weeks to come. One has only to recall the harm which we suffered recently over the uninformed *Globe and Mail* report on Soviet flights through Gander<sup>18</sup> to appreciate the extreme sensitivity of American opinion. In the even more emotional mood of this moment, similar trouble could arise at any time. To the extent that we can forestall adverse comment on Canadian attitude, I think it is of great importance to do so.

7. I am not repeat not, of course, suggesting that we should distort our own judgment vis-à-vis Cuba itself or its relationship to the world situation but rather that in our dealings on this issue, we should bear in mind the benefits of doing what we can to encourage USA Administration in its attempts to assuage domestic pressures. If, for example, in our assessment of the current stage of the Cuba problem, we could suggest any constructive ways of helping in this connection, I am sure that the State Department would warmly appreciate having them. It goes without saying that our influence for moderation will be more effectively asserted with the Administration if we can show that we are not repeat not unsympathetic to them in their current difficulties. And to the extent that the USA's allies can contribute to resisting domestic pressures, the trend towards irresponsible and even dangerous courses of action may be arrested.

8. More specifically, I wonder whether it would not be wise to give serious thought to making some gesture of support to USA in the matter of transit for Soviet bloc aircraft destined for Cuba. It does not repeat not appear that we have much to lose from such action and the broader benefits might more than offset the disadvantages.

9. I would also suggest that our interests would be further served by ensuring that public attention is drawn appropriately to any moves we may make in sympathy with USA objectives.

[C.S.A.] RITCHIE

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<sup>18</sup> Voir/See Langevin Côté, "Soviet Planes on Way to Cuba Carry RCAF Courtesy Crews," *Globe and Mail*, September 12, 1962, p. 1.

## SECTION B

PRISONNIERS DE LA BAIE DES COCHONS  
BAY OF PIGS PRISONERS

638.

DEA/4568-40

*Le secrétaire d'État aux Affaires extérieures  
à l'ambassadeur au Cuba**Secretary of State for External Affairs  
to Ambassador in Cuba*

TELEGRAM XL-27

Ottawa, March 26, 1962

SECRET. EMERGENCY.

Repeat for Information: Washington, DisarmDel (for Minister) (OpImmediate).

## MARCH 29 TRIALS

Representations from Cuban exile groups have been received by Governor General and Prime Minister in connection with March 29 trials of Bay of Pigs prisoners. By direction of Prime Minister you should express to the Cuban Government the hope of Canadian Government and people that trials will be conducted in a fair and just manner. An early report on your démarche will be appreciated. We are speaking to Cuban Ambassador here on similar lines.

639.

DEA/4568-40

*Le secrétaire d'État aux Affaires extérieures  
à l'ambassadeur au Cuba**Secretary of State for External Affairs  
to Ambassador in Cuba*

TELEGRAM XL-29

Ottawa, March 28, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: Washington, NATO Paris.

KIDD-CHAPUT CONVERSATION  
LETHBRIDGE AND MARCH 29 TRIALS

This will confirm that you should make formal representations to the Cuban Government with a view to ensuring that trial of Canadian citizen D.N. Lethbridge on March 29 will be conducted in a fair and just manner. You should at the same time express general concern of Canadian Government and people over the fate of other prisoners who participated in April 17 invasion as instructed in our telegram XL-27 of March 26.

2. We see merit in the suggestion that you might join in a collective diplomatic démarche including a possible appeal for clemency after sentences have been passed. Since we will already have made separate representations, we are doubtful at this stage whether you should take any initiative in organizing a joint diplomatic démarche. As you know, this matter is now under discussion in NATO. We shall send you firm instructions on this aspect in the light of Paris discussions and also of reports on your conversation with Foreign Minister and with your diplomatic colleagues.

640.

DEA/2444-40

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

TELEGRAM 41

Havana, March 28, 1962

SECRET. OPIMMEDIATE.

Reference: My Tel 40 Mar 27.†

TRIAL OF INVASION PRISONERS

I saw Foreign Minister this morning about forthcoming trial of invasion prisoners and spoke to him along lines of your telegram XL-27 March 26. Roa expressed understanding of humanitarian reasons motivating our approach and said that as with any Canadian approach the Cuban authorities would wish to take due account of our interest. He then went on to comment as was to be expected in the circumstances, that trial would of course be conducted in a fair and impartial manner. Roa concluded by stating he would be speaking to President this afternoon about approach on this subject already made by Brazilian Ambassador and Nuncio and that he would also report our concern in matter.

2. As per phone conversation with Chaput this morning, I further enquired whether it would be possible to have a member of Embassy present as an observer during some of trial proceedings. Roa replied locale of trial was not repeat not yet settled but he hoped to have this information shortly and would then let me know whether foreign observers would be able to attend.

3. I also, as authorized in above phone conversation, drew Roa's attention to Lethbridge case and am following this up with a formal note this afternoon.

[GEORGE P.] KIDD

641.

DEA/4568-40

*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 29, 1962

TRIAL OF CUBAN INVASION PRISONERS

As you know, the Canadian Government has expressed to the Cuban authorities the hope that the trials of Cuban invasion prisoners scheduled for March 29 would be conducted in a fair and just manner. This appeal was based on humanitarian considerations. We have in addition made formal representations on behalf of Mr. D.N. Lethbridge, Canadian citizen, who is also a Cuban national. ... The Cuban Foreign Minister told our Ambassador yesterday that the Cuban authorities "would wish to take due account of our interest" in this matter. He went on to comment that the trials would of course be conducted in a fair and impartial manner.

All requests received up to now for Canadian intervention in connection with the trials have come from Cuban refugee organizations. The Canadian decision to approach the Cuban Government was announced in the House on March 27 by the Prime Minister. Requests from

Cuban refugees have also been received by other Western countries, including the British and French. This matter is under discussion in NATO and also by Western and Latin American missions in Havana. In both cases it has been suggested that Western and Latin American countries make a joint diplomatic approach to the Cuban authorities once sentences have been passed. This approach might take the form of an appeal for clemency. I see a good deal of merit in this suggestion and consider that we should join in a collective *démarche*, in which a number of NATO and Latin American Governments may decide to participate. In view of the fact that we have already made representations on a bilateral basis, I do not think we need to take the initiative in organizing a joint approach in this case. If you agree with this course, our Ambassador in Havana and the NATO Delegation will be advised accordingly.<sup>19</sup>

N.A. R[OBERTSON]

642.

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-160

Havana, April 6, 1962

CONFIDENTIAL

Reference: Our telegram No. 42 of March 29, 196[2].†

CUBAN TRIAL OF INVASION PRISONERS

Hearings in treason trial of the 1,179 prisoners captured in the abortive landing at Playa Girón in April of last year have continued for four days in the courtyard of Principe Prison in the City of Havana, and adjourned on April 3, 1962. At the time of writing the Court has not yet reconvened to hear whatever might be the sentences to be handed down by the judges. The Court was essentially a military tribunal, presided over by Major Augusto Martínez Sánchez, the Minister of Labour, and by four other senior military officers: Majors Sergio del Valle, Juan Almeida, Guillermo García and Manuel Piñero, the latter of whom is a vice-chief of the Cuban security police. The first four named are also members of the Executive Committee of ORI. The trial has been held behind closed doors, and no members of the Western press or of the families of the accused, no lawyers offering their services to the prisoners, and no Western diplomats were admitted. Press reports have indicated, however, that "friendly journalists" (which, being interpreted, means representatives of the USSR, Chinese and East German agencies here, in addition to the local Cuban press) and certain "friendly observers" were present. The trial has proceeded through the stages of the arraignment and the pleadings by the prosecution and final addresses to the Court by the two attorneys. The Prosecution was led by Dr. José Santiago Cuba Fernández, who is Prosecutor of the Supreme Court of Cuba, while the only lawyer appearing for the Defence was Dr. Antonio Cejas, a rather nondescript attorney who is described as a Professor of Penal Law at the University of Havana and who was appointed by Cuban authorities to defend the accused.

2. Although the only information available to us is the fairly extensive reporting of the evidence of the trial in the Cuban press, part of which appeared to be a stenographic report of the proceedings, we are attempting to piece together an analysis of what happened during these

<sup>19</sup> Note marginale :/Marginal note:

We should not get mixed up with NATO or the Latin Americans in this. H. G[reen] 30/3



four days. We must, however, underline the *caveat* that the only raw materials with which we have to work are the items of information made available by the Cuban Government in the local controlled press.

### *The Prosecution*

3. The Prosecution opened by having the Secretary of the Court read a formal report prepared by the Special Investigator of the General Staff of the Cuban Armed Forces. This document, like so much of the other “evidence” introduced at the trial, seemed concerned primarily to recite a detailed account from the Cuban viewpoint of the invasion and the events leading up to it, placing particular emphasis on the Cuban charges that the invasion had been financed, trained, planned and generally organized by the United States Government and the Central Intelligence Agency. It also sought to implicate as much as possible those Central American countries such as Guatemala, Panama and Nicaragua, whose territories were allegedly used in preparing for the invasion, in addition to military camps said to be located in Louisiana, Florida and the Island of Vieques, Puerto Rico. The Prosecution’s submission went on to analyse the command structure of the military brigade which landed in Cuba and to specify the important leaders of the group.

4. Following this submission, the Secretary of the Court proceeded to read into the record of evidence transcripts of letters said to have been written by J.A. Perez San Roman, one of the principal leaders of the invading force. These letters were dated in May of 1961, shortly after the prisoners were captured. In them San Roman expressed his remorse and charged that he and his associates had been misled by the United States authorities into undertaking the landing and into misinterpreting local conditions in Cuba. He went on to urge counter-revolutionaries outside of Cuba to give up the struggle against the Revolutionary Government. A similar letter by another prisoner was also read. It is, however, impossible to tell from the records of the trial published in the Cuban press whether San Roman still stood by his earlier letters and whether he actually ratified them before the Court, or indeed whether the letter was genuine.

5. On the second day of the trial the Prosecution proceeded to have played for the Court transcriptions of the interviews which a considerable number of the prisoners had given before Cuban television cameras in that memorable week of April, 1961, when many of the prisoners were summoned before panels of Cuban journalists to answer questions about their activities. At that time it was evident that many of the prisoners were in fear of their lives, and there is no doubt that many of them then spoke very freely, and some even remorsefully, of their activities. Following the playing of each transcription, the prisoner was summoned to acknowledge that he had, in fact, made these statements. It would appear from the published accounts that at least a number of the prisoners did this. These recordings, which occupied many hours of the Court’s time, did bring out a number of points which the Prosecution was concerned to make: first, the implication of the United States Government in the invasion; secondly, the indication that the members of the force or their families were receiving wages from the United States Government for their military service. One of the most important of these recordings related to the declarations made on Cuban television a year ago by Manuel Artime Bueza, who was apparently the political leader of the military force. Artime had related in considerable detail the whole history of his activities in the months preceding the invasion, during which he had sought both inside and outside Cuba to organize counter-revolutionary activities. In connection with this particular part of the evidence, it is perhaps worthwhile to note that the Court was in fact accepting as self-incriminating evidence testimony which the prisoners had previously given in the context of television interviews about a year ago, when they were not in any formal sense on trial.

6. The Prosecution then moved to call as official witnesses a series of senior Cuban army officers who were leading members of the Cuban Armed Forces who had fought against the invasion force. By his questioning of these witnesses the Prosecutor sought to emphasize once again what he alleged was the “mercenary nature” of the invasion and the implication of the United States Government. In fact, the testimony of each one of these army officers amounted to a long speech or, in some cases, a harangue in which the invaders were bitterly denounced as traitors to their country. The Prosecutor also, rather shrewdly, sought to discredit the prisoners by eliciting from his witnesses accounts of the demoralization and disorganization which apparently existed among the invading force after they had encountered stiff Cuban resistance. With some relish one of the witnesses testified that San Roman himself, one of the leaders of the expedition, was among the first persons to surrender, even before he was actually captured. The Prosecutor also questioned his witnesses concerning what really were merely their opinions as to the degree to which the accused could be considered to have been conscious of what they were actually doing when they invaded Cuba. Several of the witnesses volunteered their own convictions that the invaders were seeking selfish, personal, material, class objectives; one witness even provided the court with a breakdown of the number of ranches, plantations, mines, banks and houses which were owned or controlled by the wealthy Cuban families from which many of the prisoners had, in fact, come. Some of the “testimony” of these official witnesses read like Marxist diatribes on the evil class interests of the accused as the scions of formerly powerful Cuban families. Others of the prisoners were denounced as “thugs” or “trash.”

7. It was particularly apparent that the interventions of the so-called Defence Attorney at this stage of the proceedings were extremely unsatisfactory and almost half-hearted. Many times he waived his right to cross-examine the witnesses, when even a non-legal mind would have thought, purely in logic, that he might have been able to discount some of the testimony which really amounted to no more than a one-sided expression of the political opinions and views of the official witnesses. Moreover, he tolerated the acceptance into the records of the trial of a tremendous amount of “evidence” and testimony casting aspersions on the character of the prisoners which might, under strict rules of evidence, have been considered inadmissible and quite irrelevant to the fundamental questions before the court. Thus, for example, one of the witnesses introduced several allegations concerning the misappropriation of Cuban official funds by Artime in the period before his defection when he had been an official of the Revolutionary Government working for INRA.

8. In his concluding address to the Court, which lasted for over two hours, the Prosecutor charged that all of the accused, without exception, were guilty of crimes against the stability and integrity of the Cuban nation, as “proven” by the documentary and testimonial evidence presented to the Court. He then drew to the Court’s attention the fact that the Cuban Social Defence Code and other relevant laws established for such treasonous crimes penalties of from twenty years’ imprisonment to capital punishment, and demanded “the most severe sentences” for these crimes. The Prosecutor did not explicitly demand that the sentence be death, perhaps because of the impossibility of demanding the execution of such a large group of prisoners. Although the Prosecution contended that the prisoners were in effect the authors of the crimes of which they were charged, he ended by claiming that the “other author” of these crimes was the President of the United States of America.

### *The Defence*

9. The Defence Attorney did not really appear to play a significant role in the trial until his concluding address to the Court. Earlier, he had renounced his privilege of calling witnesses for the Defence, although the President of the Court was reported to have informed the defendants that each had the right to speak on his own behalf if he so wished. The Defence

Attorney explained to the Court that none of the accused had extended to him the necessary cooperation or information to permit him to call them as witnesses. Indeed, we are inclined to conclude from the limited information available to us that the prisoners did not accept the court-appointed attorney as their defender and refused to cooperate with him in any way in their defence.

10. In his final address to the Court, the Defence Attorney seemed excessively concerned with making his own position as a loyal Revolutionary performing a painful duty quite clear. He even spoke in terms of repugnance for the acts which he acknowledged they had committed. In his defence appeal he, himself, reiterated a number of the charges made against the prisoners by the Prosecutor, and referred particularly to the involvement of the United States in the invasion. He stated that he was not prepared to resort to the argument that because of the responsibility of the United States in the invasion, the culpability of the prisoners was diminished. However, he did go on to argue that the degree to which the prisoners had been "deceived" and "misled," and the degree to which their social outlook had been influenced by their environment and their class origins, should be taken into account by the Court in giving sentence. Then the Defence took a step which was doubtless not without its effect on the Court. He proceeded to read into the record of the trial passages of a speech made by the Prime Minister of Cuba himself, in a television appearance last April following the invasion during which Castro had engaged in public debate with the prisoners. The Defence Attorney placed emphasis on those remarks of the Prime Minister which suggested that the Cuban people could afford to and, being a generous people, would extend mercy to the prisoners. The Defence, then, in a long and emotional peroration, begged the Court for a sentence "which would be 'firm but just,' which would restore the peace which the invasion violated, and which would take into consideration, and make possible the future consideration of, the conduct and attitude of each prisoner so that they should not be punished forever by an extreme, lengthy or harsh sentence. Rather, he urged a decision which would grant the Cuban Revolution the necessary margin to demonstrate to the world its justice. He said that this should be done not by issuing death sentences or long prison terms, but rather by applying sentences "appropriate to individual cases."

11. At no time in the course of the trial was any reference made to the dual-national Canadian prisoner, Douglas Nelson Lethbridge.

GEORGE P. KIDD

643.

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-198

Havana, May 4, 1962

CONFIDENTIAL

Reference: Our telegram No. 51 of April 8, 1962.†

CUBAN INVASION PRISONERS

You will already be aware from press reports that on April 14, 1962 some sixty of the 1,179 prisoners captured at Playa Girón who were recently sentenced to thirty years at hard labour were released by Cuban authorities and proceeded to Miami. This initial group was composed of prisoners who had sustained injuries during the landing. While it is not certain that the

“ransom money,” fixed individually for each of the prisoners at rates ranging from \$500,000 to \$25,000 per head, has actually been paid for this initial group, we understand that the “Cuban Families Committee for the Liberation of the Prisoners of War, Incorporated,” which is located in Miami, has undertaken to pay their ransom to the Cuban Government, which probably amounts to some two or three million dollars.

2. We also understand that it has been agreed by the Committee, the Cuban Government and the spokesmen of the prisoners themselves that groups of prisoners should continue to be ransomed as funds are raised, starting with those at the bottom of the list, that is, those in the \$25,000 category. However, we have been shown communications purporting to come from the prisoners themselves in Principe Prison indicating that they are becoming dissatisfied with the lack of progress to date in ransoming prisoners in addition to those sixty now in the United States. Although we do not know the strategy of the Committee, it is possible that they are attempting at the present time to raise sufficient funds to purchase the release of as large a group of prisoners as possible all at one time. We have heard that, to this end, arrangements are being made in New York to establish a publicity campaign to raise funds from the American public which will feature appearances by some of the prisoners already released on television programmes.<sup>20</sup> The estimated cost of ransoming all of the prisoners at the per capita figures set by the Cuban Court would be sixty-two million dollars, a very significant sum in view of Cuba’s present desperate shortage of foreign exchange. The Families Committee was said a few weeks ago to have accumulated over twenty million dollars.

3. One of the most unsatisfactory aspects of this unpleasant ransom scheme is the provision that families may ransom their relatives individually, which creates the possibility that extremely wealthy Cuban families in the United States with members among the prisoners, of whom there are more than a few, will be able to purchase their release, leaving behind, perhaps for months to come, those less well-connected. However, inequitable as this arrangement is, there are indications that it may be supported by the prisoners themselves.

GEORGE P. KIDD

644.

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*

SECRET

Ottawa, September 5, 1962

NEGOTIATIONS ON CUBAN INVASION PRISONERS

Mr. Roa, the Cuban Foreign Minister, called in our Ambassador on September 1, 1962, to discuss a point that had arisen in current negotiations in Havana for the release of invasion prisoners between the United States lawyer Mr. James Donovan and the Cuban authorities. A settlement to meet the \$62 million indemnification figure was being considered along lines of a small payment in dollars and the balance in food, medicines and agricultural products. Mr. Roa claimed that Mr. Donovan had proposed that settlement in kind should be carried out by purchases from Canadian firms. Before proceeding further with the negotiations, however, the Cuban government wished to ascertain the Canadian attitude. Specifically, Cuba wanted to be

<sup>20</sup> Note marginale :/Marginal note:

Ed Sullivan 3 [?] weeks ago. [Auteur inconnu/Author unknown]

assured that the Canadian government would raise no objections to such purchases in Canada and would facilitate them to extent appropriate in such matters as granting export licenses and providing the Cuban Families Committee in the United States with suitable contacts with Canadian suppliers etc. The Cuban Families Committee in the United States would make the purchase directly from Canadian firms. Mr. Roa intimated that there were certain problems that could arise in direct purchase from the United States and that Canada with available supplies had been selected in order to expedite settlement. (A copy of our Embassy's telegram No. 162 of September 1/62† is attached.)

Our Washington Embassy at our request consulted the State Department on this question. They talked with Mr. Hurwitch, Deputy Director of the Office of Caribbean and Mexican Affairs, who, on September 3rd, had seen Mr. Donovan in New York, on the latter's return from Cuba. Mr. Hurwitch pointed out that the negotiations between the Cuban government and the Cuban Families Committee in the United States are still in a preliminary stage. The Cuban Families Committee still had a considerable way to go before they would dispose of sufficient funds to complete a transaction with the Cuban Government. They would have to revive their campaign for financial support.

Mr. Hurwitch also pointed out that Mr. Donovan had two lengthy conversations with Premier Castro. The basic theme of Mr. Donovan's approach had originated with the Cuban Families Committee which had seen possible merit in the idea of offering an agreed balance between cash payments and commodity purchases in exchange for the prisoners. The Committee hoped thereby to soften the ransom aspect of any transaction and place it on a humanitarian basis, which would have appeal both to the Cuban government and to the Cuban émigrés in the United States who were concerned about the economic plight of the Cuban people. According to Mr. Donovan, Premier Castro was attracted by this proposal and they had talked in tentative terms about how it might be implemented. Premier Castro had shown an awareness of the fact that it might not be politic for the Cuban Families Committee to purchase the goods in the United States for export to Cuba, and there had been some discussion of third countries which might provide commercial sources for these commodities. Mr. Donovan had mentioned Canada among other countries as a possible source. Premier Castro had reacted favourably. This exchange, Mr. Hurwitch said, had no doubt prompted Mr. Roa's approach to our Ambassador in Havana. (Copy of Washington Embassy Telegram No. 2561 of September 5, 1962,† is attached.)

I attach, for your approval, a telegram to our Embassy in Havana† which contains a reply that our Ambassador could give to Foreign Minister Roa. A reply along this line was informally suggested by Mr. Hurwitch to our Washington Embassy. It is a flexible response, which seems to me appropriate at this stage of the negotiations.<sup>21</sup>

N.A. R[OBERTSON]

<sup>21</sup> Note marginale :/Marginal note:

Tele E-1728 signed by SSEA Sept. 5/61 and sent Sept. 5 7:15 pm. H.E.M.

645.

DEA/4568-40

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

TELEGRAM 167

Havana, September 7, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel E-1728 Sep 5.†

Repeat for Information: Washington (Priority) from Ottawa.

## NEGOTIATIONS ON CUBA INVASION PRISONERS

Saw Foreign Minister today and gave him our reply. Roa expressed satisfaction at this response and from his general reaction I gathered impression Cubans are essentially thinking in terms of Canadian goods for portion of any settlement in kind.

[GEORGE P.] KIDD

646.

CEW/Vol. 3176

*Note du conseiller à l'ambassade aux États-Unis*  
*Memorandum by Counsellor, Embassy in United States*

SECRET

Washington, September 7, 1962

Reference: External Telegram E-1728 of September 5.

## NEGOTIATIONS ON CUBAN INVASION PRISONERS

Mr. Wershof told me by telephone this morning that N.A. Robertson had agreed that the instructions to our Ambassador in Havana, contained in the telegram referred to above, could be communicated to the State Department, pointing out that we had as yet received no report whether, or in what manner, these instructions had been carried out.

2. Mr. Wershof said that we could in fact pass the actual text of the instructions informally to the State Department, subject to the caveat mentioned above.

3. Wershof mentioned that in authorizing the instructions to Kidd, Cabinet had indicated that no further initiative should be taken without returning to Cabinet for approval.

4. Wershof referred to a "worried" telegram from Kidd, No. 165 of September 5,† which will shortly be repeated to us. Kidd was concerned about consultation with the State Department and also with the possibility that Donovan would also get to know the stand being taken by Canada. Wershof said that the view in Ottawa was that neither of Kidd's worries were justified. It is thought appropriate that the State Department should be kept informed, for obvious reasons, and that the State Department's relations with or communications to Donovan were things that we could not control, although conceivably clear understanding between the State Department and Donovan might be essential to the successful outcome of Donovan's scheme. On the other hand, at this stage there was no authority for us to let the State Department understand that we wished Donovan to be told of the nature of our reply to the Cuban Foreign Minister.

E.R. R[ETTIE]

647.

DEA/4568-40

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

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

CONFIDENTIAL

Ottawa, September 12, 1962

NEGOTIATIONS ON CUBAN INVASION PRISONERS

As you know, we have asked our Washington Embassy to pass on to the State Department the contents of Mr. Kidd's telegram reporting on Mr. Roa's reaction to our reply. I presume that no further action on this subject is required until we are again approached either by the United States or the Cuban Government.

2. Should these negotiations succeed, and large purchases from Canada become likely, the public relations aspect of this problem would have to be considered. It may be useful to record now our preliminary views on how this might be handled. Presumably, either the White House or the State Department would issue a statement on the settlement when it is made. We could ask the State Department if they would include in this statement the following:

(1) The Cuban authorities and the Cuban Families Committee in the United States had agreed that the purchase of the food, medicines and agricultural products could most conveniently be made in Canada.

(2) The Canadian Government had been consulted and had indicated that if the Cuban Families Committee in the United States wished to make these purchases in Canada, there should be no difficulty provided these purchases conformed to the Canadian export regulations.

3. It might be useful to set out these thoughts in a telegram to Washington Embassy which could be marked for limited circulation. Our telegram would mention our concern regarding the dangers in front of us vis-à-vis United States public opinion. Do you wish us to send such a telegram at this time or wait until we see how the negotiations progress?<sup>22</sup>

W.F. STONE

<sup>22</sup> Notes marginales :/Marginal notes:

I think some item along these lines would be helpful but feel we should wait and see whether and how negotiations proceed before taking any further action. [N.A.] R[obertson]  
Minister objects to Canada taking part in negotiations. A. P[otvin]

648.

DEA/4568-40

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

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

TELEGRAM M-101

Ottawa, October 8, 1962

CONFIDENTIAL. EMERGENCY.

Repeat for Information: Washington, Candel New York (Priority).

## PRISONERS

Understand from USA Embassy Cubans may question dependability Donovan's letter of credit and that statement indicated below would help overcome this last possible difficulty. Accordingly please contact Donovan's party and indicate that while you are not repeat not of course to become involved in negotiations you have been authorized to communicate proposed statement to Cuban authorities if they ask for it. Following is text "I am authorized by Governor of Bank of Canada to state that Bank of Canada has fullest confidence in the Royal Bank of Canada to honour any international financial commitment it may make."<sup>23</sup>

649.

DEA/2444-40

*Note du sous-secrétaire d'État adjoint des 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, December 17, 1962

## CUBAN PRISONERS

In confirmation of the information in my memorandum earlier today, Mr. Ivan White has now supplied the attached letter containing the message from the Department of State.

2. The U.S. negotiator is informing the Royal Bank officers that this reassurance is being provided to the Canadian Government in case the Royal Bank wishes to confirm the position. Accordingly, I would suggest that if an enquiry is received from the responsible officer of the Royal Bank in Montreal, we might reply along the lines of the attached communication. I have indicated to Ivan White that we would not propose to volunteer this information to the Royal Bank unless they ask us for it.<sup>24</sup>

A.E. R[ITCHIE]

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<sup>23</sup> Note marginale :/Marginal note:

Mr. Pick: This was done at the request of Ivan White on Thanksgiving Day. I cleared with Rasminsky and sent off this message. A.E. Ritchie

<sup>24</sup> Note marginale :/Marginal note:

I have informed Elderkin of these developments & that he sh[oul]d get copies of papers. [N.A.] R[obertson]



DEA/10224-40

[PIÈCE JOINTE/ENCLOSURE]

*Le ministre à l'ambassade des États-Unis  
au sous-secrétaire d'État adjoint des Affaires extérieures*  
*Minister, Embassy of United States,  
to Assistant Under-Secretary of State for External Affairs*

SECRET

Ottawa, December 17, 1962

Dear Ed [Ritchie]:

In confirmation of our oral conversation this morning, this is to inform that the Embassy has received an instruction from the Department of State as follows:

James B. Donovan, a private U.S. citizen who has been attempting to obtain the release of the Cuban Bay of Pigs prisoners on behalf of the Cuban Families Committee, a private organization, informed the Department of State that he believes he has sufficient pledges from private sources to discuss the release of the prisoners with Cuban authorities. The Department of State understands that the Royal Bank of Canada at Montreal is disposed to issue a letter of credit for this transaction, but desires reassurances that existing and future U.S. restrictions on shipping and trade with Cuba will not interfere with the delivery of the goods involved in obtaining the release of the Bay of Pigs prisoners.

The Embassy has been instructed by the Department of State to transmit these assurances to the Department of External Affairs.

Sincerely,

IVAN B. WHITE

650.

DEA/2444-40

*Le conseiller à l'ambassade des États-Unis  
au sous-secrétaire d'État adjoint des Affaires extérieures*  
*Counsellor, Embassy of United States,  
to Assistant Under-Secretary of State for External Affairs*

SECRET

Ottawa, December 18, 1962

Dear Ed [Ritchie]:

This letter is written pursuant to recent instructions to the Embassy from the Department of State and supplements Mr. White's letter of December 17.

The Department of State understands from Mr. James B. Donovan that the Royal Bank of Canada at Montreal has sought specific assurance concerning the transfer of funds from the United States, should it become necessary, in support of a letter of credit. In this connection, the Embassy has been authorized to inform you as follows in elaboration of the information contained in Mr. White's letter of December 17 and we have been asked to express the hope that your Government would so inform the Royal Bank of Canada at Montreal as soon as possible.

The assurance contained in Mr. White's letter specifically includes that the United States will not take any action which will interfere with an American bank holding in Canada accounts in Canadian dollars, or exchanging United States dollars for Canadian dollars, where

the account of the transaction is directly or indirectly in connection with a letter of credit issued in Canada in support of the Donovan mission.

These assurances are intended to facilitate the issuance of a letter of credit in satisfactory form by a Canadian bank; should such a letter of credit not be issued, these assurances would, of course, not be applicable.

The United States has no objection to the foregoing being made known to the Royal Bank of Canada, or to any other Canadian bank that may be considering the issuance of a letter of credit in connection with the Donovan mission. Nevertheless, we would prefer that the foregoing, as well as the content of Mr. White's letter of December 17, not be made public without our prior concurrence.

It seems likely that you will already have done so, but I have also been asked to express the hope that your Government will inform Ambassador Kidd in Havana of the probable involvement of the Royal Bank of Canada at Montreal to the extent of issuance of a letter of credit.

The Embassy understands that Mr. Donovan expects to arrive in Havana today in order to renew his discussions with the Cuban authorities. In the event of extreme emergency, Mr. Donovan may ask the assistance of the Canadian Embassy in Havana in order to send an encoded message from Havana via Canadian channels. Should your Government see its way clear to authorizing such use of its facilities, the Embassy would, of course, like very much to be informed as soon as possible of the receipt of any message from Mr. Donovan.<sup>25</sup>

Sincerely yours,

RUFUS Z. SMITH

651.

DEA/2444-40

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

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

TELEGRAM XL-137

Ottawa, December 18, 1962

SECRET. OPIMMEDIATE.

RELEASE OF BAY OF PIGS PRISONERS

Negotiations for release of the Bay of Pigs prisoners have been resumed and may soon be concluded although nothing is final yet. For your information it is probable that the Royal Bank of Canada will issue a letter of credit. The Royal Bank has sought and secured assurances from the USA authorities that existing and future USA restrictions on shipping and trade with Cuba will not interfere with the delivery of goods involved in obtaining release of prisoners. The Bank has also been assured that there will be no difficulty concerning the transfer of funds from the USA to Cuba should such action become necessary in support of the letter of credit.

<sup>25</sup> Notes marginales :/Marginal notes:

I read this letter to Mair of the Royal Bank at 4:30 P.M. Dec. 18. He took note of its contents and said that if the commercial aspects of the deal were cleared up satisfactorily his Bank w[oul]d probably be getting in touch with us to confirm the "assurances" [covered?] in U.S. Embassy letters of the 17 & 18. [N. A.] R[obertson]

Deal not wrapped up. Can. Consul to authenticate USA (Donovan) document. [A. E. Ritchie?]

2. It is understood that Mr. Donovan expects to arrive in Havana today in order to renew his discussions with the Cuban authorities. He may approach you in order to send cypher messages through us. If he does, you are authorized to extend your cypher facilities to him. Any telegrams sent should be addressed to the Under-Secretary and marked "no distribution."

3. You may be requested to authenticate documents and one of your consular officers should be prepared to do so in the usual way.

N.A. ROBERTSON

652.

DEA/2444-40

*Le ministre à l'ambassade des États-Unis  
au sous-secrétaire d'État adjoint des Affaires extérieures  
Minister, Embassy of United States,  
to Assistant Under-Secretary of State for External Affairs*

LIMITED OFFICIAL USE

Ottawa, December 27, 1962

Dear Ed [Ritchie]:

The Department of State has requested that the following telegram be sent as soon as possible on behalf of Mr. James B. Donovan to the Canadian Embassy in Havana:

"I confirm all arrangements. Please transfer all documents you holding for benefit of Banco Nacional.

"Signed James B. Donovan."

The Department has also requested the Embassy to express to the Canadian Government its appreciation for the cooperation of Canadian authorities in assisting with Mr. Donovan's successful efforts to obtain the release of the Cuban prisoners.

Sincerely yours,

IVAN B. WHITE

SECTION C

CRISE DES MISSILES DE CUBA  
CUBAN MISSILE CRISIS

653.

J.G.D./MG01/XXI/D/204

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

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

TOP SECRET

Ottawa, October 22, 1962

CUBA

Livingston Merchant is to call on you at 5 p.m. this afternoon as a special emissary of the U.S.A. President in connection with the latest developments concerning the situation in Cuba. The exact nature of the message he will convey is not known, but the following landmarks in U.S.A. policy on the Cuban issue will almost certainly be relevant:

(1) On September 13 President Kennedy, in a prepared statement at a press conference, said in part: "If Cuba ... should become an offensive military base of significant capacity for the Soviet Union then this country will do whatever must be done to protect its own security and that of its allies." He had prefaced his remarks however by reiterating that "these new shipments do not constitute a serious threat to any other part of this hemisphere." Full text of the President's statement of Sept. 13 is attached (Washington tel. 2665 dated Sept. 14, 1962. †)<sup>26</sup>

(2) As recently as October 3, Under-Secretary Ball re-affirmed before the Select Committee on Export Controls of the House of Representatives that "quite clearly it (the military build-up of Cuba by the USSR) does not constitute a threat to the U.S.A.." Like the President, however, he added that "if, contrary to the present evidence, should it ever appear that the USSR is succeeding in making Cuba a threat to the security of this country or this hemisphere, we are prepared to take the necessary action – whatever it may be." (Full text in Washington telegram 2883 of Oct. 4, 1962, † is attached.)

(3) Without anticipating in detail the information which Mr. Merchant will convey to you, we are aware through intelligence channels that as of October 16 the U.S.A. had satisfied itself through photographic and other intelligence media that offensive ballistic missiles with a range of between 1100 and 2200 miles were being installed in Cuba in sufficient number (an estimated 40) to directly threaten the Security of U.S.A.

(4) The fact that the U.S.A. Government took the extraordinary step at 0400 hours today to ask the Canadian Government to prohibit transit stops or overflight of Czech and Cuban aircraft at Gander strongly indicates that the U.S.A. is taking emergency action to prevent the delivery or further delivery of warheads for the newly discovered launching sites in Cuba.

2. We have been informed that President Kennedy will make an announcement of national importance at 7 p.m. today. Members of the Canadian Joint Staff in Washington are receiving high level briefings throughout the afternoon and our Ambassador in Washington has been called to the State Department later today. In the light of the firm public commitment President Kennedy has given to take preventive action to protect the security of the U.S.A. should there be a determination that the USSR had developed in Cuba "an offensive military base of significant capacity," and the present finding that such a capacity now exists, the conclusion is unavoidable that the U.S.A. is about to embark on some counter action. This could take the form of either:

(a) A naval and air blockade of Cuba, including the right to intercept and search surface ships and submarines. The execution of such a blockade could quickly lead to naval engagements at sea and ultimately to hostilities with the Soviet Union;

(b) A swift invasion and occupation of the whole of Cuba;

(c) Military destruction of the launching sites by United States military bombing;

(d) Any or all of these moves might be preceded by a warning or ultimatum to the Soviet Union accompanied by a full public disclosure by the President of the new Soviet capability in Cuba.

3. The request to prohibit Czech and Cuban overflights could be a prelude to any of the above three courses but would indicate as a minimum the intention to institute a naval and air blockade. The fact that the stoppage of overflights has been described to us as "a temporary

<sup>26</sup> Voir/See "The President's News Conference of September 13, 1962," in *Public Papers of the Presidents of the United States: John F. Kennedy, 1962* (Washington: United States Government Printing Office, 1963), pp. 674-681.

measure” would tend to confirm that the U.S.A. foresees the situation being sufficiently clarified in the next 48 hours to render such measures unnecessary.

4. Any of these possible U.S.A. measures would probably lead immediately to counter measures by the Soviet Union in Berlin with minimum action in the form of a total blockade of the city as in 1948/49.

5. In a situation which could clearly rapidly escalate into global war, and with the United Nations in session, it can confidently be assumed that some international endeavour will be made to avert war and bring about a negotiated settlement. In this respect the situation today is analogous to that at the time of Suez, when international action to contain and put an end to the fighting was instituted almost simultaneously with the national action taken by France and the United Kingdom to protect what they considered to be vital interests. The question arises as to whether there is again a role for Canada to play.

6. The only action which could be taken in a United Nations context which might avert measures which could lead to conflict, would be a move in the Security Council to have a group of “neutral” nations – perhaps the 8 non-aligned members of the Eighteen Nation Disarmament Committee – conduct an on-site investigation in Cuba of the U.S.A. Government’s charge that that country has permitted the installation on its territory of offensive nuclear missiles. If vetoed in the Security Council or otherwise rejected by the Soviet Union and Cuba, the issue could be taken to the floor of the Assembly where an overwhelming vote in favour of such a proposal could be expected. Even if such a move failed to result in the admission of an investigation team to Cuba, it would at least have the virtue of confirming and exposing the aggressive designs which the U.S.A. maintains the Soviet Union has on North America. To be fully effective such a proposal would have to be discussed immediately with the U.S.A. Government before President Kennedy makes his announcement at 7 p.m. tonight as the possibility cannot be ruled out that his announcement may be of measures already ordered against Cuba. To ensure a hearing for a Canadian proposal of this nature, we should have to offer full cooperation in the prohibition of Czech and Cuban transit stops and overflights. Given the reluctance of the United Kingdom to support fully U.S.A. policy on Cuba (for example, in connection with the embargo on shipping) it is not out of the question that the United Kingdom might be willing to initiate some such move in the Security Council.<sup>27</sup>

H.C. GREEN

654.

J.G.D./MG01/XII/D/204

*L'émissaire spécial du président des États-Unis  
au premier ministre*

*Special Emissary of President of United States  
to Prime Minister*

CONFIDENTIAL

Ottawa, October 22, 1962

Dear Mr. Prime Minister:

President Kennedy has requested me to transmit to you personally the following message from him:

<sup>27</sup> Note marginale :/Marginal note:

Seen first at meeting with Mr. Merchant and Minister 5:30 pm. Delivered to me at [home?] at 7 pm after broadcast of Pres. Kennedy. [John G. Diefenbaker]

“My Dear Prime Minister:

I am asking Ambassador Merchant to deliver to you the text of a public statement I intend to make today at 1900 hours Washington time. It is occasioned by the fact that we are now in the possession of clear evidence which Ambassador Merchant will explain to you, that the Soviets have secretly installed offensive nuclear weapons in Cuba, and that some of them may already be operational.

As you will see from my speech, I consider that the situation calls for the immediate execution of certain quarantine measures whose object is to prevent the introduction into Cuba of further nuclear weapons, and to lead to the elimination of the missiles that are already in place.

I am sending Chairman Khrushchev a personal message making it clear that these latest actions of his Government in Cuba constitute an unacceptable threat to the security of this hemisphere, and I am expressing the hope that we can resume the path of peaceful negotiation.<sup>28</sup>

I am also requesting an urgent meeting of the United Nations Security Council. I have asked Ambassador Stevenson to present on behalf of the United States a resolution calling for the withdrawal of missile bases and other offensive weapons in Cuba under the supervision of United Nations observers. This would make it possible for the United States to lift its quarantine. I hope that you will instruct your representative in New York to work actively with us and speak forthrightly in support of the above program in the United Nations.

It is most important that we should all keep in close touch with each other, and I will do all I can to keep you fully informed of developments as I see them.

Sincerely,

JOHN F. KENNEDY”

Sincerely,

LIVINGSTON T. MERCHANT

655.

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 3075

Washington, October 22, 1962

TOP SECRET. EMERGENCY.

The Ambassadors of allies of USA (NATO, SEATO, OAS and those with bilateral defence arrangements with USA) were summoned to the State Department at six o'clock today (one hour before the President's public speech)<sup>29</sup> for an intelligence briefing from Roger Hilsman of CIA. The meeting was chaired by Under-Secretary George Ball.

2. I shall not repeat not attempt to enter into the technical details of the briefing (which I understand will be reaching you through other channels and which in any case we did not

<sup>28</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 44.

<sup>29</sup> Voir/See “Radio and Television Report to the American People on the Soviet Arms Buildup in Cuba,” October 22, 1962, in *Public Papers of the Presidents of the United States: John F. Kennedy, 1962* (Washington: United States Government Printing Office, 1963), pp. 806-809.

repeat not have time and opportunity to note in detail). The main emphasis was upon the discovery in the last week of an offensive missile buildup in Cuba. The briefing was accompanied by photographic slides based on aerial photography. It was stated that there were "a considerable number" of MRBM missile bases of a mobile field type with hard earth and not repeat not concrete foundations. We were shown photos of these bases and of what were described as MRBM missiles on or near the bases. We were also informed that there was evidence of the commencement work on IRBM bases. Hilsman stated that the missiles were all designed for rpt [sic] launchings and that he was almost certain that they had sufficient missiles for this purpose. The MRBMs were stated to have a radius of one thousand miles and the IRBMs of two thousand two hundred miles. The missiles would be of a low megaton range. Hilsman said that there was no repeat no direct evidence of nuclear warheads in Cuba but they would not repeat not expect easily to detect the warheads owing to their small size. However, the missiles without the warheads "would not repeat not make sense." Hilsman stressed the very rapid deployment which had taken place saying that sites which had very recently shown no repeat no evidence of missile bases now contained them. Hilsman also reported the presence of IL28 bombers and showed photos of these being uncrated in Cuba. He referred to 24 surface-to-air missile sites and to one hundred MiG jets.

3. At the termination of the briefing, the Under-Secretary (Ball) made a few brief remarks referring to the "essential solidarity" of the governments represented and stating that the offensive nuclear capacity in Cuba represented a threat not repeat not only to USA but to the Western hemisphere. He further defined this as a threat (a) to Latin American countries and (b) to the retaliatory power of USA. He said that the steps which the President would outline in his speech were essential to the credibility of Western willingness to respond to such a challenge and essential also to the defence of Berlin.

4. At the termination of his remarks, we listened to the President's speech on TV.

[C.S.A.] RITCHIE

656.

DEA/2444-40

*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 2454

Paris, October 22, 1962

SECRET. EMERGENCY.

Reference: Our Tel 2453 Oct. 22.†

Repeat for Information: CCOS, Washington, London, Paris, Candel New York (OpImmediate), DM/DND (OpImmediate) from CCOS.

By Bag Moscow from London.

CUBA: BRIEFING OF NAC

At 10 pm local time Council met to receive a report brought this afternoon from Washington by Dean Acheson and Sherman Kent, Deputy Director of CIA. Acheson explained that he had come as the personal representative of the President to brief Council on background of President's address to the nation tonight. Since President's message will be available to you by now and most of background no repeat no doubt can be furnished in detail through Intelligence net, I confine myself in this message to highlights of what Acheson said.

2. He recalled that the President had undertaken in his statement on Cuba in September to let it be known if Soviet Government introduced offensive rather than defensive weapons into Cuba.<sup>30</sup> As of October 15 USA had what Acheson described as irrefutable evidence that USSR had introduced into Cuba medium and intermediate ballistic missiles with a range of one thousand and twenty two hundred nautical miles respectively. They were thus able to cover large areas of Latin America, USA and Canada with nuclear weapons and were no longer dependent on intercontinental missiles and bombers for delivering nuclear weapons on targets in Western hemisphere.

3. The missiles observed were of the mobile field type which had been seen in Moscow May Day parade some two years ago and had been observed at San Cristobal and Sagua la Grande areas. The missiles observed were already in an operational state and must have been delivered a month or six weeks ago. In addition other missile sites had been observed which were expected to become operational before end of year.

4. Installations which seemed to represent storage facilities for warheads had also been sighted and it had to be assumed that warheads were available for the missiles now located in Cuba.

5. In addition coastal and patrol installations and vessels were being equipped with missile launchers of smaller range using high explosive warheads.

6. Main method for delivery of ballistic missiles from USSR to Cuba was thought to be the vessel *Poltava* which had been sighted in Cuba in July, again in September and was expected to return in November.

7. Acheson said that in the last few days the President had been in constant consultation with his advisers, civil and military, and that the course he was taking was in Acheson's judgement reasonable in view of the increased Soviet threat to the essential security interests of USA. These USA measures would include

(a) a blockade after 24 hours' notice to prevent further offensive military material entering Cuba in which all ships would be stopped and searched

(b) putting armed forces of USA on readiness to deal with the rising state of tension and risks involved in order to make it clear that USA will not repeat not tolerate build-up of a military threat in Cuba

(c) recognition that source of threat is USSR and not repeat not Castro régime

(d) reinforcement of Guantanamo Base and the removal of USA dependents there

(e) calling an emergency meeting of OAS and the invocation of Articles Six and Eight of Rio Treaty<sup>31</sup>

(f) calling an emergency meeting of UN Security Council, and

(g) calling upon Khrushchev to desist from provocative action and resume the search for peace.

8. Reference to precautionary measures by USA armed forces led to discussion as to whether or not repeat not USA armed forces were being put on the alert. At request of members of Council, SACEUR's Chief of Staff was called for and he reported that in view of President's speech SACEUR was informing all Ministers of Defence and NATO commands to take secretly certain precautionary measures appropriate to a heightening of international tension

<sup>30</sup> Voir/See "The President's News Conference of September 13, 1962," in *Public Papers of the Presidents of the United States: John F. Kennedy, 1962* (Washington: United States Government Printing Office, 1963), pp. 674-681.

<sup>31</sup> Voir/See "Inter-American Treaty of Reciprocal Assistance," *Department of State Bulletin*, Vol. 17, No. 429 (September 21, 1947), pp. 565-567.



but short of a state of military vigilance. General Moore emphasized that such measures would avoid anything that might be regarded as provocative and would include such things as intelligence collection, preparation of alerts and check of equipment.

9. Acheson added that the Kennedy/Gromyko talks<sup>32</sup> were in his view disturbing in that Gromyko denied any knowledge of any offensive weapons in Cuba, apparently being unaware of USA intelligence information at that time, and was wholly unforthcoming on Berlin question.

10. In conclusion Finletter and Acheson appealed for sympathetic understanding, solidarity, as well as constructive criticism of what USA was doing and indicated that this was the start of a consultative process which would have to proceed in NATO on Cuban question in view of obvious heightened risks to all members of the Alliance arising from situation described above.

11. Participation by other members was mainly limited to questions; as discussion is expected on President's statement and Acheson's briefing shortly with appeals for solidarity, your early guidance would be appreciated.

[GEORGE] IGNATIEFF

657.

DEA/2444-40

*Le chargé d'affaires de l'ambassade des États-Unis  
au sous-secrétaire d'État adjoint aux Affaires extérieures*

*Chargé d'affaires, Embassy of United States,  
to Assistant Under-Secretary of State for External Affairs*

SECRET

Ottawa, October 23, 1962

Dear Ed [Ritchie]:

Confirming our telephone conversation in the early morning of October 22, I was instructed to request the Government of Canada to suspend temporarily all transit facilities and overflight clearances for Bloc aircraft destined to Cuba.

Sincerely,

IVAN B. WHITE

<sup>32</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 29.

658.

DEA/2444-40

*Note du chef de la Direction de l'Amérique latine  
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Latin American Division,  
to Under-Secretary of State for External Affairs*

RESTRICTED

Ottawa, October 23, 1962

VIEWES OF THE CUBAN AMBASSADOR ON THE CRISIS

Today, as instructed, I called in the Cuban Ambassador and told him that henceforth the Canadian authorities at Gander would be ascertaining that Cubana aircraft moving in transit from the Soviet bloc countries to Cuba did not carry any military equipment. This went well and he appeared to accept our position. In answer to a question I told him that we had received no specific complaint about the carriage of arms in Cubana aircraft. He thought they were used exclusively for civilian passengers and that all of their available weight and space would be used for personal luggage.

2. He obviously wanted to stay on and initiated a discussion on the quarantine measures being taken by the United States. He really made two points:

(a) He considered that the charges of the presence of offensive missile bases in Cuba were completely false. It was a further example of reckless Yankee propaganda against his little country. He referred to the devices of faking aerial and other photographs to provide evidence of the existence of launching sites. He had read and liked the Prime Minister's statement in the House on the previous evening. He seemed to think that the suggestion of an inspection on the spot by the eight non-aligned members of the Disarmament Committee implied that Mr. Diefenbaker himself doubted President Kennedy's assertions. I suggested that a more careful reading of the statement would indicate that our Prime Minister was not personally concerned but said that this would be "the only sure way that *the world* can secure the facts."<sup>33</sup> Mr. Diefenbaker's subsequent statement made about the time of our interview has cleared up this point.<sup>34</sup>

(b) He went on to say that there was no reason why Cuba, which had yielded to so many provocations from the United States, would wish to acquire such offensive weapons and encourage further aggressive action by the United States. Even the Soviet Union would have no interest in placing such weapons on Cuban soil because, as they had claimed, their intercontinental ballistic missiles could reach any target anywhere from the Soviet Union itself. When I suggested, as gently as I could, that matters were probably no longer in Cuban hands and therefore what was happening had not been determined on a basis of Cuban national interests, Dr. Cruz became quite agitated and indeed was on the point of anger. This had touched fundamental sentiments of patriotism and nationalism. As on other occasions with me, he showed he was very sensitive about any hint that Cuba was not now a really independent country and was some sort of a satellite.

<sup>33</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, pp. 860 à 861.  
See Canada, House of Commons, *Debates*, 1962-63, Vol. I, pp. 805-806.

<sup>34</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, p. 877.  
See Canada, House of Commons, *Debates*, 1962-63, Vol. I, p. 821.

3. After letting him talk at length I finally terminated the visit. He is no doubt feeling his isolation acutely and needed a release for his pent-up feelings.<sup>35</sup>

A.J. PICK

659.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 23, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of National Revenue and Minister of Forestry (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

CUBAN CRISIS; MISSILE BASES

1. *The Prime Minister* said that he had been asked by the press whether there was any doubt about the missile facilities on Cuban soil. Mr. Green, Mr. Harkness and he had been convinced that there had been no exaggeration of the situation by the President of the United States. There were, of course, political overtones in the American attitude, but the facts were as cited. The U.S. had been aware of the offensive weapons only a week ago. They had no doubt. Of course, there were those who said that the U.S. was doing wrong; among these had been Mr. T.C. Douglas. Last evening, he had been informed by the Secretary to the Cabinet that a Cuban aircraft at Shannon Airport had asked to land at Gander, Newfoundland. It had been advised that it could, but subject to investigation. The authority for investigation was in the Atomic Energy Act, and the plane would be subject to search.

2. *The Cabinet* noted the statement of the Prime Minister regarding the public disclosure by the President of the United States of Russian missile bases on the island of Cuba.

<sup>35</sup> Note marginale :/Marginal note:  
 Seen [N.A.] R[obertson]

## CUBAN CRISIS; CIVILIAN READINESS MEASURES

3. *The Prime Minister* said that the Secretary to the Cabinet had looked into the emergency measures to be taken. Certain departments were to have warning officers available on rotation basis. Key personnel were to be kept in Ottawa. The Emergency Measures Organization should know who those people were. Departments should also see that paperwork for emergency conditions was ready.

4. *The Cabinet* agreed that the various civilian departments and agencies concerned with measures to deal with an emergency be instructed,

(a) to have a warning officer available at all times by suitable rotation arrangements until further notice;

(b) to keep available, in or near Ottawa so far as possible, key personnel required for dealing with an emergency rather than permitting them to be on leave or away on business (the Emergency Measures Organization shall be kept informed as to those who will be available on short notice); and,

(c) to ensure, as a matter of priority, that the necessary paper work is made ready for dealing with emergencies in accordance with the allocation of responsibilities for emergency measures; such preparations should cover regulations that would be necessary, arrangements for allocation of responsibilities to various individuals both in the Ottawa area and elsewhere, and instructions for dealing with the various types of problems that may be expected to arise in an emergency situation.

## CUBAN CRISIS; WARNING CENTRES AND ARMY HEADQUARTERS

5. *The Minister of National Defence* said that the manning of Army warning centres should be moved to their alternative sites and placed on a 24-hour basis. Army Central and Command emergency headquarters should also be manned. This had been done as an exercise last year when Petawawa had been manned for several months.

6. *The Cabinet* agreed,

(a) that the Federal and Provincial Warning Centres of the Army be relocated to their emergency sites and manned on a 24-hour basis; and,

(b) that the Army man its Emergency Headquarters on a skeleton staff basis.

## CUBAN CRISIS; ALERTING OF CANADIAN AIR DEFENCE FORCES

7. *The Minister of National Defence* said that the U.S. segment of Norad had moved to the alertness stage known as Defcon 3. The U.S. forces, including their forces at Newfoundland bases, had been in an advanced state of readiness since last night's announcement by President Kennedy of the proposed quarantine of Cuba. Canada had been requested to place its component in the Norad force in the same state of readiness.

...

8. *During the discussion* the following points were raised,

(a) Some said they did not see why the Canadian component of Norad had to be put in readiness at the same time as the U.S. component. Others said that the forces of both countries jointly manned the same stations. Norad was a joint arrangement for mutual defence. Not to move in pace with the American forces would embarrass Canadian troops. Canada and the U.S. were allies with defence commitments towards each other and should not act differently when side by side. On the other hand, the agreement provided for independent decision to be made by the government with respect to the degree of participation by their personnel. In this instance, Canada should not appear to be stampeded. This would only intensify excitement and increase pressures. A decision to act or move into a more advanced stage of alertness could be

put into effect so quickly that waiting a while would have no serious consequence. After all, the U.S. had taken ten days to be sure they were right in their decision; surely 24 hours delay would not be unreasonable for Canada.

(b) Some said that, theoretically, Canada was not automatically embroiled anytime the U.S. was. Practically, however, Canada was. However, there were great dangers in rushing in at this time. Quick action brought quick judgement, and it would be dangerous to have the present moves interpreted as offensive rather than defensive action. Furthermore, there were domestic political overtones in the U.S. decision. Canada should appear to be behaving normally and deliberately.

(c) Others said that the situation was critical. Cuba was close. Canada was a member of Norad. Canadians would not panic. They would have to be told that the situation was perilous and that appropriate action was being taken. Russia would not expect Canada to do anything else.

(d) The real emergency, some said, would come with the U.S. stopping Russian ships. Canada's position was not absolutely clear, but it had proposed that the U.N. send certain unaligned countries to go and see the missile bases in Cuba.

(e) Others said that the main point was whether, at this stage, Canada should put its forces at the stage of the alert for "delicate or strained" relations. Word had not yet been received as to the U.K.'s views on the situation. It would be worthwhile to wait for them since not only America would be involved. If need be, Cabinet could be called on short notice later in the day.

#### 9. *The Cabinet,*

(a) noted the statement of the Minister of National Defence regarding the stage of alertness of the American component of the Norad forces in the present Cuban crisis; and,

(b) agreed that further consideration would be given to the alerting of the Canadian air defence forces after the reactions of other countries, particularly the U.K., to the American declaration had been ascertained.

#### CUBAN CRISIS; SOVIET BLOC AIRCRAFT

10. *The Secretary of State for External Affairs* said that five Soviet aircraft had flown over Canada on the way to Cuba since January. About ten days ago the Russians had asked permission for two more flights, three days before the intended departure. Their request had been turned down. It was becoming a habit, and as they were not members of the International Civil Aviation Organization (ICAO) this had to be stopped sometime. Cuba, however, belonged to ICAO and the Cuban airline had landing rights in Canada. It looked as though the Cubans were increasing the number of their flights. The Soviets would like to fly more personnel over and perhaps weapons. The Czechoslovakians and Cubans were seeking to land in Canada for refuelling. If they did land here, Canada had the right to examine them under ICAO for weapons of war, and if any were found they could be removed. Russian technicians could not be removed from a plane. It would be difficult to prevent Cuban or Czechoslovakian flights from landing in Canada. They could be searched and that was about all. Cubana Airlines ran a commercial non-scheduled series of flights which normally stopped at Gander.

11. *During the discussion* some said that there were sufficient port officers at the main eastern airports to carry out a search of Soviet bloc aircraft such as Customs, R.C.M. Police and Transport officers. Arrangements should, therefore, be made to have such searches made not only of Cuban aircraft but of all Soviet bloc aircraft. Russian planes, however, should continue to be refused permission to fly over Canada.

12. *The Cabinet* confirmed the decision that Russian aircraft be not permitted to fly over Canada except in special agreed circumstances and decided that Czechoslovakian, Cuban and other Soviet bloc aircraft covered by the ICAO agreement be permitted to fly over and land in Canada but subject to being searched to verify that such flights are in accordance with Canadian law (which does not permit civilian aircraft to carry firearms or explosives, nor nuclear material).

## CUBAN CRISIS; TRADE

13. *The Minister of Trade and Commerce* stated that at the present time exports to Cuba should be restricted to food and medicine. This policy was similar to that of the United States. Over the last year the volume of trade with Cuba had dropped to around \$5 million a year.

14. *During the discussion* it was said that there was no need to change the policy on this subject at this time.

15. *The Cabinet* agreed that there be no change at present in the policy governing trade with Cuba.

...

## CUBAN CRISIS; TRADE

19. *The Prime Minister* said that the government might be asked to remove its diplomatic representation from Cuba. The mission had been very useful and a great deal had been possible because of its presence in Cuba.

...

660.

J.G.D./MG01/XII/C/120

*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], October 23, 1962

## UNITED STATES QUARANTINE AGAINST CUBA

You have enquired about the position under international law of a blockade or quarantine such as the United States have now imposed on all offensive military equipment under shipment to Cuba, and as to precedents to this case.

2. Although President Kennedy made a passing reference to the Berlin blockade (pointing out that even shipment of food and drugs had then been stopped), he has described the measures announced yesterday as a "quarantine." On the one hand, he has not mentioned any intentions to seize or sequester the vessels of the blockaded country but on the other hand the United States forces intend to turn back any Cuba-bound vessel of any kind – as well as airplanes, if need be – if they are found to contain cargoes of offensive weapons. There seems to be no firm precedents for such a "quarantine," which seems to go somewhat further than traditional pacific blockades (by preventing foreign ships from entering Cuban ports) but is more lenient in so far as it applies only to shipments of offensive weapons (and without any declared intent to seize certain ships).

*Pacific Blockade*

3. Pacific blockades – that is blockades in time of peace – have been resorted to on several occasions since the second quarter of the nineteenth century, as a compulsive means of settling international differences. All cases of pacific blockades involve either intervention or reprisals. A study of precedents tends to indicate that the present “quarantine,” in so far as it resembles a pacific blockade, is more in the nature of an intervention. For instance in 1886, Great Britain, Austria-Hungary, Germany, Italy and Russia blocked the Greek coast for the purpose of preventing Greece from making war against Turkey. Great Britain, Germany and Italy instituted a pacific blockade in 1902 against Venezuela in order to obtain payment of indemnities due to their subjects; the American Government stated on that occasion that a pacific blockade could produce no effect as regards third powers; Great Britain shortly afterwards declared that she was at war with Venezuela and that the blockade was therefore to be considered as being of a warlike character. (Oppenheim-Lauterpacht, Vol. II, 7th Ed., pp. 147-148; Colombos, pp. 403-405.)

4. Pacific blockades have been considered by practically all writers as admissible, as long as they do not extend to the seizure or sequestration of vessels other than those of the blockaded state; also the blockading state is generally held to have no right to prevent vessels belonging to third states from freely entering or leaving the ports of the blockaded state. It is only in time of war that all vessels may be prevented from trying to break the blockade. (Aircraft may play a part in such blockades.) It must be noted that Soviet ships, under this theory, would be considered as foreign ships. (Oppenheim-Lauterpacht, Vol. II, 7th Ed. pp. 146-149; Colombos, pp. 405.)

5. Furthermore, according to most authors, the traditional rules of international law – as summarized above – have been largely overtaken by Article 42 of the Charter of the United Nations. As stated by Colombos (International Law of the Sea, 4th Ed. pp. 406), “so far as members of the United Nations are concerned, a pacific blockade could only be legally imposed by them when decided on by the Security Council under Article 42 of the Charter of the United Nations.”

*Self-Defence*

6. President Kennedy has made clear that the quarantine now imposed is a measure of self-defence. The concept of self-defence must also be interpreted in the light of the United Nations Charter. It seems that an argument can be made in favour of the U.S. action on the basis of the right of individual and collective self-defence recognized by Article 51 of the U.N. Charter. This right authorizes counter-action which might take the form of armed reprisal. The point at issue is whether what can be done in the case of armed attack may be done in the case of a threat of attack. Some writers on the authority of Article 51<sup>1</sup> seem to rule out the plea of self-defence is such an eventuality (Oppenheim, Vol. II, 155). Others on the authority of Article 2, paragraph 4<sup>2</sup> of the Charter seem to accept it (Aronéanu, “The Definition of Aggression,” p. 94). The latter thesis seems acceptable on the understanding that in every case an assessment must be made of the imminence and effectiveness of the threat invoked.

7. In response to an infringement of rights committed to its detriment a state may take retaliatory measures or resort to reprisals. The latter are not themselves illicit, but can exceptionally be justified by the fact that they are provoked by an earlier illicit measure of which they frequently tend to obtain the withdrawal. The traditional distinction is between armed reprisals (such as naval bombardments) and unarmed reprisals (such as embargos, sequestrations or the blocking of funds). The former are prohibited to members of the United Nations by Article 2, paragraph 4 of the Charter. The most eminent writers have unanimously deduced from that Article that, apart from self-defence or the application of any enforcement measure decided by the Security Council, members of the United Nations could henceforth not

resort to armed reprisals. (Guggenheim, Vol. II, p. 59; Oppenheim-Lauterpacht, Vol. II, p. 153; Higgins, para. 399; Rousseau, p. 467.) Armed intervention by U.S. forces against foreign ships attempting to break their enforcement of the quarantine would thus seem to be forbidden.

*A Measure Sui Generis*

8. If the quarantine imposed by the United States were a pacific blockade, its legality might be doubtful in view of Article 42<sup>3</sup> of the Charter, if not in view of traditional law. However, while having elements of a pacific blockade, it cannot be – strictly speaking – construed as one. Furthermore, in so far as the measures imposed have been taken in self-defence, they are not necessarily illegal under the Charter of the United Nations, even though there was no armed attack on the United States. (The case might be different if armed reprisals were enforced against foreign ships refusing to yield.) The quarantine decreed by President Kennedy would seem to be *sui generis*. In consequence, while it would not be correct to assert categorically the legality of the United States move, it is impossible as well to conclude that it is illegal. (The paper from Admiral Rayner† tends to identify the proposed “quarantine” with a pacific blockade, while noting in conclusion that its legality is ill-defined.)

9. Moreover, while the issue is thus by no means clear, the following points reflect a U.S. intention to remain within the bounds of legality:

(a) the measure has been immediately reported to the Security Council, in accordance with Article 51 of the Charter and General Assembly Resolution of November 17, 1950, and to the Council of the Organization of American States, in accordance with Article 6 of the Rio Treaty;

(b) it is meant to be temporary in nature;

(c) the enforced diversion of ships is not intended to prejudice the general interests of international trade, since only shipments of offensive weapons are to be stopped; and

(d) the operation intended will assume the nature of armed reprisal only if the ships intercepted refuse to comply either with an order to stop and be searched or to turn back with their military cargo.

H.C. G[REEN]

**[Endnotes:]**

(1) “Nothing in the present Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a Member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defence shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.”

(2) “All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.”

(3) “Should the Security Council consider that measures provided for in Article 41 would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade, and other operations by air, sea, or land forces of Members of the United Nations.”



661.

DEA/2444-40

*Note de l'adjoint spécial,  
Bureau du secrétaire d'État aux Affaires extérieures,  
pour des sous-secrétaires d'État adjoints des Affaires extérieures*

*Memorandum from Special Assistant,  
Office of the Secretary of State for External Affairs,  
to Assistant Under-Secretaries of State for External*

SECRET

[Ottawa], October 23, 1962

CUBA

The Minister initialled the Memorandum to the Prime Minister† covering telegrams V-104 and V-105 of Oct. 23 which were addressed to the Permanent Mission in New York and to Washington. The Memorandum was forwarded to Mr. Dier at 9:45 a.m., October 23.

2. At 10.00 a.m. Mr. Dier informed me that the Prime Minister had approved the two telegrams and that they had been despatched.

M.N. B[ow]

662.

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès des Nations Unies  
et à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs  
to Permanent Representative to United Nations  
and to Ambassador in United States*

TELEGRAM V-104

Ottawa, October 23, 1962

CANADIAN EYES ONLY. SECRET. EMERGENCY.

Reference: Press guidance Tel 192 Oct 22.†

Repeat for Information: London, Paris, NATO Paris, Havana, (OpImmediate), DM/DND, CCOS.

By Bag Moscow from London.

CUBA

You will have received the press guidance telegram under reference setting out the Prime Minister's statement in the House of Commons shortly after President Kennedy issued his statement on the measures the USA is taking to meet the new Soviet missile threat from Cuba. Early in his statement the Prime Minister made it quite clear that Canada would want the UN to be seized as soon as possible of this serious problem. He noted in this connection that the USA would be bringing the matter before the Security Council at once but went on to say that the world will want a full and complete understanding of what is taking place in Cuba. He then made the suggestion that in order to ascertain what the facts are, a group of nations, perhaps the 8 nations comprising the non-aligned members of the 18 Nation Disarmament Committee, be given the opportunity of making an on-site inspection in Cuba.

2. In making this proposal the Prime Minister was not casting public doubt on the facts of the situation as outlined by the President in his nation-wide address. The Prime Minister has

already noted that construction of bases for the launching of offensive weapons in the form of IRBMs constituted a threat to most of the cities of North America including the major cities of Canada. He had clearly stated "that the existence of these bases or launching pads is not defensive but offensive." The Prime Minister's purpose was to put in motion steps to be taken in the UNGA in the event that the resolution being submitted today to the Security Council by the USA (Permis New York Telegram 1884 October 22†) is vetoed by the Soviet Union, or if the Soviet Union denies the existence in Cuba of offensive ballistic missile bases. In that event we are assuming that the USA would carry its charge to the floor of the Assembly and at that point an initiative along the lines contemplated in the Prime Minister's statement might usefully be brought forward. If such a move were adopted and failed to result in the admission to Cuba of an investigation team, it would at least serve to confirm and expose the aggressive designs which the Soviet Union has on North America.

3. The first draft of the sort of resolution which might be used to launch this proposal is in our immediately following telegram.

4. Your comments are urgently requested. Subject to further confirmation from Ottawa, you may be asked to use the meeting of NATO representatives which has been called for 2:15 October 23 to test the reaction of the USA and our other Allies to this proposal.

*For Washington*

You should discuss this proposal with the State Department as a matter of urgency and let New York and Ottawa know the reaction by telephone.

**663.**

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès des Nations Unies  
et à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs  
to Permanent Representative to United Nations  
and to Ambassador in United States*

TELEGRAM V-105

Ottawa, October 23, 1962

CANADIAN EYES ONLY. SECRET. EMERGENCY.

Reference: My Tel. V-104 Oct 23.

Repeat for Information: London, Paris, NATO Paris, Havana, (OpImmediate), DM/DND, CCOS.

By Bag Moscow.

CUBA

*The General Assembly*

Deeply concerned about the grave threat to peace resulting from current developments in the Cuban crisis;

Convinced that the charges about the secret introduction of nuclear missiles and other offensive weapons are sufficiently serious to warrant immediate investigation and observation by the United Nations;

Noting that quarantine measures have been imposed around Cuba;

1. Establishes an investigation and observation group, composed of representatives of Brazil, Burma, Ethiopia, India, Mexico, Nigeria, Sweden, and U.A.R., with the following functions:

(a) to investigate fully all charges that nuclear missiles and other offensive weapons have been introduced into Cuba;

(b) to observe the quarantine measures imposed by the United States;

(c) to report as appropriate to the Security Council and the General Assembly and in any event to report its findings on sub-paragraph (a) and (b) to the General Assembly not repeat not later than December 1, 1962.

2. Further requests the Acting Secretary-General to provide qualified personnel with the necessary equipment and other means to ensure the effective discharge of the functions of the investigation and observation groups.

3. Calls upon the Government of Cuba to cooperate fully with the group according to all necessary rights of access, movement and enquiry, and any additional facilities it may require.

4. Urgently recommends that the United States and the USSR confer promptly on measures to remove the existing threat to the peace and to report thereon to the Security Council and the General Assembly as appropriate.

664.

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures  
à l'ambassadeur aux États-Unis  
et au représentant permanent auprès des Nations Unies*

*Secretary of State for External Affairs  
to Ambassador in United States  
and to Permanent Representative to United Nations*

TELEGRAM V-478

Ottawa, October 23, 1962

CANADIAN EYES ONLY. SECRET. OPIMMEDIATE.

Reference: Our Tels. V-104 and V-105 Oct 23 and Campbell-Ritchie Telecon.

Repeat for Information: London, Paris, NATO Paris, Havana, (Priority), DM/DND, CCOS.

By Bag Moscow from London.

CUBA

This is to confirm that the Minister has authorized the deletion of paragraph 1(b) of our draft resolution referring to observation of quarantine measures imposed by the USA before presenting the draft to the State Department for discussion. On the other hand he did not wish to amend the language in paragraph 4 of the draft resolution to bring it more into line with that used in the USA draft, since the general reference "to the existing threat to the peace" is less restrictive than the USA reference "to the security of the Western hemisphere and the peace of the world."

2. It should be made clear in your discussions with the State Department and USA colleagues in New York that there is no intention to have this or any other Canadian resolution in competition with the USA draft resolution. We recognize that the USA draft resolution might be presented without amendment in the General Assembly if action on it is vetoed by the Soviet Union in the Security Council. It is in circumstances in which the USA resolution might be failing to win general support or was being amended in a way which would substantially change its sense that we would envisage our draft resolution being put forward, in full consultation with the USA and other Western countries.

3. These points should be made clear in your discussions with the USA. The Prime Minister has just made a statement in the House of Commons, the text of which is being sent to you,† which deals with these and some other aspects of the suggestion he made yesterday. You may draw on his statement in your discussions.

*For New York:*

You should delete from the draft contained in telegram V-105 paragraph 1(b). We understand from Washington that New York may be the principal point of consultation.

665.

J.G.D./XIV/E/167.3

*Note du premier ministre du Royaume-Uni  
pour le premier ministre*

*Memorandum from Prime Minister of United Kingdom  
to Prime Minister*

TOP SECRET

[Ottawa], October 23, 1962

President Kennedy sent me a message on October 22nd<sup>36</sup> outlining the action which he proposed to announce in his speech. I expect that he also transmitted it to you, and in any case your representative will have attended the briefing given by Dean Acheson to the North Atlantic Council last evening.

I thought it right to send a message straight away assuring the President of our full support in the Security Council.<sup>37</sup> Since the President has decided to take this action and has announced it, it will clearly give pleasure to no-one, except the Russians, if there were to be anything but firm support from the members of the Western Alliance.

At the same time, we cannot tell where the American action will lead us. The Russians' reply may be in words at the United Nations and so forth, or in deeds. If the Russians decided to do something, I suppose that they might send military vessels to escort their merchant ships to Cuba, thereby presenting the Americans with the awkward dilemma of having to fire first; or, of course, Khrushchev might react on some of the weaker parts of the western world, whether in South East Asia, the Middle East or Turkey. Finally it will be tempting for him to retaliate in kind by imposing a blockade on Berlin to offset the one on Cuba. I am sure that all these considerations are very much present in President Kennedy's mind, and, of course, there is a considerable danger that the various pressures to which the United States will be exposed may give the Russians an opportunity of exploiting differences of interest, or at least of emphasis, between the United States on the one hand and her American and European allies on the other. I feel certain that we must above all try to avoid any splits in the alliance of this kind.

For the rest, I do not think we can do more now than await events, but I should be most glad to have your reactions and I think that we should try to keep in close touch as the situation develops. For your private information, if the situation were to get enlarged beyond the purely Caribbean context, I should feel it my duty to take some action to try to prevent any possible escalation to war, but I certainly do not intend to take any initiative in the present uncertain circumstances.

<sup>36</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 39.

<sup>37</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vols. X/XI/XII Microfiche Supplement (Washington: Department of State, 1998), document 365.

666.

DEA/2444-40

*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 1904

Ottawa, October 23, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel V-104 Oct 23.

Repeat for Information: London, Paris, NATO Paris, Washington (OpImmediate), DM/DND, CCOS from Ottawa.

By Bag Moscow from London, Havana from Ottawa.

## CUBA

Security Council convened 4 p.m. USA has already spoken. It is probable that following statements by USSR and Cuba meeting will be adjourned until tomorrow morning in order to give delegates time to consider problem. USA has already introduced draft resolution.

2. USA delegate agreed that resolution is certain to be vetoed by USSR. Present intention is to take issue to UNGA when this happens.

3. USA statement which you will certainly have seen in UN press release referred in general terms only to missile sites.<sup>38</sup> We expect that USA may make public information on speed and extent of Soviet missile site construction which was given in briefing to USA allies this afternoon (our telegram 19003†) to justify USA stand.

4. McCloy's principal task so far has been to explain informally USA position to sympathetic neutrals such as Austria and Sweden.

5. We have tentatively discussed with close friends approach set out in your reference telegram. UK reaction was that USA information on establishment of Soviet missile sites in Cuba was elaborate and convincing and that suggestion to carry out independent investigation was premature in that it would complicate Security Council consideration. On the other hand Norwegian representative said to us if USSR were to deny existence of missile bases number of delegations might be attracted by our suggestion. We shall be sending more comments on your suggestions.

6. At present moment attention is focussed on Security Council. Situation is entirely fluid and positions have not yet taken shape. When matter advances to next stage and is referred to UNGA I suggested that SSEA might wish to come to New York.

[PAUL] TREMBLAY

<sup>38</sup> Voir Nations Unies, Documents officiels du Conseil de sécurité, dix-septième année, 1022ième séance, le 23 octobre 1962, UN Doc S/PV.1022(OR), pp. 2 à 17, <http://documents.un.org/>.

See United Nations, *Security Council Official Records*, Seventeenth Year, 1022<sup>nd</sup> Meeting, 23 October 1962, UN Doc S/PV.1022(OR), pp. 2-17, <http://documents.un.org/>.

667.

H.B.R./Vol. 6

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 3087

Washington, October 23, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: Permis New York, London, Paris, NATO Paris, DND, CCOS  
Ottawa from Ottawa.

By Bag Havana from Ottawa, Moscow from London.

## CUBA

This morning October 23 we saw William Tyler, Kohler's successor as Assistant Secretary for European Affairs. We began by giving him a copy of the Prime Minister's statement of October 22 emphasizing, in view of questions addressed to us earlier by the Canadian Desk, that facts of situation as outlined by the President were not repeat not questioned by Canadian Government. Tyler expressed appreciation of this assurance which he said was consistent with Merchant's report of conversation with the Prime Minister, Mr. Green and Mr. Harkness.<sup>39</sup> On question of possible Canadian resolution in General Assembly, Tyler expressed no repeat no view but asked that tactical matters be explored between USA and Canadian delegations in New York. (We had not repeat not at that time received instructions in your V-104 paragraph 4.)

2. Discussing motives for Soviet buildup in Cuba Tyler said that two main hypotheses had been considered (a) that USSR were seeking to establish in Cuba a position which might serve as a counter to Western presence in Berlin and withdrawal from which might be offered as a price for Western withdrawal from Berlin; (b) the USSR might be focussing on the whole issue of USA foreign bases. Re the latter hypothesis it may, I think, be significant that Soviet authorities may have deliberately allowed their buildup to be open to air inspection, as if they were encouraging USA to raise matter of offensive bases on Cuban soil.

3. Tyler said that the decision to choose quarantine and related measures in preference to military intervention had been a key decision but had been taken rapidly and with unanimity among the departments and agencies concerned. One of its main purposes had been to demonstrate USA determination to resist Soviet pressure lest there be doubts about USA intentions in Berlin. The measures announced therefore had Alliance wide implications and USA trusted that their allies would give them all possible understanding and support. Having just spoken by phone with Kohler in Moscow, Tyler remarked that the first Soviet reaction appeared on the whole to be a "talking rather than a shooting" one. He gave the personal view however that Berlin was the area which held the greatest possibility of Soviet retaliatory measures involving a threat to peace. It was impossible to forecast the exact nature of such measures but they were prepared for harassment on the access routes in case USSR attempted to place a quarantine on Berlin. Tyler said that civilian access might be affected and added that

<sup>39</sup> Pour un compte rendu de Merchant publié plus tard, voir *Foreign Relations of the United States, 1961-1963*, Vols. X/XI/XII Microfiche Supplement (Washington: Department of State, 1998), document 361. For a later account by Merchant, see *Foreign Relations of the United States, 1961-1963*, Vols. X/XI/XII Microfiche Supplement (Washington: Department of State, 1998), document 361.

three Western Powers regarded civilian and military access as being closely related for purposes of contingency planning.

4. Regarding action in OAS, Tyler said that the President was conscious of the desirability of showing that the Cuban situation, far from being simply a confrontation between USSR and USA, had widespread implications affecting among others all the OAS countries. USA authorities were hoping for action approving quarantine to be taken today October 23 by OAS Council.

668.

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 3092

Washington, October 23, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tel V-105 Oct 23 to Permis New York.

Repeat for Information: Permis New York, London, Paris, NATO Paris, CCOS Ottawa from Ottawa.

By Bag Havana from Ottawa, Moscow from London.

CUBA

In accordance with your instructions, I called today on Harlan Cleveland, Assistant Secretary for International Organizations and outlined to him the purpose of our suggestion along the lines of paragraph 2 of your reference telegram. I made it very clear in the terms employed by the Prime Minister in his statement to the House this afternoon (your telegram PG-194†) that there was no repeat no thought on our part that our plan would in any way be placed in competition with USA resolution. I said that the situation which we were envisaging was that in the likelihood that their resolution would be vetoed in the Security Council and then subsequently brought to the UNGA there might be considerable attraction for many uncommitted and other members of the UN in a resolution which (a) utilized the services of the eight neutrals and (b) introduced a UN fact finding element into the Cuban situation. This might particularly be the case if USA ran into difficulties in securing widespread acceptance for their own text. One could also perhaps envisage a situation in which elements of their resolution (e.g. inspection by UN team) merged with the UN fact finding role.

2. In discussing with them the text of our draft resolution (your telegram V-105) I emphasized that this was a very tentative first draft which sought to outline our general approach [but] that we were not repeat not wedded to exact terminology and were open to suggestions. I also told Cleveland that we were not repeat not proposing to show this text to anyone but themselves at this stage.

3. Cleveland began by saying that he felt there was a significant difference between the inspection role foreseen in their resolution and the fact finding role in ours. The key question was whether the object of UN action should be inspection or the supervision of dismantling. In their view the important point was to secure the earliest possible dismantling of the weapon sites. There was danger at any time that a Soviet ship might attempt to run the blockade and shooting might start. There was further danger that rapid progress would be made in completing and extending the missile sites in Cuba. In these circumstances quick action was required. They feared that a fact finding mission would spin out over several weeks or more

and this was too long.<sup>40</sup> Under their resolution, the cessation of the quarantine would be exchanged for the dismantling of the bases under UN observation. In this way the bases, which are the main source of danger, could be quickly eliminated without USA feeling obliged to employ military methods.

4. Cleveland further pointed out that so far the USSR had not repeat not denied the existence of offensive weapons in Cuba but had rather taken the line in their statement of today that all Soviet weapons had a defensive purpose. While this line of argument might change it was possible that the USSR would not repeat not attempt to dispute the actual presence of these weapons on Cuban soil and that therefore a fact finding mission would not repeat not be entirely relevant to the present situation.

5. It seemed to transpire from what Cleveland said that the USA might prefer an attempt to work out some kind of a solution in the Security Council. He mentioned the possibility that one of the non permanent members might introduce some suggestion which both USA and the Russians could accept. He emphasized that any UN presence in Cuba would in practice have to be with the joint agreement of USA and the USSR. He did not repeat not seem to envisage a situation in the near future in which the issue was taken from the Security Council to the UNGA and he made the observation that deciding now on the tactics at the General Assembly stage was "jumping over" the possibility of action in the Security Council.

6. However Cleveland said that he did not repeat not entirely exclude a situation in which some fact finding element might later be combined with USA approach. He acknowledged that it would have distinct attraction in the UNGA. He said that if this stage should be reached Canada with its high standing in UN and with the uncommitted countries could be very helpful.

7. In summary, I should say that Cleveland was distinctly cool towards the fact finding element in our draft resolution although he did not repeat not altogether exclude the principle. He emphasized however that introduction of any such proposal at an early stage in the proceedings might be a very complicating factor, which he at one point said might limit the President's discretion in a situation of great danger.

[C.S.A.] RITCHIE

669.

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*

SECRET

[Ottawa], October 24, 1962

CUBA

Attached is a round-up of available information on the reactions of Governments to the U.S.A. quarantine measures. † It reflects mainly the initial positions of Governments, and these are along fairly predictable lines; on the part of the U.S.A.'s principal allies, solidarity with the U.S.A. in the face of a dangerous situation precipitated by the Soviet challenge to the U.S.A. so close to home; on the part of the Soviet bloc, a condemnation of the illegality and dangerous

<sup>40</sup> Note marginale :/Marginal note:  
Yes [Auteur inconnu/Author unknown]



nature of the U.S.A. measures, combined with a cautious avoidance of committing the bloc to any particular type of reaction.

2. It should be stressed, however, that these initial reactions are no sure guide to the ultimate positions of any country on this issue. Friend and foe alike have been caught unprepared by the strength and speed of the U.S.A.'s unilateral action. On the Western side, the initial solidarity may yet give way to certain doubts. The British press reaction and, for example, that of *The Globe and Mail* today, are perhaps significant. There is no disposition to quarrel with the facts of Soviet strength in Cuba as presented by the U.S.A. or to dispute its provocative nature. There is, however, a widespread tendency to question the legality of the quarantine measures and the precedent they may set for a general breakdown in international conduct; to ask why the matter was not taken first to the United Nations; to query the absence of prior consultation with allies; to question any real distinction between Soviet bases in Cuba and U.S.A. bases on the periphery of the Soviet Union. There have been worried references to the relevance of the U.S.A. elections.

3. If these questions are already occurring to the press in friendly Western states who do not deny the genuineness of the fear the U.S.A. feels in the face of clandestine arming of Cuba, it can be assumed that the less sympathetic neutral states will be entertaining even more serious doubts.

4. Similarly, on the Soviet side, too much reliance should not be placed on the clearly cautious nature of their initial reaction. They have been careful to avoid proclaiming the U.S.A. measures as acts of war or belligerency, and have contented themselves with a charge of piracy. While charging that the U.S.A. is taking the world to the brink of war, the Soviet Union has refrained from announcing any specific threat of force to resist U.S.A. quarantine measures. Even the news that five of the Soviet ships have turned back should not be taken to mean a final Soviet retreat in the face of strong U.S.A. action. This display of initial caution may mean no more than a desire to gain time. Soviet forces have been placed on a preliminary alert in key sectors and it is safe to assume that the considered Soviet reaction has yet to come. A counter-blockade of Berlin is one evident possibility; U.S.A. overseas bases in general are an obvious counterpart of the Cuban situation, and even if no attempt is made to do anything overt against U.S.A. bases overseas, the U.S.A. has exposed itself to a major attempt by the Soviet Union to bring about through the pressure of international opinion, the liquidation of all such bases. Premier Khrushchev's message to Lord Russell indicates that the Soviet Union may well seek a Summit Meeting with President Kennedy at which these objectives would be pursued.<sup>41</sup>

5. Even though the U.S.A. has shown in the Presidential Proclamation<sup>42</sup> restraint in the circumstances in which force may be applied, and the Soviet Union is displaying a cautious reaction, it would be dangerously premature to assume that the critical phase of the current situation has passed. There is still an urgent need for international endeavour to find a peaceful solution.

#### *United Nations Aspect*

6. The U.S.A. instituted unilateral action at the same time as placing the Cuban situation before the United Nations because they saw an immediate need to prevent deliveries of warheads to the missile facilities already constructed in Cuba. Most countries have welcomed

<sup>41</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 421-422.

<sup>42</sup> Voir/See "Proclamation 3504 – Interdiction of the Delivery of Offensive Weapons to Cuba," October 23, 1962, in *Public Papers of the Presidents of the United States: John F. Kennedy, 1962* (Washington: United States Government Printing Office, 1963), pp. 809-811.

the U.S.A. move to bring the United Nations into the question but few can have any illusions that the resolution which the U.S.A. has presented constitutes a genuine effort to achieve a peaceful solution. That resolution calls in effect for a continuation of the quarantine measures until such time as a United Nations observer corps can certify that the missile bases have been dismantled and withdrawn from Cuba. What it seeks is an international endorsement of U.S.A. action not an international solution. Similarly, the Soviet resolution which calls for a cessation of the U.S.A. quarantine measures and hands off Cuba seeks only an endorsement of their present activities in Cuba.

7. Neither resolution has much chance of endorsement or of leading to an agreed peaceful settlement; on the other hand, neither the Soviet Union or the U.S.A. seems in any hurry to force a vote which might transfer the centre of activities to the General Assembly.

8. The non-aligned nations have been most active in the search for a standstill. Forty such nations have been meeting in caucus during the day and have had several talks with U Thant, as a result of which the Acting Secretary-General made direct personal appeals to both the President of the U.S.A. and the Premier of the U.S.S.R. to refrain from any action which could aggravate the situation and lead to war. He appealed to the former to suspend the quarantine measures and the latter arms deliveries to Cuba for a period of two to three weeks to enable the search for a peaceful solution to proceed, and he offered his personal good offices to that end. His appeal may be backed by a formal move in the Security Council, probably to be presented by Ghana. This may appear to be a modest effort at exercising the United Nations' influence toward a peaceful solution, but it must be recognized that in a dispute involving the Great Powers, the United Nations is severely handicapped.

9. As long as the issue remains before the Security Council, of which Canada is not a member, there is little we can do. As it is not at all certain how the U.S.A. resolution would fare in the General Assembly, we should be content to let the Security Council phase work itself out. The neutral nations may yet devise a resolution which both the Soviet Union and the U.S.A. could accept and which would provide a breathing space in which direct negotiations could be pursued, without either the U.S.A. or the U.S.S.R. resolutions being brought to a vote with the consequent risk of veto.

10. If, however, the matter should be brought before the General Assembly, the Canadian proposal to have a neutral nations inspection team proceed to Cuba, or some variation of that proposal, might have a prospect of winning Assembly support, although Cuban opposition to the idea has already been expressed. The important objective should be to introduce into the situation some sort of international element which will serve to halt the further arming of Cuba and thus render unnecessary the continued application of the U.S.A. quarantine measures. As the United Kingdom seems disposed to play a peace-promoting rôle once the initial confrontation has been avoided, we may find it useful to collaborate closely with them in the United Nations.

R. C.[AMPBELL]  
for Under-Secretary of State  
for External Affairs

670.

DEA/2444-40

*Note de la Direction juridique  
pour le conseiller juridique*  
*Memorandum from Legal Division  
to Legal Adviser*

SECRET

[Ottawa], October 24, 1962

UNITED STATES QUARANTINE AGAINST CUBA

Our memorandum of yesterday to the Prime Minister suggested the following conclusions:

(1) The “quarantine” imposed by the United States on all offensive military equipment under shipment to Cuba is a measure “sui generis,” which it would neither be appropriate to consider as illegal nor easy to construe as legal;

(2) Pacific blockades – which this “quarantine” resembles somewhat – were considered by most authors as permissible, provided foreign ships were not prevented from entering the ports of the blockaded state (which could be allowed only during blockades of a war-like character); the United Nations Charter is now widely interpreted as forbidding such blockades except when imposed by the United Nations under Articles 41 and 42 of the Charter;

(3) It is debatable (and doubtful) whether such a quarantine can be considered as a measure of self-defence under Article 51 of the Charter since there has been no overt armed attack, although Article 2(4) could be invoked against the military build-up in Cuba;

(4) There is very little doubt, however, that the use of armed force – which could be considered as armed reprisals – against foreign (including Soviet) ships would run against the Charter, unless it is done in accordance with Article 42. (See paragraphs 3-5 below.) (Authors quoted yesterday, plus: Kelsen, *Law of the United Nations*, p. 791; Memorandum of January 12, 1959, from the Legal Division to the Legal Adviser, on “Right of member-states to resort to armed force under the U.N. Charter.”)

You may wish to be apprised of our afterthoughts, in the light of the day’s telegrams and particularly the OAS Council approval of the resolution presented by Secretary Rusk on October 23.<sup>43</sup>

2. In his proclamation of October 23, President Kennedy states that vessels failing to “comply with directions shall be subject to being taken into custody” – that is to be seized, contrary to what was assumed in our memorandum of yesterday (paragraph 2); such seizures would make it more difficult to justify the “quarantine” decreed. (On the other hand, he stresses that “force shall not be used except in case of failure or refusal to comply with directions or with directives of the Secretary of Defence, or in case of self-defence. In any case, force shall be used only to the extent necessary.” There might therefore arise a situation when Russian ships would be immobilized by United States ships, with no party firing – while discussions go on at the United Nations.)

3. In order that they might resort legally to armed force against foreign ships refusing to halt, to be searched or to turn back from Cuba if carrying offensive weapons, it appears that the United States would need authorization to do so from the Security Council under Articles 39 and 42. Following a veto in the Security Council, they will probably seek to refer the matter to the General Assembly, possibly under the “Uniting for Peace” resolution of November 3,

<sup>43</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 408-410.

1950,<sup>44</sup> on the grounds that there is a “threat to peace.” The Assembly could then make “appropriate recommendations to members for collective measures”; such a recommendation would not be binding but might be considered as providing authorization for the action recommended. This action might be the “quarantine” decreed, but might much more likely be the appointment of a fact-finding or inspection commission in Cuba. (Oppenheim-Lauterpacht, II, p. 176).

4. The Inter American Treaty of Reciprocal Assistance of 1947 (or Rio Treaty)<sup>45</sup> goes further than the Charter. Article 25 of the OAS Charter<sup>46</sup> and Article 6 of the Rio Treaty provide *inter alia* that, “If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is not an armed attack ... or by any other fact or situation that might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures ... which should be taken for the common defense and for the maintenance of the peace and security of the continent” (Article 6). Article 8 of the Treaty enumerates, “For the purpose of this Treaty, the measures on which the Organ of Consultation may agree,” which include the “partial or complete interruption of economic relations ... and use of armed force.” The meeting held yesterday by the Council of the OAS authorized the United States (after their decision was taken but before the quarantine came into force) to take the measures announced, including the use of armed force.

5. The Organization of American States is a regional organization, and the Rio Treaty a regional arrangement under Article 52 of the United Nations Charter. There seems to be some discrepancy between Chapter VII of the Charter and Articles 6 and 8 of the Treaty. With reference to the foregoing and to Articles 51 and 53 of the Charter, it would appear that the use of armed force by the American States is subject to two limitations: they may resort to it only if exercising the right of collective self-defence provided for under Article 51, or if authorized by the Security Council under Article 53. Since on the one hand there is no unanimity as to the rights granted by Article 51, and since on the other hand the Rio Treaty (including Articles 6 and 8) has been accepted as a regional arrangement under Article 52, it is not possible to conclude categorically either that the use of armed force under the Rio Treaty is permissible in the present case or that it is forbidden. However, the OAS Council should now report the action it has approved to the Security Council, in conformity with Article 54 of the Charter and Article 5 of the Rio Treaty (see Kelsen, pp. 328, 793; the point is discussed in the attached memorandum – curiously without clear attribution but which very probably issued from some U.S. source and is interesting – on “Relations between the OAS and the UN on matters pertaining to the maintenance of international peace and security.”†)

6. We tend to agree with the British Foreign Office (Telegram No. 3792 of October 23 from London†) that the legality of the United States move being at least debatable, it might be preferable to avoid discussing it – and to deal with this matter on broader political grounds.

GILLES SICOTTE

<sup>44</sup> Voir Assemblée générale des Nations unies, Résolution 377(V), « L’union pour le maintien de la paix, » 3 novembre 1950, A/RES/377(V), <http://www.un.org/french/documents/ga/res/5/fres5.shtml>.

See United Nations General Assembly, Resolution 377(V), “Uniting for Peace,” November 3, 1950, A/RES/377(V), <http://www.un.org/depts/dhl/resguide/r5.htm>.

<sup>45</sup> Voir/See “Inter-American Treaty of Reciprocal Assistance,” *Department of State Bulletin* Vol. 17, No. 429 (September 21, 1947), pp. 565-567.

<sup>46</sup> Voir/See *Department of State Bulletin* Vol. 18, No. 464 (May 23, 1948), pp. 666-673.

671.

DEA/4568-40

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

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

CONFIDENTIAL

[Ottawa], October 24, 1962

## CUBANA AIRCRAFT LANDING AT GOOSE BAY

Yesterday evening notice was received from Shannon that a Cubana aircraft was expecting to land during the night at Gander or Halifax in accordance with the normal arrangements for such flights. Around two o'clock this morning it emerged that weather conditions would not permit a landing at either of these airports and permission was requested for the aircraft to land at Goose Bay. This permission was granted by the air traffic control authorities after checking with Ottawa.

2. The aircraft and passengers have been thoroughly examined by customs officials on lines which had been worked out interdepartmentally yesterday. This examination indicates that the aircraft (a Britannia) is carrying: (a) 75 passengers (of which 9 are travelling on special Cuban passports and 2 on diplomatic passports, including one Indian); (b) 15 crew members; (c) 75 cartons of mixed cargo (2 of which contain aircraft brake lining, 49 contain stoppers for blood flasks, and the remainder consist of drugs, spare parts for trucks and cars, and spares for the aircraft itself); (d) a variety of personal luggage (including a package of blue prints in the possession of one passenger which he declared to be plans for a factory.)

3. As this aircraft is still being detained at Goose Bay it would be desirable to have a decision rather urgently on the question of whether or not it can be released. Mr. Sim, as Deputy Minister of National Revenue, and Mr. Bryce, as well as officials of this Department, would recommend that the plane be released and allowed to proceed on its way. Our regulations apply only to warlike materials. Moreover, even the United States quarantine is confined to offensive weapons and does not cover personnel or papers.

4. There have been some indications this morning that a local radio station has picked up some information concerning the movement of this aircraft through Goose Bay. According to these reports, which have been repeated to us second hand, the aircraft contained German technicians on their way to work at missile sites in Cuba. If such reports are circulating (and it is somewhat difficult to see how they could have got such information out of Goose Bay during the night), it would seem appropriate for the Government to state that we have no information to support the allegations regarding the passengers.

N.A. R[OBERTSON]

672.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 24, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Secretary of State for External Affairs (Mr. Green),

The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

CUBAN CRISIS; MISSILE BASES  
 (Previous reference October 23)

1. *The Prime Minister* said that, when the United States had briefed the Canadian government on the Soviet build-up in Cuba, they had emphasized that the substance of the photographic evidence was secret. The State Department however had revealed the evidence in detail to the press.

...

Some years ago, when the U.S.S.R. had complained about the establishment of U.S. bases ringing Soviet territory, the U.S. had responded that they had been invited to establish these bases by the countries concerned. The U.S.S.R. could now use a similar argument to justify the establishment of bases in Cuba.

He had discussed the situation with the U.K. High Commissioner, who had pointed out that it was difficult to classify weapons strictly as offensive or defensive.

2. *The Cabinet* noted the statement of the Prime Minister on the Cuban crisis.

CUBAN CRISIS; SEARCH OF AIRCRAFT DESTINED FOR CUBA  
 (Previous reference October 23)

3. *The Minister of National Defence* said that a Cuban aircraft en route to Cuba from behind the Iron Curtain had landed at Goose Bay airport early that morning and had been searched. Two of the passengers were East German missile technicians who claimed diplomatic immunity, and this claim [trois mots illisibles/three words illegible].

4. *The Secretary to the Cabinet* said that the Deputy Minister of National Revenue (Customs and Excise) had reported that seventy-five cartons from the aircraft's cargo had been inspected and that no war matériel had been found. In the circumstances, Mr. Sim saw no ground for detaining the aircraft further.

5. *The Minister of Justice* said that on the previous day he had received a telephone call, followed by a letter,† from the Commissioner of the R.C.M. Police asking for confirmation of instructions he had received through officials of the Departments of National Revenue and

External Affairs. These officials had referred to a “long, slow search.” He had replied orally to the Commissioner, and had written to him† giving him the substance of the Cabinet decision of October 23rd on this subject.

6. *The Secretary of State for External Affairs* said that the U.S. government had asked the Canadian government to stop all air flights to Cuba, but that there was no ground for taking such action at this time. The government should be careful to avoid any violation of the I.C.A.O. agreement. The Cuban and Czech governments had been given notice that their planes would be searched if they landed at Canadian airports.

7. *During the discussion* the following points were raised:

(a) If officials were instructed to conduct a long and slow search of aircraft, they would cause unnecessary delays in the movement of the aircraft, and this would be very aggravating to those detained. On the other hand, the search should be thorough, because otherwise arms matériel might slip through to Cuba. Cartons might be falsely labelled, or the arms matériel might be hidden below legitimate goods.

(b) Some said that the government should not have decided to search Soviet bloc planes. Now that the aircraft at Goose Bay had been found to contain no war matériel, the government was in an embarrassing position. The United Kingdom was not searching such aircraft. Others said that the Canadian people would be reassured to learn that the aircraft had carried no war matériel, and that the government would have been negligent if it had not instituted the search procedure.

(c) The U.S. government had been ill-advised to act unilaterally in this crisis, without consulting its allies. The Suez incident should have served as an object lesson, but apparently had not.

(d) The U.S. government had asked for a list of the passengers carried in the Cuban aircraft, but this should not be given.

(e) The searching of Cuban aircraft was itself a provocative action. What would Canada do if another country began to search Canadian aircraft? On the other hand, this decision had been made and announced, and should not be rescinded. No searches of Cuba-bound planes had been instituted at Shannon, but that airport was an international free port and therefore not comparable with Canadian airports.

(f) To avoid unnecessary delays, the senior customs collector at each of the eastern Canadian airports should be authorized to clear aircraft destined for Cuba if he was satisfied that no war matériel was being carried.

8. *The Cabinet* agreed,

(a) that authority should be given for the immediate departure of a Cuban aircraft which had landed at Goose Bay airport earlier on this day and had been searched;

(b) that the list of passengers carried in the Cuban aircraft should not be released to other governments;

(c) that the senior customs collectors at Gander and Halifax and other Eastern airports be authorized to clear aircraft destined for Cuba that may land at these airports, provided they are fully satisfied after a careful search that the aircraft are not carrying any war matériel, but not otherwise; and,

(d) that the Secretary of State for External Affairs and the Ministers of Justice and National Revenue should make certain that the arrangements in their departments for the search procedure are carefully co-ordinated.

CUBAN CRISIS; ROTATION OF TROOPS IN EUROPE  
(Previous reference October 23)

9. *The Minister of National Defence* said that the rotation of Canadian forces in Europe was scheduled to begin on this day. In view of recent developments, consideration should be given to the desirability of delaying the rotation.

If the plans were not changed, about 2,000 men and their dependents would leave for Europe between now and mid-December. In the event of an outbreak of hostilities meanwhile, it would obviously be undesirable to have part of a military unit in Canada and part in Europe. Such mixing of units would reduce their operational efficiency. Furthermore, in present circumstances it seemed undesirable to send Canadian dependents overseas.

It should be recognized however that any change in the rotation arrangements would be more noticeable to the general public than a change in the general state of military preparedness.

About 125 people were arriving in Trenton on this day, as part of the advance party bound for Europe. Many of them had given up their houses in Canada. Similarly in Europe a like number had packed their effects and were ready to return to Canada. There would be five such advance parties between now and November 5th, and then the main movement would begin.

10. *During the discussion* the following points were raised:

(a) Some said the rotation of the troops should be deferred but without any formal order on the subject being issued. It was important to avoid any step that might worsen the crisis or cause unnecessary alarm. Others said that the movement of the successive advance parties into Trenton would proceed unless a formal order was given to keep them in their present localities. Accommodation was not available in Trenton for more dependents.

(b) The situation in Berlin was already tense, and might become worse. In these circumstances, the government should not send more dependents to Europe, and would be criticized if it did so. Canada should avoid getting into the vanguard of war, but should take the steps necessary to safeguard the women and children involved.

(c) Dependents now in Europe might be given an opportunity to return to Canada if they so desired.

(d) The international situation might be much clearer within a few days. The immediate need therefore was to defer the beginning of the troop rotation for that period.

11. *The Cabinet* agreed,

(a) that members of the armed forces and their dependents who had arrived at Trenton as part of the advance party for the rotation of troops in Europe, should be retained at Trenton for the present, and that personnel and dependents who would have proceeded to Trenton in the near future for this purpose should not do so until further advised; and,

(b) that arrangements be made to facilitate the movement back to Canada, on a voluntary basis, of dependents of service personnel in Europe.

CUBAN CRISIS; STATE OF MILITARY PREPARATIONS  
(Previous reference October 23)

12. *The Minister of National Defence* said that consideration should be given to the military measures that ought to be taken to improve the posture of the Canadian forces in case the international situation should deteriorate and war actually occur. One aspect of this question was the matter of the rotation of the troops in Europe. The more general aspect was whether Canada's NORAD forces should implement DEFCON-3 as the U.S. forces under NORAD had done. ... Such a measure would not give rise to extensive publicity.



The present crisis was the most serious since the end of World War II, and it involved the greatest danger of general conflict. The Canadian government had the responsibility of taking simple precautions, to improve the position of the Canadian forces and to protect the people of Canada. ...

13. *During the discussion* the following points were raised:

(a) Some said that a change in the state of preparedness was unnecessary at this time and might escalate the crisis.

(b) Others said that the Minister of National Defence would not need to announce details of the steps taken, but might merely say that steps were being taken to improve the state of readiness of the Canadian forces. He might explain that it would not be in the interest of security to state particulars of the steps being taken. Such a statement would not cause alarm.

(b) The wisdom of the selective blockade imposed on Cuba by the United States was questionable. It was arguable that even an invasion of Cuba might have had less serious international repercussions. Certain military leaders in the U.S. appeared determined to fight the U.S.S.R. Three years ago some of them had stated to the Prime Minister that the U.S. could defeat the Russians at any time before the autumn of 1962, but that the outlook thereafter was less certain. Fortunately the United Kingdom was emphasizing the need for restraint.

14. *The Cabinet* agreed to give further consideration, at its next meeting, to the question whether any change is required in the state of readiness of the Canadian forces.

#### BUSINESS OF THE HOUSE; CUBAN CRISIS

15. *Mr. Churchill, as House Leader*, said that opposition spokesmen might move on this day that the House should adjourn the scheduled debate to discuss an urgent matter of public importance, namely the Cuban crisis. The speech by a Conservative Member of Parliament on the previous day, criticizing the measures taken by the U.S. government, would make such a motion the more likely.<sup>47</sup>

16. *During the brief discussion* some said that if such a debate was requested it should be agreed to by the government. Only about 1½ hours would be available on this day for the purpose. Others said that a debate on the subject at this time would help only the Russians, and that a reply to this effect should be made if such a motion was proposed.

17. *The Cabinet* noted the statement of Mr. Churchill as House Leader on a possible motion for a debate on the Cuban crisis.

...

<sup>47</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, pp. 909 à 911.  
See Canada, House of Commons, *Debates*, 1962-63, Vol. I, pp. 852-854.

673.

DEA/72-AGS-40

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

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

CONFIDENTIAL

[Ottawa], October 24, 1962

SOVIET BLOC AIRCRAFT FLIGHTS TO CUBA

We have received from the United States this morning the following two requests:

(a) United States Intelligence officials at Goose Bay have asked the Canadian Customs authorities there for a copy of the passenger list of the Cubana aircraft which landed last night.

(b) The United States Embassy asked us this morning for a copy of the regular schedule or timetable of these flights which Czechoslovak Airlines has filed with the Department of Transport. The latest such schedule was received by Transport a few days ago and covers the flights planned during the winter.<sup>48</sup>

2. I understand that Cabinet has decided that the passenger list should not be given to United States Intelligence.

3. The advance flight schedule requested by the Embassy is, of course, unclassified information. In the interests of the safety of the aircraft, we believe it would be desirable to give it to the United States authorities. However, I believe that we might go even farther and take the following steps in respect to each flight:

(a) Inform the United States in each case that a specific aircraft had been inspected, found to contain no arms or implements of war, and allowed to proceed.

(b) At the same time as giving the above assurance we would also pass to the United States the latest available flight-plan information on the aircraft's onward flight to Havana. Although this information normally reaches the United States Air Traffic Control authorities as a matter of course, additional measures might be taken to ensure that the United States authorities are fully aware of all the details.

4. While the United States quarantine of Cuba does not at present extend to aircraft flights, we should think that there is at least some risk of these Bloc aircraft being molested or even shot down when they reach the blockade zone. If this were to happen, Canada might appear to be implicated by virtue of being the last port of call of the aircraft and of having taken special search measures with respect to it. I believe that anything we can do along the above lines might therefore reduce the hazard to the aircraft. Do you agree?<sup>49</sup>

N.A. R[OBERTSON]

<sup>48</sup> Note marginale :/Marginal note:

Your approval of this has already been received [Ross Campbell]

<sup>49</sup> Notes marginales :/Marginal notes:

O.K. H.C. G[reen]

Mr. McKinney: Please draft a letter to PCO, Transport, Nat[ional] Rev[enue], and DND embodying solutions of para 3 and asking that we be kept informed for these purposes. A.E. R[itchie]

674.

DEA/4470-A-40

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

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

TELEGRAM 3800

London, October 24, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tels G-158 Oct 22† and E-2060 Oct 23.†

Repeat for Information: Washington, NATO Paris, Permis New York, Paris, Dublin, CJS(L) (OpImmediate).

By Bag Moscow from London.

## FLIGHTS TO CUBA BY SOVIET BLOC AIRCRAFT

Information contained in your reference telegrams which were both received here during the night (although your G-158 was dated October 22) was given to Foreign Office this morning. A recommendation is going forward to British Ministers today suggesting that British authorities stall on requests for unscheduled landings but no repeat no action yet taken on scheduled overflights. It is the view of officials that the British Government has no repeat no legal right to interfere with such flights and where requests are not repeat not received the only way in which action could be taken would be to force such aircraft to either turn back or land.

2. We hope to be able to inform you later today of Ministerial decision.

3. Your telegram G-158 of October 22 apparently refers to a Cubana Britannia which, according to this morning's press, passed through Shannon Airport last night en route Prague-Havana with 75 passengers, mostly young Cubans, returning from technical training in Prague and Moscow. Two [Cubans] are reported to have said they were missile technicians. Cuban tourists on board shouted "Fidel Castro – we are coming back to fight."

675.

DEA/2444-40

*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, October 24, 1962

CUBA

*Presidential Proclamation*

The United States Chargé d'Affaires called on the Minister this morning to leave with him a copy of the full text of the President's proclamation of October 23, 1962. Mr. White indicated that the full text had not been made public, although he thought the operative parts might have been.

*Reaction to U.S.A. Initiative*

2. Mr. White said how pleased the United States Government were with the United Kingdom statement in the Security Council this morning delivered by Sir Patrick Dean.<sup>50</sup> Mr. White then said, without apparent relevance, that [the] United States Embassy in Ottawa was having to cope with two kinds of press enquiries:

(a) is it correct that the United States has not requested anything of Canada in the present crisis? Mr. White said that they had been “ducking” the question, to which the Minister replied that the Prime Minister had answered that question yesterday in the House;<sup>51</sup>

(b) is it true that the United States is unhappy that Canada has taken a position different from that of the United Kingdom and OAS? Mr. White said questions of this kind had been turned aside as mere rumour, to which the Minister did not comment.

*United Nations Aspects*

3. The conversation then turned to Charles Ritchie’s talk yesterday with Harlan Cleveland concerning U.N. aspects. The Minister queried how you could dismantle mobile launching sites; White said that some fixed ones were under construction. Concerning the Canadian suggestion for an on-site inspection of Cuba, the Minister played down the Canadian idea, which he said had been based on the assumption that the Soviet Union would deny the existence of offensive missile capacity in Cuba. The Minister and Mr. White both seemed to think that the Soviet Union had not made any such denial (although there was some discussion of the play made on the word “defensive” by Zorin). The Minister assured White that Canada would not press the Canadian suggestion except in consultation with the United States.

4. Mr. White said that the reason why the United States had acted before going to the U.N. was because they feared endless delays. There followed a discussion whether there was any real possibility of resolving the question in the Security Council without going to the General Assembly; the Minister read Mr. White extracts from Ritchie’s telegram indicating that the United States did not rule out the possibility of a solution being found in the Security Council, as the result of some neutral initiative which both sides could accept. Mr. White said he had not received a similar impression from the version he had received of the same conversation.

*Over-flights*

5. The Minister informed White that we had cleared through a Cubana aircraft after a thorough search which satisfied us that it was not carrying warlike materials. The Minister added that we had no legal authority under ICAO regulations to prevent the aircraft from continuing on its flight. Mr. White said that he had been informed of the facts by Mr. Ritchie and was aware of our interpretation of our obligations under ICAO. The Minister asked whether the United States still regarded as applicable the request that it made on October 22 of us, to temporarily prohibit such over-flights and transit stops. Mr. White said that he did not know and had asked the State Department for clarification.

<sup>50</sup> Voir Nations Unies, *Documents officiels du Conseil de sécurité*, dix-septième année, 1023<sup>ième</sup> séance, le 24 octobre 1962, UN Doc S/PV.1023(OR), pp. 4 à 9, <http://documents.un.org/>.

See United Nations, *Security Council Official Records*, Seventeenth Year, 1023rd Meeting, 24 October 1962, UN Doc S/PV.1023(OR), pp. 4-9, <http://documents.un.org/>.

<sup>51</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, p. 877.  
See Canada, House of Commons, *Debates*, 1962-63, Vol. I, p. 821.

6. Referring to the effectiveness of the Canadian examination of the cargo of the Cubana plane, White said that a problem of expertise arose here. He was aware that the aircraft was carrying some aircraft spare parts and he noted that spare parts for bombers were on the prohibited list under the President's proclamation. Were we satisfied that our examining officers were able to identify such equipment?<sup>52</sup>

R. C[AMPBELL]

676.

DEA/2444-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 763

Moscow, October 24, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris, NATO Paris, Permis New York, Bonn, CCOS, DM/DND Ottawa (OpImmediate) from Ottawa, PCO Ottawa (OpImmediate) from Ottawa.

CUBA

You will have seen text of various Soviet Government declarations. I will be commenting later. Main point is that showdown on Cuba obviously faces Khrushchev with very grave and dangerous dilemma. Among Soviet public over past two years Cuba has been given widespread and emotional sympathetic build-up as symbol of gallant little island people standing up against American imperialism and as staunch friend of USSR. Khrushchev will certainly find it difficult, though I trust not repeat not impossible, to back away from public moral commitments of support.

2. As far as we can judge in Moscow immediate Soviet public reaction to declarations has been widespread apprehension at gravity of situation. Press is full of factory mass meetings expressing solidarity with Cuba. But there seems to be some effort to maintain calm.

3. Last night at supper Sobolev (Deputy Foreign Minister) mentioned to Roberts, Kohler and myself that Soviet Government did not repeat not really expect any significant results from Security Council meetings on Cuban crisis, but was attaching great importance to General Assembly, where they will make their major effort to get support for resolution demanding Americans call off blockade.

4. Meanwhile Sobolev expressed concern lest Soviet ship be sunk and situation dangerously aggravated.

5. I suggested to Sobolev that in my personal view good way out of present dilemma would be some quick and decisive progress toward disarmament agreement.

6. Before supper Drews and ourselves had been at *Boris Godunov* where it was surprising but somehow reassuring to see Khrushchev and most of his Presidium, with Georghiu Dej, calmly sitting through four-hour opera with an American star.

ARNOLD SMITH

<sup>52</sup> Note marginale :/Marginal note:  
Noted. [N.A.] R[obertson]

677.

DEA/2444-40

*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 2472

Paris, October 24, 1962

SECRET. OPIMMEDIATE.

Reference: Our Tel 2453 Oct. 22.†

Repeat for Information: Washington, London, Paris, Candel New York, CCOS (Priority), DM/DND (Priority) from CCOS.

By Bag Moscow from London.

## CUBA: NAC CONSULTATION

At a private meeting of Council called by Acting Secretary-General there was some discussion on how consultations on Cuba should proceed in Council. Colonna suggested that in view of critical situation and its important implications for NATO there should be continuing consultations and he was given strong support by USA, Belgium, Netherlands, Greece and Turkey.

2. I took line that while naturally Council should be kept informed about developments in Cuba affecting NATO and should consult on that basis, it should be recognized that centre of consultation inevitably was elsewhere particularly in Washington and New York. Finletter had suggested that consultation might take place on a personal basis. I pointed out that such consultation might be dangerous since governments concerned were currently communicating officially and personal remarks in the Council on an uninformed basis might be misleading especially in view of quickly changing developments. I was backed by Norway.

3. Netherlands, Greece and Turkey wanted NATO to go on record in an expression of solidarity with USA. Colonna then produced text of a communiqué which read along following lines "NAC is of course consulting in a spirit of complete solidarity on events created by Soviet aggressive action in Cuba and on consequential measures taken by USA."

4. I had already objected to the kind of misleading stories implying that Council had taken a collective position of solidarity behind USA in Cuba crisis as reflected in Don Cook's story in today's *Herald-Tribune*<sup>53</sup> and was given support by Norway. Norwegian representative and I objected to proposed communiqué on grounds that this was a political position which could only be authorized by governments. We were supported by UK and idea was dropped at least for moment.

5. Finletter also gave a briefing which has already been covered by report from New York particularly in telegram 1903 October 23.† If there was anything new it was indication that events were approaching a showdown with USSR but that USA would be receptive to a high level meeting with Soviets.

6. German Ambassador reported that there was nothing of special consequence in Berlin in last 24 hours and troop movements in East Zone seemed normal. This information was confirmed by representative of Standing Group.

<sup>53</sup> Voir/See Don Cook, "NATO Council Backs Kennedy Line in Crisis," *New York Herald Tribune* (European Edition), October 24, 1962, pp. 1-2.

7. Finletter denied Don Cook story that American forces in Europe had been put on alert and indicated that only basis for the story was certain precautionary measures reported in our 2454 October 22.†

8. Your comments and guidance would be appreciated.

[GEORGE] IGNATIEFF

678.

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 3133

Washington, October 24, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 3094 Oct 23.†

Repeat for Information: London, NATO Paris, Paris, Candel New York, Permis New York, Bonn, Brussels, Rome, Hague, T&C Ottawa, CCOS Ottawa, DOT Ottawa, DND Ottawa from Ottawa.

By Bag Copenhagen, Oslo, Stockholm, Athens, Ankara, Moscow, Lisbon from London, All Latin American Posts from Ottawa.

#### CUBA – LEGAL AND UN ASPECTS

In view of extensive press comment on possible significance of President's use of term "quarantine," in apparent preference to the term "blockade," in his address to the nation, we raised this and related questions with Marks and Ehrlich of the Legal Adviser's staff State Department.

#### *Quarantine*

2. We were informed that use of term quarantine was deliberate and, in USA view, significant. It was intended to indicate the limited and special purpose of USA interdiction of deliveries to Cuba. It was limited in the sense that it was intended to prohibit only the delivery of offensive weapons and equipment. Its purpose was special in that it was aimed at preserving peace in the area of tension. The concept of quarantine was to be regarded as distinct, both from a "pacific blockade," because no repeat no action was expected of Cuba beyond passive acquiescence in the quarantine; and from a "classical blockade" because no repeat no effort would be made to apply direct economic pressure on Cuba under the terms of the quarantine. The quarantine measures, moreover, were not repeat not to be regarded as in the category of belligerent operations but rather to be considered as essentially defensive and aimed at preventing an escalation of tensions. In contrast, of course, would be the action necessary to comply with the request in USA Draft Resolution presented to UN Security Council for the "dismantling and withdrawal from Cuba of all missiles and other offensive weapons." If USA were to institute a blockade to force Cuba to do this such action would, of course, amount to a classic economic blockade.

3. We were told that, viewed in the foregoing light, USA quarantine action could not repeat not be regarded as a warlike act as Cuban propaganda (but not repeat not so far Soviet propaganda) had alleged. USA could not repeat not, of course, control Soviet or Cuban reaction to USA quarantine or steps taken in pursuance of quarantine such as use of force to implement it.

4. We were told that USA officials regarded distinction between quarantine and either blockade or pacific blockade as “respectable” in international law terms, although perhaps not repeat not “well established.” At any rate officials hold that USA quarantine, as described in proclamation, could not repeat not be equated with any historical precedents of either blockade or pacific blockade.

*Relationship to OAS and UN Action*

5. We were told that USA action to proclaim the quarantine was deliberately delayed until OAS action could be taken under the Rio Treaty to recommend (in the wording of USA Draft Resolution – our telegram 3[0]85 Oct 23†) that OAS Member States take all measures, individually and collectively, including use of armed force, which they may deem necessary to ensure that the Government of Cuba cannot repeat not continue to receive from Sino-Soviet powers military material and related supplies which may threaten the peace and security of the continent and to prevent the missiles in Cuba with offensive capability from ever becoming an active threat. (You will note that preambular portion of USA proclamation (our telegram 3094 October 23) recites the recommendation of the OAS Organ of Consultation in this regard.)

6. In USA view the effect of such a recommendation was clearly to identify USA quarantine as action taken under and in accordance with the Rio Treaty as a regional security arrangement, recognized by Article 52 of the UN Charter.

7. The significance of this step in USA view was not repeat not only to underline the essentially defensive purposes of USA quarantine, but also to facilitate presentation of USA position in UN. Two major issues to be met in UN context would be to establish (a) that USA action could not repeat not be regarded as contravening provision in Article 53 paragraph 1 of UN Charter that “no repeat no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council”; and (b) that situation regarding Cuba could appropriately be dealt with through regional security arrangements and that action in fact taken (i.e. quarantine) as approved by the OAS was, as prescribed in Article 52 paragraph 1 of the UN Charter, “consistent with the purposes and principles of the UN.”

8. We were informed that USA officials regarded the distinction between enforcement action and other types of action aimed at preserving peace as clearly apparent in the UN Charter. “Enforcement action” under Article 41 and 42 of the UN Charter would be obligatory solely at the instance of the Security Council; whereas both the Security Council and the General Assembly could make recommendations as to the action to be taken by member states. Officials were satisfied that this distinction was “well established” and that USA quarantine was not repeat not capable of being regarded as “enforcement action” prohibited by virtue of any provision of the UN Charter.

9. Similarly, USA action was, in a real sense, rooted in the Rio Treaty because it was based on a recommendation of the OAS calling for action, individual or collective, by its members. This in turn was consistent with the UN Charter which recognized, and indeed recommended, the use of regional means of dealing with tensions; and was, moreover, consistent with the principles and purposes of the UN. Although this was obvious from an examination of the action taken and the relevant terms of the UN Charter, USA officials were satisfied that the regional security arrangements in the Western hemisphere had been specifically in mind (in the terms of Chapultepec,<sup>54</sup> as the forerunner to the Rio Treaty) when chapter eight of the UN Charter dealing with regional arrangements had been drawn up.

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<sup>54</sup> Voir/See *Department of State Bulletin*, Vol. 12, No. 297 (March 4, 1945), pp. 339-340.



10. It was conceded that the involvement of the USSR in the Cuban situation could be advanced as an argument against exclusively regional treatment of the situation in Cuba. In USA view there were two counter arguments. First, USA had provided, by its approach to the Security Council, the opportunity for any necessary reconciliation between regional action and any action that might be appropriate by the UN. Second, it was USA view that philosophy of UN, in the course of its existence, had been to turn more, rather than less, to regional solutions for the easing of tensions. In this connection, mention was made of UN action to refer certain inter-Arab disputes to regional mediation and also of Security Council action in respect of Cuba itself and the Dominican Republic. (We believe latter two references were to September 9/60 resolution of Security Council on Dominican Republic;<sup>55</sup> and rejection on March 23/62 by Security Council of Cuban resolution questioning validity of Punta del Este resolutions.<sup>56</sup> We were told, incidentally, that exclusion of "the present Government of Cuba" from participation in the organs and agencies of the OAS did not repeat not, in their view, weaken the arguments for OAS action since the State of Cuba was regarded as still a member of the OAS.

11. We assume that some or all of the foregoing ideas may be aired at somewhat greater length in the Security Council debate and, indeed, officials to whom we spoke seemed rather to expect that extensive debate would be required. It may be that their anticipation on this score may be related to the indications we had from other State Department officials October 23 (e.g. as reported in our telegram 3092 October 23) that they did not repeat not seem to envisage the early transfer to the General Assembly from the Security Council of debate over the situation in Cuba.

679.

DEA/2444-40

*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], October 25, 1962

## THE CUBAN CRISIS

During his CBC Television interview last night,<sup>57</sup> the Minister was asked what initiatives Canada was considering now that Premier Castro has rejected the idea of a U.N. inspection of Cuban missile sites by observers from neutral nations. The Minister said we were not going to

<sup>55</sup> Voir Conseil sécurité des Nations Unies, Résolution 156, « Question Relative à la République dominicaine, » 9 septembre 1960, S/RES/156(1960), <http://www.un.org/fr/sc/documents/resolutions/1960.shtml>. See United Nations Security Council, Resolution 156, "Question Relating to the Dominican Republic," September 9, 1960, S/RES/156(1960), <http://www.un.org/en/sc/documents/resolutions/1960.shtml>.

<sup>56</sup> Voir Nations Unies, *Documents officiels du Conseil de sécurité*, dix-septième année, 998<sup>ième</sup> séance, le 23 mars 1962, UN Doc S/PV.998, pp. 1 à 30, <http://documents.un.org/>. See United Nations, *Security Council Official Records*, Seventeenth Year, 998<sup>th</sup> Meeting, 23 March 1962, UN Doc S/PV.998, pp. 1-30, <http://documents.un.org/>.

<sup>57</sup> Voir/See "We Have Always Stood by Friends Green Declares," *Ottawa Citizen*, October 25, 1962, p. 19.

give up on our proposal but we would be considering every other possible means of finding a peaceful solution to the Cuban crisis.

2. In this context it occurs to me that some thought might be given to suggesting that during a specific cooling-off period and as a first step toward reducing tension and terror, the United States and Soviet Union might make a solemn agreement under U.N. auspices to forswear the use of nuclear weapons or missiles while a solution of this particular crisis is being negotiated (this would be much broader than the idea of a "nuclear free" zone).<sup>58</sup> There are, of course, serious risks involved in this suggestion in that the Soviet Union might immediately advocate an extension of the ban to Berlin and to the whole international scene. But these risks must be balanced against the supreme risk of nuclear war being precipitated at any moment. Moreover, any such Soviet proposals could be rejected as a transparent attempt to divert and side-track efforts to find a peaceful solution.

3. The advantage of a temporary U.N. agreement not to use nuclear weapons in the Cuban crisis appears to favour the United States. The Caribbean is one area where the United States can bring to bear a preponderance of conventional weapons and where the Soviet Union could not effectively resist without resorting to missiles and nuclear weapons. The Soviet Union could not be expected to abide by any such agreement if its vital interests were at stake, but the Cuban crisis may not involve much more than Soviet strategic planning and prestige; and some face-saving formula will have to be found for these ingredients. It may be argued that United States Naval forces can not operate properly without using tactical nuclear weapons but it should not be necessary to use these in order to maintain the U.S. position in an area so remote from the Soviet Union if a temporary agreement of the type envisaged were concluded.

4. I advance this suggestion with great diffidence because I have not had time to think through or to discuss with others all of the implications. I am not sure whether it is ingenious, ingenuous or just impractical. I do know that we are rapidly running out of time and ideas. And despite my misgivings, I feel compelled to put the idea forward in the hope that it may contribute in some small way toward the search for a peaceful solution.<sup>59</sup>

M.N. B[ow]

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<sup>58</sup> Notes marginales :/Marginal notes:

I fear this idea might be taken to condone the use of conventional force.\* Anyway, USA is dead set against "declaratory" positions.\*\* R.C[ampbell] 25/10

\*Some formula acceptable to both sides will have to be found and this one has some real advantages for U.S.A. that may outweigh repugnance toward "declarations." M. N. B[ow]

\*\*As the next following sentence points out this is one of the risks involved but it is limited in time and scope. M. N. B[ow]

<sup>59</sup> Note marginale :/Marginal note:

Noted. [N. A.] R[obertson]

680.

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*

SECRET

[Ottawa], October 25, 1962

SHIPPING TO CUBA – ATTACHED TELEGRAM 3809†  
DATED OCTOBER 24, 1962 FROM LONDON CONCERNING  
SHIPPING TO CUBA

It is understood you wish a brief comment concerning the international law implications connected with the above referred to telegram.

This telegram touches on the status of Canadian-owned ships flying the British flag which are under charter to the Soviet Union. In particular, attention is drawn to the provisions in these Charter Agreements to the following effect:

(1) The Charter Agreements provide that the owner reserves the right to obey the orders from the Government under whose flag the ship sails.

(2) There is also contained in these Charter Agreements a War Risk Clause which provides *inter alia* “the vessel, unless the consent of the owners be first obtained, is not to be ordered (by the charterers) ... to any place ... which will bring her within a zone which is dangerous as the result of any actual or threatened act of war ... .”

In commenting first of all on the provision in these Charter Agreements by which the owner reserves the right to obey orders from the government under whose flag the ship sails, it may be said that the traditional international law concept is that any ship's operations are governed by the law of the state whose flag the ship is flying. This means that the British registered ships, which are nevertheless Canadian-owned, that are referred to in paragraph four of the attached telegram would, generally speaking, be subject to the laws of the United Kingdom rather than those of Canada with the result that such ships would ordinarily come under the control, for governmental administrative purposes, of the United Kingdom Government rather than the Government of Canada.

The position is reflected in the recent statement made by the Prime Minister in the House of Commons in connection with the shipping of arms to Cuba arising out of a question raised by Mr. Pearson. Set out below is the relevant extract from *Hansard*.

“*Hon. L.B. Pearson* (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether his attention has been called to a special report made to the State Department in Washington by the United States maritime administration on, among other things, the part being played by eight Canadian owned ships in trade between communist countries and Cuba.

“*Right Hon. J.G. Diefenbaker* (Prime Minister): Mr. Speaker, this question was before the House the other day. Canada is not directly involved in this matter. We have been informed of the recent United States shipping regulations relative to trade with Cuba, but so far as I know there are no ships of Canadian registry that would be affected. Canada, as the house knows, does not permit the export to Cuba of arms or strategic materials. That is the basis of Canadian policy on this question, and it is not affected in any way by the activities of these ships to which the Leader of the Opposition has made reference and which, as I stated earlier, under maritime law and general international law are subject to the laws of the

country under whose flag they operate. The eight ships in question are under British registry and, I again state, are not subject to Canadian laws or regulations."<sup>60</sup>

As regards the War Risk Clause contained in these Charter Agreements, which is quoted in part above, this provision most properly gives the owner of the vessel the responsibility for determining whether or not the vessel under charter should be permitted to proceed through a danger zone area.

Alternatively, the owner would be in a position on a contractual basis, if not as a matter of law, to insist on compliance with orders prohibiting his vessel from proceeding through a danger zone area issuing from the government under whose flag his vessel sails. Indeed, it would seem that the owner under charter may require compliance with any order issued from the government under whose flag his vessel sails, regardless of whether the order concerns a danger area or not. And it is noted from the above referred to telegram that it would appear that the owners of British registered vessels have expressed a preference in a Cuba-type emergency to have their vessels' operations regulated by United Kingdom Government order rather than to have to make decisions on their own concerning whether or not to invoke the War Risk Clause.

N.A. R[OBERTSON]

681.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 25, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).

<sup>60</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, pp. 297 à 298; voir aussi pp. 13, 185, et 365.

See Canada, House of Commons, *Debates*, 1962-63, Vol. I, pp. 279-280; see also pp. 13, 173, 345.

The Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

...

CUBAN CRISIS

(Previous reference October 24)

33. *The Secretary of State for External Affairs* said that some Soviet bloc ships bound for Cuba had turned back. It did not appear that Russia would make an issue of the present situation. It had made no move in Berlin so far. A difficult question would arise if Canada were asked its views on the proposal of the Acting U.N. Secretary-General that both the U.S. blockade and the movement of Soviet ships to Cuba be stopped for two or three weeks. U Thant's suggestion would be welcomed by most members of the U.N., because the longer the delay before any precipitate action the better would be the chance of a settlement.

In connection with the Canadian proposal for an eight-nation inspection team to visit Cuba and ascertain the facts, the difficulty was that neither the Russians nor Cuba had denied that missile bases were established in Cuba. The U.S. would probably insist that these bases be removed and the majority of the U.N. would support the U.S. Canada should also support the U.S. in its efforts to remove the bases, but it should not "rush out" and declare its position beyond what had already been said until it was asked for help.

It was for consideration whether Canada's position with respect to the U.S. action was clear to the public. There had been discussion on television and the Prime Minister had made a statement in the House, but the public did not appear to be sure whether Canada fully supported the U.S. action or whether it was neutral. This situation should be corrected.

34. *The Cabinet* agreed that the Prime Minister should make a statement in the House later that day outlining what steps Canada had taken already and clarifying Canada's stand in support of the U.S. action.

R.B. BRYCE

682.

DEA/2444-40

*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 1941

New York, October 25, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel to Washington V-478 Oct 23.

Repeat for Information: London, Washington, Paris, NATO Paris, Bonn from Ottawa, CCOS, DM/DND, PCO from Ottawa.

By Bag Havana from Ottawa, Moscow from London.

CUBA

Since receipt of your telegrams V-104 and V-105 October 23 and in light of subsequent developments I have been giving great deal of thought to possibilities for constructive action when and if issue moves from Security Council to UNGA. It must be assumed that before this happens it will have been demonstrated that it is not repeat not possible to develop *modus vivendi* in Security Council for implementing Secretary-General's proposal for cooling-off

period and that various resolutions now before Council are either vetoed or fail adoption. Although today's developments are encouraging this is nevertheless very real possibility.

2. I shall deal first with Prime Minister's suggestion that eight neutral members on Disarmament Committee might be designated as inspectors to report on missile bases. Main question we have been concerned to explore is extent to which proposal addresses itself to problem as it has developed. I assume this proposal was made at an early stage when it was expected that USSR would deny existence of missile bases in Cuba. Although they have dismissed USA charges as "fabrications" they have concentrated mainly on stressing defensive character of Soviet military assistance and alleging that USA charges are intended to provide excuse for intervention. Moreover private briefings and publicity by USA have had considerable effect. Among USA allies and friends there seems to be no repeat no serious doubts about USA assertions of seriousness and suddenness of Soviet military build-up. Among Afro-Asians fact of Soviet build-up is generally accepted although many of them may not repeat not have appreciated its full strategic significance.

3. Response of three principals is also of some importance. Castro is quoted in *New York Times* October 24 as having stated that arms inspectors "had better come ready for combat."<sup>61</sup> Cuban Permanent Representative in Security Council on October 23 said "we will not repeat not accept any kind of observers in matters which fall within our domestic jurisdiction."<sup>62</sup> It can be assumed that this position also reflects Soviet view. I have already reported that initial UK reaction was that proposal was premature in that it might complicate USA position without achieving desired objective. Reactions which our Embassy in Washington had had from State Department make it clear USA Government shares this view.

4. Some neutrals including Barrington of Burma and Ibe of Nigeria both of whom were at Geneva have discussed suggestion with us on basis of press reports and have made point they would not repeat not wish to see put forward formally in absence of prior acceptance by Cuba and USSR.

5. In these circumstances both on grounds of practicality and of topicality I believe that while issue is still under Security Council consideration we should limit our discussions with other delegations to general terms.

6. Situation is extremely fluid and will probably remain so for some time. Nature of discussion in UNGA will be influenced not repeat not only by factors outside control of Assembly such as actions of USA and Soviet governments but also by manner in which for example Secretary-General's appeal is handled. Given this fluidity it is preferable to avoid taking public step which might limit our freedom of action in event opportunity for effective initiative emerges.

7. In considering possibility of pursuing this or other constructive ideas if issue comes before UNGA I think that we should be guided by several basic considerations which have been constantly stressed in discussions which we have had on problem with other delegations:

(a) Any solution which is to be effective will require tacit acceptance of three principals: USA, USSR and Cuba. This requirement is generally accepted by members of Assembly.

(b) Country which is likely to have greatest influence on USA at this stage is UK because their very close association over past few years has established essential basis of confidence

<sup>61</sup> Voir/See "Castro Is Defiant; Bars Arms Checks," *New York Times*, October 24, 1962, p. 1.

<sup>62</sup> Voir Nations Unies, *Documents officiels du Conseil de sécurité*, dix-septième année, 1022<sup>ème</sup> séance, le 23 octobre 1962, UN Doc S/PV.1022(OR), p. 22, <http://documents.un.org/>.  
See United Nations, *Security Council Official Records*, Seventeenth Year, 1022<sup>nd</sup> Meeting, 23 October 1962, UN Doc S/PV.1022(OR), p. 22, <http://documents.un.org/>.

and also because UK is most powerful of USA allies. Therefore it might be useful if we first examine informally with UK any ideas which we may wish to consider putting forward.

(c) Latin American countries have most direct interest in successful solution of this problem and for historical and cultural reasons they have special connection with Cuba which may have its value if negotiations are once started. Therefore we should maintain very close cooperation with more important of Latin Americans and any ideas – such as establishment of self-policing nuclear-free zone for Central and South America, denuclearization of Cuba or unilateral undertaking by Cuba to USA similar to that recently given by Iran to USSR that it would not repeat not permit stationing of nuclear weapons on its territory<sup>63</sup> – should be carefully examined with them.

(d) As made clear in Prime Minister's statement today<sup>64</sup> (your telegram PG-204†) our role in UNGA negotiations will be based on our position as Western hemisphere country united with members of OAS in our opposition to presence of Soviet offensive weapons in Cuba. Thus role we play in UNGA will follow from close collaboration with our allies so that at appropriate moment we can exercise effective influence toward acceptance of reasonable compromises by parties to dispute.

[PAUL] TREMBLAY

683.

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures  
au représentant permanent auprès des Nations Unies  
et à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs  
to Permanent Representative to United Nations  
and to Ambassador in United States*

TELEGRAM XL-106

Ottawa, October 25, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Paris, NATO Paris (OpImmediate).

#### CUBAN POSITION ON THE CRISIS

The Cuban Ambassador, on instructions of his government, called on the Minister this afternoon. He made three points at the outset:

(a) He wanted us to know and, if possible, the Americans through us, that in the event of invasion (or starvation), the Cubans will fight to the death, whatever the odds against them may be.

(b) The Cuban Government was prepared at any time to negotiate its differences with the USA, but the USA apparently continued to be unwilling to negotiate.

(c) The Ambassador welcomed the initiative of yesterday of the Acting Secretary-General calling for a temporary suspension of the quarantine measures and of the delivery of arms to Cuba, but he said it seems it had seem rejected by President Kennedy.

<sup>63</sup> Voir/See "The News of the Week," *Current Digest of the Soviet Press*, Vol. 14, No. 37 (October 10, 1962), pp. 16-17.

<sup>64</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, pp. 967 à 969.  
See Canada, House of Commons, *Debates*, 1962-63, Vol. I, pp. 911-913.

2. The discussion then turned to the arms build-up in Cuba. The Minister emphasized and reiterated the grave threat to the security of the Americas, including Canada, of these missile bases. He insisted that the weapons were of an offensive character, and, one way or another, they had to go. No one, he added, would deny Cuba's right to have genuinely defensive weapons. In reply, the Ambassador first of all expressed doubts whether such missile bases had in fact been installed (questioning the reliability of photographic evidence) but even if they did exist, he contended that they were there for defensive purposes. It was then a matter of the customary argument about defensive and offensive weapons, the Ambassador taking the line that the circumstances and intentions determined whether weapons were defensive or offensive. As Cuba was threatened by the USA, it was entitled to take all possible military measures for its protection. The Minister pointed out that the new ballistic missile installations could not be effective for targets less than 500 miles away. The Ambassador replied that if Cuba were invaded, they would then be entitled to fight back to the best of their ability. The Minister said that by having these offensive weapons on their territory they were running the risk of having their island totally destroyed.

3. The Ambassador confirmed that Castro had rejected any idea of inspection of Cuban defences by the United Nations. The Minister expressed disappointment at this and suggested that this would imply to many countries that Cuba had things to hide. The Ambassador contended that it was a matter of principle not to allow international inspection, but he could not of course be sure that under certain circumstances it would continue to be refused.

4. The Minister suggested that Cuba should come up with some suggestion in the UN. The Ambassador did not dismiss entirely the possibility of a proposal in the UN the main elements of which might be:

- (1) some satisfactory action by Cuba on the missile bases, perhaps under UN supervision;
- (2) a prior or simultaneous effective assurance that the USA would not invade Cuba; and,
- (3) direct negotiations between Cuba and the USA insofar as appropriate.

5. We do not know if more will be heard about these ideas in New York. Apparently the Ambassador's instructions covered only points (a), (b) and (c) at the beginning of this telegram.

*For Washington Only:*

You should discuss this telegram with the State Department indicating that the Cuban Ambassador called on the Minister essentially to make the points listed in (a), (b) and (c) at the beginning of this telegram.

**684.**

DEA/2444-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 771

Moscow, October 25, 1962

SECRET. OPIMMEDIATE.

Reference: My Tel 763 Oct 24.

Repeat for Information: London, Washington, Paris, NATO Paris, Permis New York, Bonn, CCOS, DM/DND, JIR, PCO Ottawa (OpImmediate) from Ottawa.

By Bag Havana from Ottawa.



## CUBAN CRISIS

Further to my reference telegram you will also have seen text of Khrushchev's telegram to Bertrand Russell,<sup>65</sup> today's press articles, and other Soviet public statements. I and my principal Western colleagues have been impressed thus far with relative moderation of Soviet Government reaction to President Kennedy's speech and introduction of American naval blockade. While reiterating Soviet thesis that if war is unleashed from first hour it would become thermonuclear and global, and while emphasizing gravity of crisis and need for restraint on American as well as Soviet side, Khrushchev's statement to Russell that "as long as rocket nuclear weapons are not repeat not put into play it is still possible to avert war" seems to imply and even perhaps pave way in Soviet camp for not repeat not reacting too strongly or immediately, at least not repeat not by strategic military means, to blockade itself. This seems to me cardinal note in Khrushchev-Russell message, although point is made earlier that if American Government does carry out programme of piratic actions outlined by it Soviet side will [have] no repeat no alternative but to resort to means of defence against aggressor.

2. Khrushchev seems to be openly recognizing, by implication, that tactical advantage in Caribbean area lies with Americans since onus of initiative in escalation would have to lie on Soviet side. On other hand Khrushchev may be tempted to reflect that in Berlin situation is somewhat reversed.

3. Many explanations are possible for Soviet failure to spell out to Soviet public several points in Kennedy's Monday evening speech and his seven point demands. Lack of emphasis on presence of ground-to-ground Soviet strategic nuclear rockets in Cuba could make withdrawal easier. One consideration may be that publicity for details of Kennedy's charges and demands might make Soviet restraint or compromise more difficult.

4. Khrushchev's suggestion in telegram to Russell about desirability of early summit meeting, coupled with call for American-Soviet-Cuban negotiations as main operative clause in Soviet draft resolution at Security Council, is significant.

5. U Thant's proposal for two week standstill agreement might help if accepted. Would appreciate indication of your reaction to this.

6. Meanwhile it is worth reporting that such contacts as I and my Western colleagues have had during recent days with Soviet officials and ministers have shown latter to be impressed with gravity of situation but calm, correct and not repeat not unfriendly.

7. But main Soviet reaction to USA move is of course still to come. Soviet restraint might become very much more difficult if Soviet ship is sunk by American fleet. It would be wrong to underestimate danger of situation.

8. Incidentally there is a rumour (not repeat not in my view implausible) that on Monday October 22 Soviet leaders became suddenly alarmed that Americans had probably decided on sudden military invasion of Cuba. Rumour goes on to allege that Khrushchev and Presidium were in fact relieved by Kennedy's speech disclosing that American decision thus far was limited to imposition of naval blockade and demands. This gave Moscow time rather than facing them with immediate choice between acquiescing in loss of Cuba or launching major hostilities.

9. Incidentally it would help me to know whether in your assessment American Government is in fact likely to use military force to secure destruction of rocket bases in Cuba in event Cuba and USSR refuse to dismantle and withdraw them.

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<sup>65</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 421-422.

10. American Embassy here is inclined to believe that sudden disclosure of existence of IRBMs and MRBMs in Cuba was in fact deliberately designed by Khrushchev to prove American firmness, possibly with view to determining future Soviet course in Berlin. Would appreciate knowing whether you have any confirmation of view that presence of these rockets had been successfully kept secret until about mid-October, when they were suddenly and unnecessarily displayed in such way as to make their presence unmistakably clear to air reconnaissance. If so, this would give some support to thesis of deliberate Soviet probe. Alternative hypotheses also tenable that such disclosure was designed either (a) to deter apprehended American invasion of Cuba or (b) possibly to provoke American Cuban crisis in order to strengthen Soviet case in Berlin, perhaps with view to possible Soviet or East German action against military access there, or Soviet case against American overseas bases in general.

11. To sum up situation as I see it today (a) Soviet reaction thus far relatively restrained, but it could conceivably get out of hand if ships sunk; (b) in any case main reaction still to come; (c) meanwhile Soviet emphasis on importance of UN is significant and perhaps not repeat not discouraging; (d) I think some significance (perhaps ominous) should be attached to comparatively greater Soviet support expressed in today's press for Chinese side in Sino-Indian crisis.

ARNOLD SMITH

685.

DEA/2444-B-40

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

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

SECRET

[Ottawa], October 26, 1962

UNITED STATES QUARANTINE AGAINST CUBA

As you will recall, the Prime Minister enquired early this week about the traditional position at international law with regard to this matter, and in reply your memorandum of October 23 pointed to the following conclusions:

(1) The "Quarantine" imposed by the United States on all offensive military equipment under shipment to Cuba is a measure "sui generis," which it would neither be appropriate to consider as illegal nor easy to construe as legal;

(2) Pacific blockades – which this "quarantine" resembles somewhat – were considered by most authors as permissible, provided foreign ships were not prevented from entering the ports of the blockaded state (this could be allowed only during blockades of a war-like character); the United Nations Charter is now widely interpreted as forbidding such blockades except when imposed by the United Nations under Articles 41 and 42 of the Charter (the texts of Articles cited in this memorandum are attached†);

(3) It is debatable (and doubtful) whether such a quarantine can be considered as a measure of self-defence under Article 51 of the Charter since there has been no overt armed attack (most authors tend to rule out the plea of self-defence except in this latter eventuality); Article 2(4), though, could be invoked against the military build-up in Cuba;

(4) There is very little doubt, however, that the use of armed force – which could be considered as armed reprisals – against foreign (including Soviet) ships would run against the Charter, unless it is done in accordance with Article 42. (See paragraphs 3-5- below);

In the light of President Kennedy's proclamation of October 23, and particularly of the OAS Council approval of the resolution presented by Secretary Rusk on October 23, the following comments may now be added.

2. In his proclamation, President Kennedy states that vessels failing to "comply with directions shall be subject to being taken into custody" – that is to be seized, contrary to what was assumed in the memorandum to the Prime Minister (paragraph 2); such seizures would make it more difficult to justify the "quarantine" decreed. On the other hand, the President stresses that "force shall not be used except in case of failure or refusal to comply with directions or with ... directives of the Secretary of Defence ..., or in case of self-defence. In any case, force shall be used only to the extent necessary."

3. In order that they might resort legally to armed force against foreign ships refusing to halt, to be searched or to turn back from Cuba if carrying offensive weapons, it appears that the United States would need authorization to do so from the Security Council under Articles 39 and 42. Following a veto in the Security Council, they might seek to refer the matter to the General Assembly, possibly under the "Uniting for Peace" resolution of November 3, 1950, on the grounds that there is a "threat to peace." The Assembly could then make "appropriate recommendations to members for collective measures"; such a recommendation would not be binding but might be considered as providing authorization for the action recommended. (This action might be the "quarantine" decreed, but might more likely be the appointment of a fact-finding or inspection commission in Cuba. Lauterpacht II, 176)

4. The Inter American Treaty of Reciprocal Assistance of 1947 (or Rio Treaty)<sup>66</sup> goes further than the Charter. Article 25 of the OAS Charter<sup>67</sup> and Article 6 of the Rio Treaty provide inter alia that, "If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is not an armed attack ... or by any other fact or situation that might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures ... which should be taken for the common defence and for the maintenance of the peace and security of the continent" (Article 6). Article 8 of the Treaty enumerates, "For the purpose of this Treaty, the measures on which the Organ of Consultation may agree," include the "partial or complete interruption of economic relations ... and use of armed force." The meeting held on Tuesday by the Council of the OAS authorized the United States (after their decision was taken but before the quarantine came into force) to take the measures announced, including the use of armed force.

5. The Organization of American States is a regional organization, and the Rio Treaty a regional arrangement under Article 52 of the United Nations Charter. There seems to be some discrepancy between Chapter VII of the Charter and Articles 6 and 8 of the Treaty. With reference to the foregoing and to Articles 51 and 53 of the Charter, it would appear that the use of armed force by the American States is subject to two limitations: they may resort to it only if exercising the right of collective self-defence provided for under Article 51, or if authorized by the Security Council under Article 53. Since on the one hand there is no unanimity as to the rights granted by Article 51, and since on the other hand the Rio Treaty (including Articles 6 and 8) has been accepted as a regional arrangement under Article 52, it is not possible to conclude categorically either that the use of armed force under the Rio Treaty is permissible in the present case or that it is forbidden. At any rate, it seems that the OAS Council should now report the action it has approved to the Security Council, in conformity with Article 54 of the

<sup>66</sup> Voir/See "Inter-American Treaty of Reciprocal Assistance," *Department of State Bulletin*, Vol. 17, No. 429 (September 21, 1947), pp. 565-567.

<sup>67</sup> Voir/See *Department of State Bulletin*, Vol. 18, No. 464 (May 23, 1948), pp. 666-673.

Charter and Article 5 of the Rio Treaty. (Fenwick p.191; Kelsen p. 328, 793 & Goodrich & Hambro & Bentwick & Martin & Sohn: under Articles 51-53)

6. The legality of the United States measure being perhaps debatable, it would seem advisable, on broad political grounds, and in line with the Prime Minister's statement last night (*Hansard* of October 25, p. 913), to avoid discussing the legal merits of the case. If we are asked questions about the validity in international law of the "quarantine" decreed by President Kennedy, you might therefore wish us to answer somewhat along the following lines:

"This is a complex issue which cannot be isolated from the broader policy questions now being discussed by the Security Council. While the matter is thus being debated at the United Nations, it would not be appropriate to comment on the particular aspects or considerations which may be involved.

As the Prime Minister said on Thursday night, debating the legality of the United States quarantine is largely sterile and irrelevant. We have a situation to face: there has arisen a new and immediate threat to the security of the hemisphere. We and other countries are considering this whole question as a matter of the utmost urgency and are actively seeking ways of finding a peaceful solution to this situation."

N.A. R[OBERTSON]

686.

DEA/4470-A-40

*Note de la Direction européenne*  
*Memorandum by European Division*

SECRET

[Ottawa], October 26, 1962

SOVIET INTENTIONS AND REACTIONS IN THE CUBAN SITUATION

Information available to us give no grounds for putting in question American intelligence about the build-up of Soviet missile sites in Cuba with a significant offensive potential directed against the Western Hemisphere. President Kennedy is therefore correct in speaking of a serious threat to the national security of the U.S.A. This paper will attempt to analyze the possible Soviet intentions in setting up MRBM and IRBM sites in Cuba; their reactions to date to the American action in imposing a quarantine and calling for the dismantlement of offensive weapons sites; and possible Soviet courses of action.

2. We can assume that the Soviet Union knew that their build-up in Cuba would be discovered quickly by the U.S.A., though they may have hoped to get close to completion of the build-up before having the facts exposed by the U.S.A. This would have presented the U.S.A. and the world in general with a *fait accompli* which would have raised tensions but would in the end be accepted, as American foreign bases are accepted.

3. There are, in broad terms, two possible reasons for the Soviet action, each with variants.

(a) *The Strategic Reason.* The U.S.S.R. suffers from a deficiency in long-range strike capability against the U.S.A. in relation to the American strike capability, both long-range and from peripheral bases, against the U.S.S.R. The U.S.S.R. seems to have yielded to the temptation of taking a short-cut towards reducing the imbalance. The net effect of the installation of medium – and intermediate – range strike capacity up close to the U.S.A. is to increase the Soviet nuclear strike capability against North America and to circumvent the North American early warning network. The U.S.S.R. can now inflict approximately double the damage it could inflict before, but the U.S.A. still has superiority over the U.S.S.R. in strategic striking power. Increased production of Soviet-based ICBM's will in time increase

the Soviet strategic striking force but, barring an unforeseen technical break-through by the Russians, the Minuteman missiles will cancel out this increase and prolong the present imbalance of military power favouring the U.S.A. Nevertheless, the Cuban bases have added considerably to the credibility of Soviet ability to launch a nuclear attack on U.S. targets.

(b) *The Political Reason.* The Soviet Union may have intended to build up an offensive potential in Cuba

[i] as proof of its determination to back Castro to the hilt and maintain its Cuban beachhead in Latin America though of course the installation of offensive missile sites has increased the temptation on the U.S.A. to knock out the Soviet beachhead in Cuba and Castro at one and the same time;

(ii) as an extra form of pressure which could be used after four years of frustrating postponements since their original ultimatum of November 1958 in order to force Western abandonment of its stand on Berlin;

(iii) as a means of creating disunity in the Western alliance and of isolating the U.S.A. from its allies, and from the other countries of the free world in general.

(iv) as a lever to mount propaganda attacks on American bases around the periphery of the U.S.S.R. and in the disarmament context, to press for non-dissemination of nuclear weapons and elimination of foreign bases; in return for Soviet abandonment of the Cuban base;

(v) as a means of forcing a Kennedy-Khrushchev meeting in order to attempt to resolve a clearly critical situation, and at the same time, probably, to attempt a broader solution on Germany-Berlin and possibly on nuclear tests.

These two general reasons are not mutually exclusive, and the Soviet purpose may have been a combination of the several strategic and political variants.

4. From the hesitation and the relative moderation evident in the initial Soviet reaction to President Kennedy's statement, it would appear that the U.S. action probably did not come at the time nor in the way expected by the U.S.S.R. The Soviet Union may have expected, at one extreme, a new U.S. armed attack on Cuba or at least a total blockade; or at the other extreme they may have expected that the U.S.A. would either raise the matter in private discussion with the Soviet leaders or refer it to the U.N. before taking any other unilateral action. Armed attack or total blockade would have incurred heavy opprobrium for the U.S.A., regardless of the degree of provocation for the action. A straight reference to the U.N. would have given the Russians more time to complete their installations and would have allowed them to work on anti-Western and anti-U.S. sentiments in the U.N. (The latter they will no doubt still pursue.) Simultaneous reference to the U.N. and the quarantine have probably caught the Russians off-stride, for a quarantine designed to prevent only offensive military equipment reaching Cuba is *per se* less objectionable than a total blockade; and the demand for dismantling of bases already prepared can be fitted into the fairly widespread desire to avoid further proliferation of nuclear weapons sites.

5. The Soviet reaction to President Kennedy's announcement has, on the whole and, given the extent of the challenge to Soviet prestige, demonstrated comparative moderation and an evident desire to buy time rather than precipitate a more severe crisis immediately.

(a) The Soviet Union has said that it will not allow its ships to be subject to American search, but a number of Soviet ships en route to Cuba have been turned back while one has been intercepted and allowed to proceed. In the Security Council, the Soviet delegate has predictably called for a "cease and desist" order on the American quarantine action, but has avoided any such belligerent statement as a Soviet intention to shoot its way through the American naval cordon. It has emphasized the "piratical" rather than the "belligerent" nature

of the quarantine and has harped on the illegal nature of this interference with the freedom of the seas.

(b) The Soviet Union has maintained that equipment delivered to the Cubans is of a defensive nature and has insisted that it will not take the initiative in a nuclear conflict; but it has not explicitly denied that MRBM and IRBM sites are being installed, thereby perhaps hiding behind a semantic veil of what is "defensive" and what is "offensive" and also of what has been actually delivered to the Cubans and what has been retained in Soviet hands.

(c) The Soviet Union has predictably used the *tu quoque* argument of U.S. bases surrounding the U.S.S.R., but has not attempted to link the Berlin situation with the Cuban crisis in any way, despite what it could have considered a provocation by Kennedy in this regard.

(d) Khrushchev has, in his message to Lord Russell, expressed willingness to consider a meeting at the highest level to attempt to resolve the crisis and has said the Soviet Union will avoid any reckless action, thereby attempting to give the impression that he is moderate and reasonable in contrast with a hasty, belligerent and unreasonable Kennedy.

(e) Khrushchev has agreed to U Thant's proposal for a temporary halt to the quarantine and a temporary halt to Soviet shipments to Cuba, but presumably in the knowledge that the U.S.A. would reject it and also in the knowledge that agreement did not prevent the continued construction on the missile bases. He has also agreed, as has Kennedy, to preliminary talks among U Thant, Stevenson and Zorin.

From these first Soviet reactions, it would appear that the Soviet Union is anxious to avoid a further heightening of tensions and presumably, therefore, while buying time and attempting to get world public opinion on its side, wants at least to look at the possibility of a compromise solution. It has been singularly imprecise in stating what it is going to do in response to the American challenge.

6. From this brief analysis of possible Soviet motivations and of Soviet reactions to date, we may conclude the following:

(a) The strategic reason is not sufficient in itself to explain the Soviet action, for the short-cut of establishing MRBM and IRBM sites in Cuba, while it reduces the imbalance in strategic striking force, nevertheless leaves the balance still strongly in the American favour. Therefore there must have been political considerations as well.

(b) The major political consideration was probably to improve the Soviet Union's bargaining capacity in future talks with the U.S.A., particularly with respect to Berlin but also perhaps, in the disarmament context, with respect to non-dissemination of nuclear weapons and elimination of foreign bases.

(c) The ancillary political considerations, or the side-benefits, were probably to create disunity in the Western alliance, to attempt to isolate the U.S.A. from its allies and from the neutrals and to provide the basis for propaganda attacks on American bases around the periphery of the U.S.S.R.

(d) The Soviet Union has acted daringly and provocatively in setting up missile-launching sites in Cuba; but in reaction to a vigorous American response it has displayed comparative moderation and has been anxious to give the public impression of a willingness to talk and negotiate, even though it has not yet indicated a line of possible compromise.

687.

J.G.D./MG01/VI/845 (Cuba - Conf. Official Material)

*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], October 26, 1962<sup>68</sup>

## SOVIET INTENTIONS AND REACTION IN THE CUBAN SITUATION

Attached to this memorandum is a paper prepared in my Department<sup>69</sup> analyzing Soviet intentions in establishing MRBM and IRBM bases in Cuba and Soviet reactions to the USA response to this challenge.<sup>70</sup>

2. The net effect of the Soviet MRBM and IRBM sites in Cuba is to double the Soviet nuclear strike capability against North America and also to circumvent the North American early warning network. The bases in Cuba constitute a short-cut to reducing the imbalance of military power favouring the U.S.A. The U.S.A. still, however, has superiority over the U.S.S.R. in strategic striking power and can inflict more nuclear damage on the U.S.S.R. than can the U.S.S.R. on the U.S.A.

3. The existence of the missile sites was bound to become known sooner rather than later by the U.S.A. and to provoke a strong reaction. The public disclosure of their existence may have been made sooner than the Russians expected. In any event it would appear that they may not have anticipated the exact form of the American response – a quarantine (rather than armed attack on Cuba or total blockade) and a simultaneous reference to the U.N.

4. The conclusions of the paper are as follows:

(a) The strategic reason is not sufficient in itself to explain the Soviet action, for the short-cut of establishing MRBM and IRBM sites in Cuba, while it reduces the imbalance in strategic striking force, nevertheless leaves the balance still strongly in the American favour. Therefore there must have been political considerations as well.

(b) The major political consideration was probably to improve the Soviet Union's bargaining capacity in future talks with the USA, particularly with respect to Berlin but also perhaps, in the disarmament context, with respect to non-dissemination of nuclear weapons and elimination of foreign bases.

(c) The ancillary political considerations, or the side-benefits, were probably to create disunity in the Western alliance, to attempt to isolate the USA from its allies and from the neutrals and to provide the basis for propaganda attacks on American bases around the periphery of the USSR.

<sup>68</sup> La note a été envoyée le 27 octobre.

The memorandum was sent on October 27.

<sup>69</sup> Cette pièce jointe (voir le document précédent) ne figure pas dans les documents de Diefenbaker.

This enclosure (see previous document) is not in the Diefenbaker Papers.

<sup>70</sup> Note marginale :/Marginal note:

? R. B. B[ryce]. US paper [see enclosure] as returned to me –

(d) The Soviet Union has acted daringly and provocatively in setting up missile-launching sites in Cuba; but in reaction to a vigorous American response it has displayed comparative moderation and has been anxious to give the public impression of a willingness to talk and negotiate, even though it has not yet indicated a line of possible compromise.<sup>71</sup>

H.C. G[REEN]

[PIÈCE JOINTE/ENCLOSURE]

*Note*

*Memorandum*

SECRET

[Ottawa], October 26, 1962

U.S. TALKING PAPER

My Government thought you might be interested in its current appraisal of Soviet policy with respect to the Cuban crisis.

1. You will recall that during Secretary Rusk's visit here August last he explained to the Prime Minister the long period of discussions with the Soviet Union when we explored several possibilities of a settlement of the Berlin crisis only to have the Soviets close progressively each avenue, leaving only the conclusion that the central and sole objective of the Soviet Union was to remove the Western presence from West Berlin.

2. Beginning in the middle of this summer, there were indications that Khrushchev and the Soviet Government had concluded that there was no possibility that the Soviet Union could obtain its objectives with respect to Berlin through the process of negotiation. There were also indications that Khrushchev felt too personally committed to achievement of his objectives in Berlin to retreat, as well as indication that factors, such as the situation in East Germany and Communist China pressure, were pushing the Soviet Government to a resolution of the Berlin problem and that the Soviet Union had decided that a showdown on the Berlin problem within some months was inevitable. There were also indications that the Soviet Union and Khrushchev personally had developed doubts as to whether they could win in a showdown and that alternatives might be either an ignominious retreat or nuclear war.

3. The Soviet Union privately and at a later date publicly stated that while it would insist upon conclusive discussion of the Berlin problem in a relatively short period, it would not plan to do so until after the American congressional elections. This position it maintained even though the U.S. Government made clear to them that insofar as it was concerned, elections had no bearing on the problem.

4. Assurances were given by the Soviet Government both privately and publicly that it would not arm Cuba with offensive weapons. These were not merely a dialectical discussion but, rather, specific assurances against weapons that could reach the United States. The TASS statement of September 11 said that the Soviet Union had no need to take such action and this statement, which was largely concerned with the Cuban situation, related it to the question of the German peace treaty and other international problems.<sup>72</sup>

5. When Gromyko saw the President on October 18, he made the standard but strong statement about the Berlin and German peace treaty issues and then made the following

<sup>71</sup> Note marginale :/Marginal note:

Seen by P.M. File. O. W. D[ier]

<sup>72</sup> Voir/See "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16.



statements about Cuba: Soviet assistance to Cuba “pursued solely the purpose of contributing to the defense capabilities of Cuba,” that “training by Soviet specialists of Cuban nationals in handling defensive armaments was by no means offensive” and that “if it were otherwise, the Soviet Government would have never become involved in rendering such assistance.”

6. Khrushchev indicated to Ambassador Kohler that he had virtually decided to come to the United Nations meeting in New York in the latter part of November and Gromyko, in his conversation with the President, confirmed this, although no specific date was set.

7. When Soviet action in arming Cuba with offensive nuclear missiles became evident, it was because of developments set forth above that the U.S. Government tended to believe that Soviet action was probably primarily geared to a showdown on Berlin, and that it intended it to be timed with Khrushchev’s arrival in the United States and the completion of the installation of these missiles in Cuba.

688.

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*

Ottawa, October 26, 1962

CUBA – PROPOSAL OF LEADER OF THE OPPOSITION

Yesterday in the House the Leader of the Opposition in welcoming U Thant’s initiative indicated that it would have more chance of success if it could be supplemented by some proposal that would ensure that any obligation undertaken by those concerned would be carried out. This would present no special problem in respect of the termination of the U.S. quarantine measures, but would require some control and inspection measures if the world were to be satisfied that the Soviet deliveries were not continuing. Mr. Pearson then proposed that if the opportunity arises the Canadian Delegation might make a supplementary proposal, viz., “to set up immediately a U.N. naval inspection force to make sure that any obligation of this kind, ... was carried out.” He suggested that this would give the kind of reassurance that U.N. inspection and control has given in the past.

2. It is possible that the Leader of the Opposition regards this as a major suggestion and may ask if any steps are being taken to act upon it.

3. In the Department we have already given preliminary consideration to the idea of “a naval UNEF” but had discarded it on the ground that any proposal, to be acceptable, would have to attract the support of both the Soviet Union and the United States. While the Soviet Union would doubtless go along with the idea of a U.N. naval inspection force, it is extremely doubtful that the United States would do so. It is clearly the United States view that the necessity of preventing the delivery of nuclear warheads or nuclear equipment was of such vital and direct interest to the security of the United States that they were prepared to undertake unilateral measures of the most extreme kind, having inherent in them the risk of global war, to intercept their delivery to Cuba. It is highly doubtful therefore that they would entrust this vital task to the naval units of other countries with far less effective means of detecting, tracking and intercepting Soviet vessels, even though the forces should be under the U.N. flag.

4. The only circumstances in which they might be prepared to entertain such a suggestion would be if there were in addition in Cuba a sort of observation group that the Prime Minister proposed on October 23, to give some assurance on two points:

- (1) that the U.N. blockade was not evaded, allowing some nuclear materials to continue to arrive in Cuba; and,
- (2) that current work on launching sites was terminated.

5. In a sense therefore Mr. Pearson's suggestion is complementary to that made by the Prime Minister, but of the two, only the Prime Minister's would have any chance of standing alone.

6. Mr. Pearson's suggestion is however constructive and should be welcomed as such.

N.A. R[OBERTSON]

689.

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*

SECRET. CANADIAN EYES ONLY.

Ottawa, October 26, 1962

CUBA AT THE UNITED NATIONS

It is not an easy task to assess the future course of developments on Cuba at the United Nations. Much depends on the motives of the main parties, on the measures which they adopt outside the United Nations and on the tactics they prefer within the Organization. It is by no means certain that any of the parties seriously contemplate a United Nations intervention. Neither is it clear that a majority of the members of the United Nations wish to commit themselves to any particular course of action involving the United Nations. The current proceedings in the Security Council could be nothing more than a smoke-screen for a Great Power test of strength and determination outside the United Nations framework.

2. The debate in the Security Council has not done much to clarify the intention of the parties. The resolutions submitted separately by the United States and the Soviet Union seem doomed to failure.<sup>73</sup> The resolution, proposed by Ghana and the United Arab Republic and calling for an intervention by the Secretary-General, has largely been implemented by U Thant in his approaches to the three governments concerned.<sup>74</sup> None of these proposals appears to provide a sufficient United Nations umbrella to cover the withdrawal of the two principal antagonists, if this were considered necessary.

3. The main elements of the present situation appear to be the following:

(a) The Soviet Union, over a period of some weeks, has engaged in a secret and rapid build-up of powerful weapons in Cuba. This has been done despite the certainty that the United States would become aware of the build-up and could be expected to react sharply at some

<sup>73</sup> Voir Nations Unies, *Documents officiels du Conseil de sécurité*, dix-septième année, 1022<sup>ième</sup> séance, le 23 octobre 1962, UN Doc S/PV.1022(OR), pp. 16 et 36, <http://documents.un.org/>.  
See United Nations, *Security Council Official Records*, Seventeenth Year, 1022<sup>nd</sup> Meeting, 23 October 1962, UN Doc S/PV.1022(OR), pp. 16, 36, <http://documents.un.org/>.

<sup>74</sup> Voir Nations Unies, *Documents officiels du Conseil de sécurité*, dix-septième année, 1024<sup>ième</sup> séance, le 24 octobre 1962, UN Doc S/PV.1024(OR), p. 20, <http://documents.un.org/>.  
See United Nations, *Security Council Official Records*, Seventeenth Year, 1024<sup>th</sup> Meeting, 24 October 1962, UN Doc S/PV.1024(OR), p. 20, <http://documents.un.org/>.

stage. In other words, the Soviet Union has deliberately provoked a sharp United States reaction at a time when developments in relation to Berlin were expected. It was also a time of domestic difficulty for the United States Government.

(b) The United States reaction has been swift and sharp. In the face of the arms build-up, the main United States choice was to knock out the missile bases either by bombing or invading Cuba, or by putting a squeeze on the Soviet Union as the real source of trouble. The United States has chosen the latter, probably because it is the lesser of two evils. A direct attack on Cuba would almost certainly have produced a strong reaction in the United Nations and in world public opinion. The quarantine is considered unjustified by a great many people but the friends of the United States can accept it as a necessary response to clear provocation.

(c) Neither the Soviet Union nor Cuba has denied the military build-up. It is described as defensive and as part of the inalienable right of any sovereign state; it is likened to the long-established United States bases in other parts of the world. This legally justified action is contrasted with the illegal quarantine imposed by the United States.

(d) The main United States objective is not only to halt the military build-up but to eradicate the bases. The lifting of the quarantine has been made conditional on such eradication. The United States is prepared to accept United Nations verification in this regard. The Cubans, however, have categorically rejected United Nations observation of any kind, presumably on the ground that there is no legal justification. The Soviet Union could be expected to take the same position.

(e) The Soviet objectives are not so clear. Perhaps the Soviet Government was taken by surprise by the nature of the United States reaction. So far, the Soviet Union seems disposed not only to avoid a serious incident at sea but to play the peace-lover in general. As yet, there has been no countermove on Berlin and there may not be because of a genuine worry about intensifying the risk of armed clash and because of a Soviet desire to capitalize on the United States "aggressive" quarantine. In the longer term, the Soviet Union may hope to undermine the whole United States position on overseas bases.

4. The present situation seems to be under control but the longer the quarantine continues, the greater is the risk that some incident will occur to increase the tension and danger. The Soviet Union can reasonably expect that the whole pressure of world public opinion will be for a "negotiated settlement." The United States position does not really call for any negotiation about Cuba but merely for the eradication of the missile bases. This does not mean that the two Great Powers should not confer with a view to resolving the present crisis. At some stage, this might be at Heads of Government level. It is not clear whether the Secretary-General will succeed in his present role, although he may bring about some confrontation of the parties. His appeal to the parties was one-sided to the extent that it did not really deal with the problem of eliminating the missile bases.

5. The emphasis during the next few days will probably be on the consultations involving U Thant and the two main parties. The likelihood is that the Security Council will be recessed during the period of consultation. Until the Secretary-General has reported on his efforts, there is not much to be gained from continuing the debate in the Council, although some new incident could cause it to convene. It is doubtful whether the United States is in any hurry to have the various resolutions voted upon because of the pressure which would develop, after a veto, to bring the situation before the General Assembly. In the absence of any constructive approach broadly acceptable to the parties, a debate in the Assembly might only make matters worse.

6. If the Secretary-General's intervention ends in failure and if Council action should be blocked by exercise of the veto, the Assembly will be brought into the picture, especially if this series of failures tends to increase the tension and the risk of further incident. In present

circumstances, and particularly in view of the attitude of the main parties, the possibilities open to the General Assembly are few:

(a) An overwhelming majority would no doubt support an urgent appeal for further efforts at negotiation. The non-aligned members would presumably press for a draft resolution like the Ghana-UAR text submitted in the Council. In addition to putting the Secretary-General into the act, that resolution calls upon the parties "to refrain meanwhile from any action which may directly or indirectly further aggravate the situation." This call for a negotiated settlement is commendable enough but it might not have much effect in a situation in which the Acting Secretary-General had tried and failed to bring about a serious conference.

(b) The Soviet Union could be expected to press for the lifting of the quarantine and it might attract substantial support for this. In the Council, the UAR and Ghana expressed disapproval of the United States action. The United States and the West might find themselves on the defensive but they could probably defeat any resolution calling for the termination of the quarantine provided that the Latin Americans remained solid behind the United States. Nevertheless, a debate on this issue could be embarrassing for the Western powers and it would tend to divert attention from the real problem, that of eradicating the missile bases in Cuba.

(c) In the face of Cuban and Soviet opposition, it would be unrealistic to press for any United Nations investigation or observation either within Cuba or in the Caribbean around it. Besides, the present situation seems to call not so much for fact-finding as for verification that the missile bases are being dismantled. Many members of the United Nations might be prepared to support the United States in its demand for dismantlement and a resolution to that effect might be adopted in the face of a large number of abstentions but it would not be effective unless Cuba agreed to co-operate.

7. The main difficulty about taking action in the Assembly might be the disposition of the non-aligned states not to become involved on either side. Effective action might only be possible if it had almost unanimous support from the Assembly. A situation could arise, however, in which both the United States and the Soviet Union, having become too heavily committed to the courses they were following, would wish to have a face-saving device to cover their disengagement. At that stage, the United Nations might be required to provide an umbrella. It would have to be broad enough to permit the halting of Soviet shipments of offensive weapons, the lifting of the quarantine and the dismantling of the missile bases in Cuba.

8. A most obvious approach would be to establish a neutral zone in and around Cuba guaranteed by the Great Powers and by Cuba's immediate neighbours. This would involve the elimination of weapons of mass destruction and particularly the missile bases. There would have to be international verification, presumably on a continuing basis. In its present frame of mind, Cuba might resent this form of enforced neutrality.

9. A similar approach might be the one voiced by Brazil, that is the establishment of a nuclear-free zone in Latin America. This would call for the elimination of the bases under effective international control; it could be combined with a Great Power guarantee and with a non-aggression feature involving Cuba's neighbours. It would also offer an important concession to the Soviet Union for it would be the thin edge of the wedge on the establishment of nuclear-free zones elsewhere. It would be a concrete step to prevent the spread of nuclear weapons and to start on regional disarmament. It could be a pilot project for international inspection. Finally, it should pose no threat to the security of the United States or the other countries of the Americas.

10. Such a proposal would be similar to but a considerable enlargement of the Arab good neighbour policy, which was embodied in an Assembly resolution of August, 1958.<sup>75</sup> It is most important that any proposal of this kind should be initiated by the states directly concerned. In this case, the United States and all the Latin Americans have the most immediate interest. The other countries of the Western hemisphere are also closely concerned and, of course, the proposal would be meaningless unless it were fully endorsed by the other nuclear powers. The implication is that with the agreement of the United States and the other nuclear powers, the move should be initiated by the Latin American states. This does not mean, however, that after appropriate consultation on a suggestion of this kind could not be included in a statement by Canada.<sup>76</sup>

N.A. R[OBERTSON]

690.

J.G.D./XIV/E/167.3

*Le premier ministre du Royaume-Uni  
au premier ministre  
Prime Minister of United Kingdom  
to Prime Minister*

TOP SECRET

[London], October 26, 1962

I was most interested to hear your views from our High Commissioner.

I have already sent you a copy of what I said in the House of Commons today with which I hope you will agree. It seems to me that there are three points which we should do well to emphasise at this stage.

(a) If after President Kennedy had made such clear declarations about his opposition to Cuba having offensive weapons he had then done nothing in the face of the incontrovertible evidence which he received, he would have struck a severe blow at allied confidence in American declarations. This might have had quite serious effects in some parts of the world (for example, South-East Asia or the Middle East) where small countries feel themselves menaced by the proximity of the Soviet empire and rely very much on the assurances given by the United States.

(b) We should learn the lesson of pre-war period and not become so alarmed by a particular crisis that we settle it at the expense of being a point or two down in the larger struggle. This is just what we were always tending to do in the 1930's. The result was to produce a feeling of hubris in the aggressor and depression among the democracies which finally leads to a mood of desperation. Thus a weak settlement may easily do more harm than good to the long-term prospects of peace.

(c) This latest demonstration of Soviet duplicity (and the Russians seem to have been telling some particularly bare-faced lies) should finally put paid to the idea that the countries of the world have only to trust each other and all can be arranged amicably in such fields as disarmament. We shall surely have to be even more careful in the future than in the past to insist that international agreements must be adequately policed and verified. I do not know exactly what the next stage will be. I assume that the United States will probably concentrate

<sup>75</sup> Voir/See Volume 25, documents 381, 382.

<sup>76</sup> Note marginale :/Marginal note:

Not sent overtaken by events on Oct. 28. [Auteur inconnu/Author unknown]

for the moment on improving U Thant's suggestion by, for example, pointing out that while it will be clear that their blockade has been removed, there will be no proof that military supplies are not still going in unless there is some inspection in Cuba. Also the work on the missile sites may well continue secretly unless there are United Nations observers to stop it. If this is the United States line, I propose to instruct our representatives to do all they can to back it up. Thereafter there may, I suppose, be some negotiation which will perhaps go beyond the narrow Cuban question into larger issues. If such a development occurs, it will be particularly important to consult together to ensure that our own positions are properly protected. I thought I would just send you this message with these current thoughts as the situation develops hour by hour.

691.

DEA/2444-40

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

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

TELEGRAM 541

Cairo, October 26, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 537 Oct 24.†

Repeat for Information: London, Permisis New York, Paris, Washington, Moscow from London

## CUBA: SOVIET VIEWS

Activities of Soviet Ambassador during Cuban crisis may be of interest. Wednesday night he approached me at party and in a state almost of (euphoria?) asserted that not repeat not even country like Dahomey let alone USSR could accept USA blockade. Soviet ships would proceed to Cuba, if necessary with backing of Soviet navy. Later he told Brazilian Ambassador much same adding there were 300 Soviet submarines in Atlantic to back up convoy. Erofeev asked if we could keep in touch and I saw him again this morning.

2. This time he stressed Khrushchev's reply to U Thant,<sup>77</sup> reasonableness of Soviet readiness to call off shipments for two weeks, and unreasonableness of USA demand that bases be dismantled as prior condition for talks. He insisted this was impossibility and that he hoped other countries would recognize it.

3. I used usual arguments to justify USA action but he refused to agree that there was any degree of Soviet provocation or that indeed there were any real Soviet missile bases in Cuba. He kept stressing willingness of USSR to negotiate but only if USA showed equal desire for compromise. He said he was impressed by moderation of UAR statement in Security Council.<sup>78</sup>

[R.A.D.] FORD

<sup>77</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 425, 437.

<sup>78</sup> Voir Nations Unies, *Documents officiels du Conseil de sécurité*, dix-septième année, 1024<sup>ème</sup> séance, le 24 octobre 1962, UN Doc S/PV.1024(OR), pp. 10 à 14, <http://documents.un.org/>.  
See United Nations, *Security Council Official Records*, Seventeenth Year, 1024<sup>th</sup> Meeting, 24 October 1962, UN Doc S/PV.1024(OR), pp. 10-14, <http://documents.un.org/>.

692.

DEA/2444-40

*L'ambassadeur au Cuba  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 210

Havana, October 26, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: JIR from Ottawa.

## CONDITIONS IN CUBA

There is little to report from Cuba. Country has been caught up in a situation beyond its control and realization of this is sinking in. Everyone is (elucidating?) on events: government supporters with grim determination and others with apprehension. An example is provided by exaggerated feeling of relief that spread through Foreign Ministry yesterday from Roa down when news that a Russian tanker had been allowed through quarantine was received. Not repeat not even opponents of régime have shown any noticeable signs of activity and government preventive arrests seemed relatively low.

2. News media stress that peoples of world are with Cuba including those of the West where there is opposition of government policy. Posters are appearing which promise the USSR will come through. Average Cuban is ignorant of outside world and in general draws a measure of satisfaction from government propaganda.

3. No repeat no attempt is being made to organize major public demonstrations with speeches by government leaders. There has been no repeat no official statement to people since Castro's belligerent Tuesday night address.<sup>79</sup>

4. A considerable movement of army trucks and guns is taking place in Havana area. British Embassy last night sighted a long trailer (80 to 100 feet) carrying what appeared to be large missiles followed by ancillary equipment being moved along a Havana avenue.

3. Civilian traffic is light and gas unavailable in some parts of interior. Efforts are being made to find substitute workers, including wives and mothers, for those mobilized. Most observers have doubts about how effective these hastily assembled improvised soldiers would be in combat conditions of a modern war. Professionally trained forces should stand up better.

[GEORGE P.] KIDD

<sup>79</sup> Voir « 23<sup>rd</sup> of October », base de données des discours de Castro, Latin American Network Information Center.

See "23<sup>rd</sup> of October," Castro Speech Data Base, Latin American Network Information Center, <http://lanic.utexas.edu/project/castro/db/1962/19621024.html> (accessed November 27, 2012).

693. J.G.D./MG01/VI/845 (Cuba - Conf. Official Material)

*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 27, 1962

CUBA – KHRUSHCHEV'S COMMUNICATIONS  
REGARDING OFFENSIVE MISSILES

Two communications have been sent to the United States Government in the past 24 hours. The text of the first has not been made public.<sup>80</sup> The text of the second was released by Moscow before it was received in Washington (copy attached†).<sup>81</sup> It has already been stated in Washington that the two communications differ and that in particular there was in the first no reference to Turkey.

2. The communication which had been made public contains substantial proposals which undoubtedly will be regarded by many governments as warranting most serious consideration. There are objectionable passages but the tone on the whole is moderate.

3. The essence of Khrushchev's proposals is:

- (1) the Soviet Union will remove from Cuba those weapons which the United States regards as offensive provided that the United States removes similar weapons from Turkey;
- (2) both nations will pledge themselves to that effect in the United Nations;
- (3) the two parties will agree on the length of time required;
- (4) persons enjoying the confidence of the U.N. Security Council would make an on-the-spot check of the fulfilment of these pledges, subject to the authorization of the Governments of Cuba and Turkey;
- (5) the Soviet Government and United States Government will undertake, within the framework of the Security Council, to respect the inviolability of the frontiers of Turkey and Cuba respectively and to refrain from interference in their internal affairs; not to invade their territory and not to make their own territories available as a bridgehead for invasion and to restrain anyone contemplating such aggression from the territory of the Soviet Union or the United States.

4. The two references to time limits in the Khrushchev letter are somewhat unclear but he would appear to be contemplating a very short period to accomplish all these objectives – possibly two or three weeks and in any case not more than a month.

5. The fact that this is a serious proposal is evident from three features:

(a) the risk which Khrushchev is clearly running of undermining his position in Cuba by admitting that the weapons there are under Soviet control and that he is prepared to remove them as part of the deal;

(b) the choice of Turkey as the other side of the proposed deal rather than some other area which would have presented more difficulties for the United States (e.g., Berlin) would appear to reflect his special concern over areas on the periphery of the Soviet Union; and,

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<sup>80</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 84.

<sup>81</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 91.



(c) Khrushchev's apparent willingness to entrust important functions to the person now occupying the position of Acting Secretary-General of the United Nations even though this is difficult to reconcile with the attitude the Soviet Union has taken in the past towards the role of the Secretary-General.

6. The United States, through the official State Department spokesman, has declined to comment on the first communication; and has reacted publicly in a responsible manner to the second (text attached<sup>†</sup>).<sup>82</sup> They state three conditions which would have to be met as an "urgent preliminary" to any proposals:

- (1) work on the Cuban bases must stop;
- (2) offensive weapons must be rendered inoperable;
- (3) further shipments of offensive weapons to Cuba must cease – all under effective international supervision.

7. We think the United States have not closed the door to the consideration of the substance of the Khrushchev proposal. In fact they have indicated, in respect of the call for the mutual removal of missiles, that the Western allies have long "taken the lead in seeking properly inspected arms limitation on both sides."

8. From a military point of view we understand it is the preliminary judgment of the Canadian Chiefs of Staff that the kind of exchange proposed by Khrushchev would be advantageous for the West. The loss for the West would be represented by a few sites for Jupiter missiles which are not operational and whose targets could be adequately covered by weapons located elsewhere. The removal of the considerably greater number of long-range offensive weapons now located in Cuba outside the North American warning system would thus result in a net gain for the military position of the Western powers.<sup>83</sup>

9. From an international political point of view the proposals would have to be carefully handled in order to avoid bad effects in Turkey and in Western Europe.

10. However, at least one report from our Embassy in Turkey suggests that the Turks are deeply concerned about the present situation and attach great importance to the achievement of some peaceful solution. (See attached tel. 139 of Oct. 25<sup>†</sup>). Moreover the Turks should not feel that their position is necessarily weakened since under Khrushchev's proposal they would receive an internationally sanctioned guarantee, they would continue to be allowed to maintain whatever defence forces were considered necessary and would be free to accept assistance in non-offensive forms from any source including the United States. In addition the Turks might be reconciled with this prospect if the Western countries were to increase the amount of economic aid (as the International Bank has recommended in any event).

11. The relations of Turkey with the Soviet Union have been based on suspicion and hostility which is fundamentally anti-Russian rather than anti-Communist in character. At the same time their satisfactory experience of the Montreux Convention might be regarded as preparing them for the sort of international arrangement contemplated in Khrushchev's proposals. The Montreux Convention set up an international régime for controlling access to the Black Sea, with special rights for Turkey and the Soviet Union, which has been internationally respected and scrupulously respected by both sides for the past 40 years. Even in the present situation the Turks have been unwilling to breach the Convention in order to prevent overflights of Soviet aircraft to Cuba. It therefore should not be considered that the possibility of Turkey accepting

<sup>82</sup> Voir/See "White House Statement of October 27," *Department of State Bulletin*, Vol. 47, No. 1220 (November 12, 1962), p. 741.

<sup>83</sup> Note marginale :/Marginal note:  
Omit. [Le paragraphe 8 est biffé./Paragraph 8 is crossed out.] [O. W. Dier]

this sort of arrangement proposed by Khrushchev must be ruled out provided that other means can be found of buttressing their security and well-being.

12. This action could be interpreted in Western Europe as evidence that the United States is prepared to sacrifice the interests of others when its own safety is directly threatened. It would seem, however, that this risk could be reduced or eliminated if the Western European countries could be made to see that on balance no sacrifice of their interests or of Turkey's interests would be involved. It is clearly most desirable that the Western European countries should be consulted by the United States fully throughout in order to avoid any possible misunderstanding.

13. In relation to disarmament, the United States has already acknowledged that Khrushchev's proposals are not inconsistent with the approach which the United States has long been advocating with respect to arms limitation and international verification. As you pointed out in your statement in the House of Commons on October 25, the dismantling of armaments, combined with international inspection could represent "a first practical step on the road to disarmament." By confining his proposal to observation of dismantlement of the weapons the Soviet Premier's proposal leaves unresolved the question of continuing control measures to prevent clandestine reintroduction of similar weapons in the future, a problem which has already proved a serious obstacle in the Geneva discussions. These are, however, matters which could be the subject of negotiation if the main elements of the proposal are accepted as a basis.

14. So far as Canada is concerned, it would be in our interests to encourage the fullest exploration of this proposal because the alternative is probably further unilateral action by the United States which could have disastrous effects. We should, however, appreciate the problems which consideration of any moderate proposal presents for the United States (particularly before the November elections) in the face of an aroused public opinion apparently reconciled even to invasion as perhaps the only effective means of removing the missile bases. We would recommend that Canadian representatives in both London and Washington be authorized to discuss the situation confidentially with the British and United States Governments on the basis of the foregoing assessment.<sup>84</sup>

15. In addition, our Permanent Representative on the NATO Council might also be supplied with this assessment as background for any emergency meeting of the NATO Council which may be called. A copy of this memorandum might also be sent to New York for the information of our Permanent Representative to the United Nations.<sup>85</sup>

H.C. G[REEN]

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<sup>84</sup> Note marginale :/Marginal note:  
Approved by P.M. [O. W. Dier]

<sup>85</sup> Notes marginales :/Marginal notes:  
Approved by P.M. [O. W. Dier]  
Seen by P.M. 9.00 p.m. 27/10/62. Approved with deletion para 8. Sent to Wash NATO Paris London  
Permis[NY] for background info. 27/10. O. W. D[ier].

694.

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 3166

Washington, October 27, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tel XL-106 Oct 25.

Repeat for Information: London, Candel New York, NATO Paris, Paris.

By Bag Moscow from London, Havana from Ottawa.

## CUBA

I called on the Secretary of State on October 26 to discuss your reference telegram with him. He had with him Hurwitch, Special Assistant to the Assistant Secretary for Inter American Affairs, and Carlson of the Canadian Desk. Robinson accompanied me. The Secretary began the conversation by expressing his thanks for the Prime Minister's speech of October 25.<sup>86</sup> (Incidentally, Attorney General Robert Kennedy, whom I saw yesterday on another question, also expressed warm appreciation for the Prime Minister's speech.) I then drew to the Secretary's attention the Government's decision to search Soviet bloc and Cubana aircraft en route to Cuba and remarked that the American press had not repeat not appreciated the scope of Canada's effort. (Today's *Washington Post* contains a most appreciative leading article on the Prime Minister's speech, the text of which I am sending you separately.†)<sup>87</sup>

2. I then showed Mr. Rusk your reference telegram. His first reaction was to say that the State Department had been receiving similar indications from other capitals to the effect that the Cuban Government would be willing to discuss their differences with the USA through the UN. He thought that further light would be shed on this later in the afternoon when Mr. Stevenson would be seeing U Thant.

3. The Secretary drew attention to an earlier speech by President Kennedy in which the latter had marked out two points which were not repeat not negotiable: (a) the Cuban Government's military connection with Moscow and (b) Communist penetration from Cuba into the Western hemisphere.<sup>88</sup>

4. Mr. Rusk went on to say that the President had been urging calm until the discovery of the sudden missile build up in Cuba, which posed a grave strategic and international threat which would have been just as important no repeat no matter in what country it had arisen. He thought it was possible that the Cubans were now becoming more realistic about the situation in which they found themselves.

<sup>86</sup> Voir Canada, Chambre des Communes, *Débats*, 1962-63, vol. I, pp. 967 à 969.

See Canada, House of Commons, *Debates*, 1962-63, Vol. I, pp. 911-913.

<sup>87</sup> Voir/See "Support from Ottawa," *Washington Post*, October 27, 1962, p. A12.

<sup>88</sup> On ne sait pas exactement à quel discours de Kennedy Rusk faisait allusion. Pour deux documents parus plus tôt qui présentent une de ces questions ou les deux comme étant non négociables, voir *Foreign Relations of the United States, 1961-1963*, Vol. X (Washington: United States Government Printing Office, 1997), documents 212, 387.

It is not clear which speech of Kennedy's Rusk was referring to. For two earlier documents that present one or both of these issues as non-negotiable, see *Foreign Relations of the United States, 1961-1963*, Vol. X (Washington: United States Government Printing Office, 1997), documents 212, 387.

5. The conversation then turned to paragraph 4 of your reference telegram in which there was discussion of possible terms on which the Cuban Government might be prepared to enter negotiations with the USA. The Secretary said that a similar combination of elements seemed to be appearing in U Thant's mind. Mr. Rusk said that no repeat no problem would arise if the Cubans could find a way to get rid of the missiles, and went on to say that "If the withholding of invasion becomes a requirement for getting the missiles out of Cuba, that is no repeat no problem." Before saying this he cautioned against our taking this as a precise formulation of the USA position but the sense of his statement appeared to be that if the Cubans would eliminate the nuclear missile bases, the USA would not repeat not be forced to think in terms of further unilateral action.

6. Returning to the discussion of your reference telegram, Mr. Rusk said that there might be some advantage in attempting to probe the actual Cuban position through the Canadian Ambassador in Havana. He wondered if any opportunity arose for Mr. Kidd to see Castro alone and suggested the possibility of some social occasion. He went on to say that one could not repeat not always be certain that Castro was a total instrument of Moscow (although he characterized this as a chance in a thousand). He said for example that on the issue of prisoners the USA had information that "the bearded one" had taken a different position from the "Communist apparatus." The former had been attracted by the possibility of securing drugs and other commodities in return for the prisoners whereas the Communist apparatus had opposed release of the prisoners. He said it would perhaps be unwise to assume categorically that Castro would always react in direct response to the Moscow line, but his tone implied scepticism as to the likelihood of the Cubans acting independently on major issues.

7. Hurwitch then intervened to say that it would be helpful if Mr. Kidd could do some probing in Havana. The Secretary reacted to this by saying that Castro might usefully be told that he was on a losing wicket and that the real question was the elimination of the missile bases.

8. I then asked Mr. Rusk how he thought matters would develop in the UN. He replied that he foresaw that all formal action would be in abeyance pending U Thant's discussions. He remarked in this connection that he hoped that U Thant would see the Cubans separately from the Russians. I then recalled my conversation with Harlan Cleveland (my telegram 3092 Oct 23) in which I had explained the purpose of the statement made earlier in the week by the Prime Minister regarding the possibility of a UN fact finding team proceeding to Cuba. I said that assuming that UN supervision of the dismantlement of the missile bases was an essential part of the USA approach, I thought it might be possible to foresee a stage in which the "fact finding" element might merge with the UN supervision of dismantlement. I pointed out that Zorin in his statement in the Security Council on October 25 had denied the authenticity of USA evidence regarding the existence of the missile bases.<sup>89</sup> I said that I thought a proposal which gave the UN some responsibility for establishing the facts for themselves, perhaps in conjunction with a supervisory role over the dismantlement of the bases, might have a greater appeal for many member countries in the UN. Mr. Rusk replied that the USA had not repeat not been attracted by a fact finding mission as a first and preliminary step. Two weeks of fact finding, Mr. Rusk said, could only result in what had already been made public in photographs. After re-emphasizing that the Canadian Government was not repeat not considering the introduction in present circumstances of a proposal for a fact finding mission, I remarked that

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<sup>89</sup> Voir Nations Unies, *Documents officiels du Conseil de sécurité*, dix-septième année, 1025<sup>ème</sup> séance, le 25 octobre 1962, UN Doc S/PV.1025(OR), pp. 15 à 16, <http://documents.un.org/>.  
See United Nations, *Security Council Official Records*, Seventeenth Year, 1025<sup>th</sup> Meeting, 25 October 1962, UN Doc S/PV.1025(OR), pp. 15-16, <http://documents.un.org/>.

much depended on the timing involved in UN processes. Mr. Rusk replied that from USA point of view the UN operation had to work very fast. It was essential to get UN representatives onto the sites and to keep the sites non operational, and this must be done in the next few days. It appeared to me that the Secretary was not repeat not much concerned with further steps in the Security Council or the UNGA but was concentrating his attention on the outcome of the negotiations with U Thant which should, in his view, result in the very earliest despatch of a UN team to supervise the actual dismantlement of the bases.

9. Reverting to the evidence of the existence of offensive weapons in Cuba, Mr. Rusk said that while the USSR was now denying their existence in the Security Council "We were told by the Russians that there are not repeat not now in Cuba and will not repeat not be missiles that can reach USA." He asked me specifically to pass on to you this Soviet statement. He did not repeat not specify whether it had been made by Foreign Minister Gromyko to the President or by the Soviet Ambassador here.

10. I did not repeat not get the impression that the Secretary of State was much interested in the possibility of exchanges with the Cubans proving fruitful in the present situation. His references to the possibility of our Ambassador in Havana probing Cuban views were not repeat not at all emphatic or precise. He kept reverting to the absolute necessity for the earliest destruction of the missile bases and seemed to place all his emphasis on the U Thant negotiations in New York. Failing a successful outcome of these negotiations, I was left with the strong impression that the USA would be faced with the early alternative of taking action on their own.

11. Prior to our conversation with Mr. Rusk, Hurwitch spoke to me with some interest of the possibility of creating a "nuclear free zone" in Latin America.

[C.S.A.] RITCHIE

695.

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 3168

Washington, October 27, 1962

SECRET. OPIMMEDIATE.

Reference: Our Letter 1530 Oct 9† and our Tel 3126 Oct 24.†

Repeat for Information: London, Candel New York, NATO Paris, Paris (OpImmediate).

By Bag Moscow from London, Havana from Ottawa.

#### CUBA – SOVIET MOTIVES

We spoke October 26 with Lewis Bowden of State Department Office of Soviet Affairs to obtain an assessment of motivation behind Soviet offensive buildup in Cuba and subsequent Soviet moves. Bowden gave us a frank appraisal but cautioned that these were working level assessments and that the final assessments on which USA action will be based are being made at the highest level: the White House exercises direct and complete control. Since Bowden is his office's representative on Departmental "War Games" Study Group, which has lengthy daily sessions and which thoroughly canvass all alternatives, we assume views he gave us reflected a general appreciation within Department of State.

2. After preliminary warm remarks about Prime Minister's statement October 25, Bowden first told us of background briefing Secretary Rusk had given October 25 to journalists. Rusk

had sought their cooperation in dispelling the euphoria which appeared to be coming over USA public opinion on crisis consequent on moderate Soviet initial response. He had pointed out that apparent Soviet moderation did not repeat not mean that a substantially different response could not repeat not come later and went on to describe grave threat to USA that would result on completion of Soviet missile installations in Cuba. Rusk also pointed to dangers that would ensue if USA public concern were to abate further, much time were lost through fruitless negotiations and drastic action then became essential. Bowden said that Secretary, by reviewing possibilities for settlement through negotiation or through a general disarmament scheme, both of which were unacceptable unless missile installations were removed, had said nothing which would dissuade his audience from drawing a conclusion that an invasion might become necessary. In reference to our passing remark about Joseph Alsop's column October 26,<sup>90</sup> Bowden said that Alsop had obviously been "very well briefed," implying something beyond briefing referred to above.

3. On Soviet motives, Bowden said accepted conclusion was that USSR's primary intention was none other than to establish in Cuba a means by which they could so impair USA nuclear retaliatory capability that they could demand every concession. Officials were no repeat no longer thinking of such motives as have been mooted, i.e. that Russians wished to have a counter to use during further negotiations on Berlin (our reference telegram) or as a pawn in a general negotiation on dismantling of foreign bases. Bowden rapidly dismissed remarks we made along these lines, suggesting that all but the maximum Soviet motive have been discarded by USA officials. Bowden's view was that although the operation entailed enormous risks for USSR, prize they sought was so great that risks were justified.

4. Bowden said officials had in their studies speculated on Soviet planners' assessment of possible USA reaction to their offensive buildup in Cuba. In their view, Russians must have concluded first that USA would not repeat not immediately launch a nuclear war on USSR. The next lower reaction on the scale, i.e. an attack on or invasion of Cuba was probably open to some question in Soviet analysts' minds. Here Bowden thought Russians might have been motivated by their general contempt for weakness of USA bourgeois leadership, which had been reflected in certain of Khrushchev's recent private utterances, but that even if they concluded that this kind of response was possible they were willing to accept risks, since USA could be portrayed as aggressor, and likelihood of escalation was not repeat not great. Bowden thought most likely USSR conclusion had been that USA reaction would be at about level it has thus far held. This would, if the operation were carried out swiftly, allow them to spin out international discussion of issue and to mobilize world opinion against USA while essential operation was completed.

5. Bowden expressed view that first USSR response (which he thought was too quick and too pat not repeat not to have been prepared or at least thought through in advance) and their tactics thus far at UN and at quarantine fitted this assessment. Way USSR had played crisis publicly suggested they wished to adopt an outwardly reasonable approach and help portray USA as aggressor. He noted USSR had not repeat not been very successful so far in persuading neutral opinion of this thesis, and that Soviet press reports of "wave of world wide indignation against USA policy" had become less confident as days passed. (He remarked that absence of Krishna Menon "on other business" had deprived USSR of advocate among uncommitted group in New York.) In contrast USA reports suggested that allied opinion was firmly supporting USA stand and neutral opinion was neutral but understanding of USA position. Evidently this was about best USA officials had hoped for, and Bowden remarked

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<sup>90</sup> Voir/See Joseph Alsop, "The Trap That Was Laid," *Washington Post*, October 26, 1962, p. A19.

that this might possibly sustain through such further USA unilateral action as became necessary.

6. In rehearsing background of Soviet motivation he described, Bowden recalled that such nuclear equilibrium as had existed until this week had favoured USA. It had been more closely equal earlier before USA had introduced Polaris and before Soviet production of missiles had entered its gap period, i.e. the period before their new more accurate long range missiles were in full production. It had appeared to USA officials that Khrushchev realized significance of this sort of equilibrium which was tipped against him, and that this had been fundamental reason why there had been very little forward movement by USSR in past year on any of many fronts (he pointed to internal pressures in investment and other fields, continued difficulties within Bloc and especially with China, their acceptance of a negotiated settlement in Laos, their reverses in some parts of Africa and inactivity in others, and their utter failure to make headway over Berlin). Khrushchev had not repeat not been able to overcome the restrictions imposed on his policy in all fields by his lack of decisive power, and saw in the establishment in Cuba of decisive offensive bases the means of extricating himself from these circumscriptions. Bowden agreed it was uncharacteristic of Khrushchev to act incautiously, but again referred to great prize Cuban operation could bring, and to Khrushchev's desire to advance Communist objectives during his lifetime. Recalling that lull in Soviet domestic and foreign affairs had been noted widely over past year, Bowden said they now thought it significant that about six weeks ago Khrushchev had begun to make challenging statements; this would have occurred well after decision had been taken on Cuban operation and when it was on way to fulfilment.

7. We broached with Bowden question posed by Lippmann in his column October 25<sup>91</sup> about failure of Administration to raise this matter in private with Gromyko during conversations October 18 with President and Secretary.<sup>92</sup> It was his firm opinion that there had been "communication" during Kennedy's talk with Gromyko. According to his information, President had very deliberately asked Gromyko for confirmation that Soviet military buildup in Cuba was defensive and had received reply to which Kennedy referred in his address October 22. Nonetheless it was clear that Gromyko knew what President was getting at.

696.

DEA/2444-40

*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 2516

Paris, October 28, 1962

SECRET. EMERGENCY.

Repeat for Information: Candel New York (OpImmediate), CCOS, Washington, London, Paris (Priority), DM/DND (Priority) from CCOS.

By Bag Moscow from London.

<sup>91</sup> Voir/See Walter Lippmann, "Blockade Proclaimed," *Washington Post*, October 25, 1962, p. A25.

<sup>92</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 29.

## CUBA: NAC CONSULTATION

In accordance with the procedures agreed in the Council that on Cuban crisis Permanent Representatives would meet at any time at the request of any delegation, the Council met this morning at the request of USA Representative to receive briefing on USA Government's latest appraisal of Soviet policy in Cuban crisis and to hold an exchange of views which it was recognized could not repeat not be fully governmental at this short notice. In mid-September USA received indications that Khrushchev was too much committed politically to retreat and that there were factors within Soviet bloc which increased his need to find a solution such as the situation in East Germany and pressure from Communist China. USA believed that Khrushchev had come to the conclusion that a showdown was inevitable within a few months and that he feared being placed in a situation where the only alternatives were retreat or thermonuclear war. USA had become suspicious at the point where USSR insisted on postponing further negotiations over Berlin until after the Congressional elections. There was then a description of recent assurances from USSR that there were no repeat no offensive weapons being installed in Cuba and a notation that the TASS report of the delay in further pressure over Berlin was linked with Cuba.<sup>93</sup> It was the series of assurances together with the intended delay which made USA think that Cuban installations when they were detected were related to Berlin crisis and Khrushchev's projected visit to New York. Finletter then referred the Council to a number of basic documents: (a) a White House statement issued at noon October 27 about the continuation of the build up in Cuba;<sup>94</sup> (b) Kennedy's message to Khrushchev released last night;<sup>95</sup> (c) the statements of USA Secretary of Defence on continued surveillance of Cuba and the call-up of reserves<sup>96</sup> and (d) Khrushchev's letter to Kennedy received on the night of October 26 which was full of polemics but seemed to offer the withdrawal of offensive weapons in exchange for an assurance that Cuba would not repeat not be invaded.<sup>97</sup> We assume that the texts of all these items will be available to you from public sources. Continuing his account of USA Government's assessment Finletter noted that Khrushchev's public offer to U Thant to keep ships out of the quarantine area seemed at first to be hopeful but the new condition about the withdrawal of US missiles from Turkey destroyed this appearance. Finletter said USA wanted a solution within the framework of Cuba alone. Khrushchev appeared to have rejected this framework but it was a firm USA position. In USA view time was growing shorter. USA was combining diplomatic offers with military pressure

<sup>93</sup> Le rapport TASS dont il est question ici est probablement celui imprimé dans "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16. The TASS report referred to here is probably the one printed in "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16.

<sup>94</sup> La déclaration de la Maison-Blanche du 27 octobre pourrait être celle qui est publiée dans *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 440-441. Pour une déclaration de la Maison-Blanche datée du 26 octobre et qui porte plus particulièrement sur le développement continu des bases de missiles cubaines, voir *ibid.*, pp. 437-438. The October 27 White House statement may be the one printed in *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 440-441. For an October 26 White House statement that focused more specifically on the continuing development of the Cuban missile sites, see *ibid.*, pp. 437-438.

<sup>95</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 95.

<sup>96</sup> Voir/See Jack Raymond, "Airmen Called Up: 24 Reserve Squadrons of Troop Carriers Are Affected," *New York Times*, October 28, 1962, pp. 1, 32.

<sup>97</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 84.



but the construction of missile sites was continuing and more missiles were now believed to be ready.

2. Finletter went into further detail about the construction of missile sites to indicate the speed with which they were going up and the fact that speed has evidently been considered more important than concealment. Until the shooting down of USA plane announced today Cuban policy had not repeat not been to fire on USA reconnaissance planes even at low attitudes. One item which was noticeably missing was the fourth IRBM site and USA was inclined to believe that the equipment for it may have been en route when the quarantine was instituted. USA believed that all ships with contraband had probably been turned back by USSR including those which were in the Black Sea. Tankers were however proceeding normally. USA was not repeat not willing at the moment to risk an incident in the air by forcibly interfering with Soviet flights to Cuba. It was considered however that the major purpose of the quarantine had been achieved in that ships had turned back and that the world was alerted to Soviet duplicity and the danger of the situation. In USA view it was essential to maintain the momentum of negotiations to secure the removal of existing missiles. USSR's aim however is evidently to stabilize the situation and try to equate USSR missiles in Cuba with USA missiles in other places. It is USA assumption that the successful completion of missile sites in Cuba would appreciably interfere with SAC capabilities and must have been undertaken because USSR considered its own ICMB capabilities would not repeat not be adequate by the end of 1962. The missile sites in Cuba constituted a threat to the free world deterrent and the question arose what to do if Cubans flatly refused to remove the missiles together with suitable inspection arrangements. USA answer would be to remove them by "other means." For the moment USA noted no repeat no significant troop movements within the USSR nor any reduction in general Soviet shipping activities abroad. USA sought the support and solidarity of its allies.

3. In response to questioning Finletter said that in spite of the promises to U Thant Soviet vessels are continuing towards the quarantine area and the first of them will probably arrive in contact today, Sunday. An incident might occur. USA might find it necessary to take measures to remove the threat to the Western hemisphere. While USA wanted the matter settled within the framework of Western hemisphere USSR had tried to link it with NATO defences and this Soviet position increased the possibility of some Soviet move against NATO.

4. In the discussion which followed I made use of the Prime Minister's statement (your telegram PG-204 October 25<sup>+</sup>) indicating our general solidarity with USA and Canadian measures of preparedness but making it clear that I would seek instructions on developments since October 25.

5. UK Permanent Representative read British Government's assessment of the situation in the following terms. In UK view USSR linked Cuba and Berlin but were probably not repeat not sure how to use this linkage. UK thought there were four main possibilities:

(a) *A Lull Over Berlin.* Cuban situation might keep Khrushchev too busy to permit him to plan forays in Berlin and he might therefore leave the city alone for the time being.

(b) *Measured Retaliation.* USSR might react to USA interference with shipping on a tit-for-tat basis by interfering with military traffic to West Berlin. USSR could cause a good deal of delay and damage without actually stopping Western access to the city. Less probable than interference with military traffic was interference with civilian traffic. Such action would be likely to detract from plans of USSR calling for a free city of West Berlin. Also considered improbable was barring Western access to East Berlin because retaliation against Soviet access to West Berlin would be too easy.

(c) *A Major Berlin Crisis.* Khrushchev could announce the imminent intention to sign a separate peace treaty and might launch a campaign to get those non-committed countries which

were critical of USA action over Cuba to sign it. Another form the major crisis could take would be a total blockade of Berlin. A major Berlin crisis was considered improbable because of the risks involved.

(d) *A General Occupation of West Berlin*. This was also considered unlikely because it would lead to war. On the whole the Foreign Office was inclined to believe that course (b) was the most probable especially as Khrushchev had already distinguished between non-nuclear clashes at sea and the possibility of general war. UK Ambassador in Moscow when invited to comment on this assessment questioned the immediacy of the link between Cuba and Berlin suggesting that there was a more indirect one. Roberts also estimated that Khrushchev did not repeat not always foresee the outcome of crises which he precipitated, relying on his general ability to make the most out of any confused situation. Roberts therefore thought that Soviet aims in precipitating the crisis over Cuba had been more general, not repeat not specific and included advantages in the field of disarmament as well as Berlin. USSR had not repeat not been prepared for the severity of USA reaction over Cuba or for the support USA had received in Latin America and Europe. Khrushchev had been improvising ever since with the main aim of avoiding a head-on collision while extracting the utmost propaganda advantages. Roberts thought that the four possibilities mentioned above had already been overtaken by the offer of a deal in the disarmament field over Cuban and Turkish bases. Roberts doubted that this deal had been thought out or was seriously intended. What Khrushchev wanted from the crisis was not repeat not only a good propaganda position but the possibility of personal negotiations. Roberts therefore doubted that there would be more than pin pricks in Berlin especially as he regards USA as "trigger happy" at this point. Roberts therefore viewed the lull as the most probable outcome in Berlin not repeat not because of lack of energy on Khrushchev's part but because Khrushchev wants a deal, and also wants USA to alienate its position in the uncommitted world if it shows itself to be rigid.

6. The other principal item which came out in the discussion was one launched by Belgian Permanent Representative and carried on particularly by Norwegian, Danish and Netherlands Permanent Representatives. Belgian Permanent Representative insisted on links between the removal of the Soviet bases in Cuba and further negotiations particularly in the disarmament field. He several times mentioned that the removal of the offensive weapons in Cuba was a necessary first stage. Speaking with the authority of Mr. Spaak he could not repeat not agree that the outcome should be a policy of stagnation as suggested by the French. It must be one of negotiation on the basis of a general confrontation on East-West issues. Norwegian Permanent Representative carried this a step further speaking with the authority of his Foreign Minister saying that he recognized that it was impossible to negotiate under blackmail but that on the other hand his government expected that direct physical action would be avoided in favour of negotiation. Physical action might be successful in the short term but it was impossible to foresee the outcome. Danish Permanent Representative thought that it was important to recognize that a deterrent was designed to avoid war not repeat not to start one. He wondered whether there would be a difference in the degree of risk of world war between pin point bombing and general invasion. Netherlands Representative thought there was general agreement with Norwegian position of desiring to avoid violence. He pointed once more to the direct involvement of NATO and emphasized that he thought the position was that we were all ready to continue discussions with Russians after the threat which the bases constitute had been removed. He hoped we would all be as anxious to negotiate as before Cuban crisis but not repeat not more anxious because if the latter were true USSR could continually gain points of advantage by stimulating crises. At the end of meeting Belgian Permanent Representative returned to the points he and others had raised by asking if a decision were reached in Washington either to invade Cuba or bombard missile sites whether the USA would act without NATO consultation or without informing UN. Finletter said that he could not repeat

not be categorical because he could foresee situation in which USA might be compelled to act alone as at Pearl Harbour.<sup>98</sup> He thought that the present consultation showed the desire of USA to consult its allies but he could not repeat not promise them more.

7. In the discussion all delegates spoke including the Icelandic in statements of more or less solidarity with USA.

8. Prime Minister's statement of October 25 enabled me to improvise remarks in support of USA actions up to October 25. I am in the position now of participating in Council consultations on Cuba without the guidance requested in my telegram 2454 October 22. The Council has been informed by Turkish representative that he may be asking for a meeting as soon as he receives a further message from Ankara and the Council is in any case on notice to meet at the request of any delegation. Any comments on the appreciation of possible developments in Cuban crisis given above would be helpful in the present circumstances especially on the basis of the useful analysis provided by UK authorities and British Ambassador in Moscow.

[GEORGE] IGNATIEFF

697.

DEA/2444-40

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

TELEGRAM 777

Moscow, October 28, 1962

SECRET. OPIMMEDIATE.

Reference: My Tel 775 Oct 27. †

Repeat for Information: London, Washington, Permisis New York, NATO Paris, Paris, Bonn, Rome, Brussels, PCO, CCOS, DM/DND JIR Ottawa from Ottawa

By Bag Berlin, Vienna, Warsaw, Prague, Belgrade, Cairo, Delhi from London, Havana from Ottawa.

#### CUBA CRISIS

You will have seen Khrushchev's telegram of yesterday afternoon (Moscow time) to Kennedy offering to trade withdrawal of Soviet rockets in Cuba against withdrawal of American rockets in Turkey; President Kennedy's reply; and Khrushchev's subsequent message to Kennedy broadcast an hour ago stating, without apparent conditions, that he has ordered dismantling of Soviet rockets in Cuba under UN supervision and their return to USSR. This message was delivered about 5:00 p.m. this afternoon to USA Embassy here.<sup>99</sup>

2. We must still keep fingers crossed and eyes wide open for tricks, or perhaps for early Soviet action elsewhere to re-establish face and save something from what appears to be wreckage of calculated and dangerous Khrushchev gambit. Nevertheless this looks to me here at the moment like a complete Soviet climb-down. This is also impression of American Embassy this evening. It remains to be seen how this will in fact be implemented, but at

<sup>98</sup> Note marginale :/Marginal note:  
? [Auteur inconnu/Author unknown]

<sup>99</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), documents 91, 95, 102.

moment it looks like major American victory, and genuine Soviet retreat. We appear to have won not repeat not mere innings, but ball-game, though not repeat not yet World Series.

3. My tentative and preliminary assessment, subject however to cautionary provision that it looks too good to be taken yet as certainty, is that Khrushchev has felt it necessary to beat hasty retreat when faced with unexpected suddenness and firmness of American unilateral action, unexpected solidarity of support for American action by Canada, Latin American governments, European NATO governments, and Japan, and perhaps also by apparent gravity of Chinese/Indian crisis. Apprehended imminence of American military action against Cuba lent urgency to Soviet dilemma.

4. My guess is that Khrushchev has intended, by sudden strategic nuclear rocket breakthrough in Caribbean made under cover of bland and misleading assurances, to achieve one or more of following three objectives:

(a) enhanced threat and hence greater Soviet bargaining power for possible show-down later this autumn on Berlin;

(b) alternatively, if this failed through premature disclosure and strong American reaction, to probe American nerves and firmness;

(c) additionally, or alternatively if disappointed in both above objectives, there may have been original hope of bargaining withdrawal of Soviet rockets in Cuba against NATO rockets in Turkey or elsewhere.

In any case, this gambit was tried yesterday. An additional Soviet objective, and possible alternative fallback position, may originally have been attempt to force formal Western recognition of geographic status quo where Communist regimes now exist.

5. However this may be, it appears as of this evening that when ante has been raised high by Kennedy, Khrushchev has folded, and has abandoned ploy of Soviet nuclear potential in Cuba.

6. If this retreat turns out to be genuine Khrushchev will have problem of saving face in view of potentially far reaching Cold War defeat. I do not repeat not anticipate that Khrushchev will have serious difficulty in this regard from Soviet public itself. On contrary Khrushchev's popularity may be enhanced at home with public by their undoubted relief, and by using domestic propaganda media to play up Khrushchev's image, carefully fostered during past few days, of statesmanlike willingness to make all possible efforts to save peace despite outrageous American provocation. Khrushchev will also be able to claim that by his Cuban gambit he has for first time succeeded in extracting promise from Kennedy not repeat not to invade Cuba and not repeat not to allow invasion of Cuba from any other quarter.

7. But by tonight's message to Kennedy it seems inevitable that Soviet prestige will be seriously lowered in Cuba and among other Latin American left wing circles, within important elements in Communist bloc, and in other Communist parties abroad. It will probably be damaged also among some important elements within CPSU itself. He will of course have laid himself open to renewed charges of cowardice and incompetence from Chinese Communist leaders. After first wave of domestic relief this may strike some chord also at home.

8. Presumably some elements in Soviet defence forces in particular will be disillusioned and unhappy at results of Cuban affair.

9. I think it important that West should avoid becoming dizzy with success, even if (as from here at present appears probable) present Soviet backdown proves quite genuine. It is also desirable to avoid excessive gloating. Too sudden and too excessive loss of face by Khrushchev could prove dangerous. We may have to expect in due course, and perhaps soon, some Soviet efforts to re-establish their gravely damaged prestige. Khrushchev has so acted, apparently, as to earn at home some of first flush popularity Chamberlain earned immediately after Munich. If Soviet leaders feel too humiliated there could be a second stage psychological

reaction, e.g. in some future crisis, whether by Khrushchev or by other elements in Soviet ruling circles, which could be dangerous.

ARNOLD SMITH

698.

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 3173

Washington, October 28, 1962

SECRET. OPIMMEDIATE.

Reference: My Tel 3171 Oct 27. †

Repeat for Information: Candel New York (OpImmediate), London, NATO Paris, Paris (Priority).

By Bag Moscow from London, Havana from Ottawa.

CUBA

I called on Tyler, Assistant Secretary for European Affairs, today to get first State Department reactions to the Khrushchev message of this morning offering to dismantle the bases under UN supervision in return for a guarantee that there would be no repeat no USA attack on Cuba.<sup>100</sup>

2. Tyler said that Secretary of State was at that moment at the White House discussing developments with the President and that therefore any views that he (Tyler) expressed must be regarded as tentative first impressions. He began by referring to the fact that the private message from Khrushchev to the President of October 26<sup>101</sup> had been succeeded by yesterday's public message including the reference to Turkish bases<sup>102</sup> and that this had now been succeeded by Khrushchev's last message. He said that, as a matter of speculation, it might be thought that Khrushchev had drafted the original private message to the President personally and that thereafter some other influences in the Kremlin, perhaps military, had induced him to put out the tougher message seeking the inclusion of the elimination of the Turkish bases and that finally, seeing how near he was coming to the brink of catastrophe, Khrushchev had reverted to his original offer. Tyler said that it was possible that USA reaction and their firm defensive posture and refusal to accept compromise over the Cuban missile bases had helped Khrushchev to stand up to pressures in Moscow.

3. Tyler said that as late as 12:30 am last night USA authorities had felt that the situation was very dark and critical and the shooting down of what he described as an "American U-2" over Cuba had accentuated this feeling. (Had it not repeat not been for the most recent Khrushchev message received today, what he described as grave decisions were to have been taken at 10:00am this morning including armed aerial surveillance of Cuba.) The President's reply of October 27 to Khrushchev<sup>103</sup> (which I have telegraphed to you separately †) had been drafted in a carefully matter of fact tone which was designed to lower tension. As a matter of tactics,

<sup>100</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 102.

<sup>101</sup> Voir/See *ibid.*, document 84.

<sup>102</sup> Voir/See *ibid.*, document 91.

<sup>103</sup> Voir/See *ibid.*, document 95.

the President had linked his reply to the private communication he had received from Khrushchev and not repeat not to his public message of October 27.

4. Meanwhile negotiations with U Thant had been proceeding but Tyler said that speaking confidentially, he could tell me that State Department had been quite disturbed by the non comprehension on the part of U Thant and his assistants, and particularly General Rikhye, his military adviser, of the elements of USA position and particularly of their insistence on the elimination of missile bases.

5. In the changed situation created by the receipt of Khrushchev's message, Tyler said that he hoped that there would not repeat not be a mood of euphoria in which public opinion expected the easy solution of problems all around the world as this would be self-deluding. I agreed but said that the impetus given by the crisis might well be utilized to open up wider negotiations, perhaps covering some of the questions which he had mentioned to me yesterday (my reference telegram) such as nuclear free zones, arms limitations, etc. and I referred to the passage in Khrushchev's latest message in which he speaks of the [regularization?] of "relations between NATO and the states of the Warsaw Treaty." I assumed that the Russians would be interested in an early summit meeting.

6. Tyler was guarded in his reply. He said that certainly there was the possibility of such wider negotiations to which the President had referred in his letter but that one would have to proceed very carefully, stage by stage. He took this opportunity to add that the swap deal over Turkish bases was in itself totally unacceptable to USA and would be "lethal" to the North Atlantic Alliance.

7. Tyler then turned to public reactions in this country and in the West generally. He said that he personally hoped that it would be possible for the President to go on the air very shortly in order to establish the sober and responsible American reaction to the present crisis. He was worried lest the press should greet this as humiliation for Khrushchev and should crow over his setback. He was also worried lest certain extremist elements in this country might react in a somewhat belligerent way to the present situation.

8. Turning to the text of Khrushchev's latest communication, Tyler indicated that the effectiveness of the supervision over the dismantlement of the bases was of cardinal importance and would have to be very carefully scrutinized. He added that the offensive weapons in Cuba, in the American interpretation were not repeat not limited to missiles but included the IL-28 bomber planes and probably MiG fighters.

9. He said that the reference in the second paragraph of Khrushchev's message to "previously issued instructions" appeared to be an attempt on Khrushchev's part to save his own face as USA authorities were not repeat not aware of any previous Soviet instructions regarding the cessation of the build up of weapons in Cuba.

10. Tyler also drew attention [to] Khrushchev's reference to the need to "liquidate the breeding grounds where a dangerous situation has been created." He took this to be an indication that USSR could be counted on to attach importance to Berlin in any wider negotiation.

11. As a general indication of probable USA reaction to Khrushchev's latest message, Tyler said that USA Government intended to take it seriously and to welcome its positive features.

[C.S.A.] RITCHIE

699.

DEA/2444-40

*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, October 29, 1962

We now have additional information on the preliminary discussions which have taken place in New York and Washington between ourselves and the United States concerning the possibility of the latter making available F-101 reconnaissance aircraft to the United Nations for the verification of dismantling, with Canadian pilots doing the flying. The Minister has instructed the Embassy in Washington to make a firm offer to the United States of Canadian pilots provided that the arrangement would be acceptable to the United Nations.

2. The United States has apparently been conducting most of its surveillance of Cuba by means of camera-equipped F-101s based in the United States. The aircraft they are using are specially outfitted for the task, and the United States wishes to continue to have the dismantling operation supervised by the same effective means. I have just been informed in confidence by New York that the United States Mission has confirmed that for the time being reconnaissance operations have been suspended.

3. The United States have sent to New York a team of very senior people, including Ball, McCloy, Kilpatrick<sup>104</sup> and the Under-Secretary of the Air Force, Joseph Charyk, to work out the air surveillance arrangements in cooperation with U Thant and ourselves. Kuznetsov is seeing U Thant at this moment. Stevenson is to see him immediately thereafter and then to see the Minister. As yet there is no confirmation that U Thant would be interested in this combined United States/Canadian offer and, of course, no assurance that it would be acceptable to Castro or the Soviet Union. We may have to await U Thant's visit to Havana for further word.

4. If acceptable, the United States have in mind four aircraft which would be painted white and bear the United Nations insignia.

5. Our Mission is to meet with Charyk to obtain more precise details. I have spoken to Miller and, at his request, have asked the Mission in New York to obtain clarification of the following points:

- (1) where would the aircraft be based? There is some suggestion that to avoid the complications of a base in either the United States or Cuba, Jamaica might be used.
- (2) how many pilots and navigators would be required? As Miller sees it, the number and composition of air crew would be affected by the following factors:
  - (a) how many sorties are to be flown per day;
  - (b) are the aircraft to be ground-controlled throughout? United States surveillance flights have been ground-controlled from Florida, thus enabling them to dispense with navigators. One pilot has operated both aircraft and the cameras. In the absence of ground-control, navigators would probably be required. The RCAF normally fly such

<sup>104</sup> « Kilpatrick » devrait sans doute être « Gilpatric ». Voir Thomas J. Hamilton, "U.N. Chief Confers," *New York Times*, October 30, 1962, pp. 1, 14.

"Kilpatrick" should probably be "Gilpatric." See Thomas J. Hamilton, "U.N. Chief Confers," *New York Times*, October 30, 1962, pp. 1, 14.

aircraft with pilot and navigator. We have 60 or 70 such trained crews available but all are engaged on other duties from which they would have to be released.

(3) where would the maintenance be done and by whom? Would Canada provide maintenance personnel?

(4) Where would the photographs be off-loaded for processing? By whom would the work be done?<sup>105</sup>

R. C[AMPBELL]

700.

DEA/2444-40

*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-2115

Ottawa, October 29, 1962

CONFIDENTIAL. OPIMMEDIATE.

USA QUARANTINE OF CUBA: PROPOSED CLEARANCE SYSTEM

For the Minister:

Following is text of self-explanatory letter we have just received from USA Chargé d'Affaires concerning proposed institution of worldwide clearance system for ships proceeding to Cuban ports or transitting quarantine area. We are examining legal and other implications of USA proposals on an urgent basis and hope to let you have our recommendations later today.

2. Following is text of Mr. White's letter and of two enclosures.†

[PIÈCE JOINTE/ENCLOSURE]

*Le chargé d'affaires de l'ambassade des États-Unis  
au sous-secrétaire d'État adjoint aux Affaires extérieures*

*Chargé d'affaires, Embassy of United States,  
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, October 29, 1962

Dear Mr. Under-Secretary:

With reference to the transmittal to the Department of External Affairs of the text of the President's Proclamation of October 23, I have been instructed to notify your Department of a world-wide clearance system that has been instituted in order to avoid unnecessary delays and other difficulties arising out of the stoppage, inspection or possible diversion of ships in the quarantine area. In the absence of objection by your Government, the system will be applied to Canada.

Under the procedures established in this system the ship's agent or other officer may obtain a clearance at the last port of call before entering the quarantine area from an American Consular officer or his authorized representative. This system may be applied to any foreign

<sup>105</sup> Note marginale :/Marginal note:  
Noted. [N. A.] R[obertson]



vessels that transit the quarantine area destined for a non-Cuban port and to those vessels destined for a Cuban port with cargo which contains no offensive weapons or associated materiel. It is available to vessels of any flag including those of the Sino-Soviet Bloc. In unusual circumstances it may be necessary to stop, inspect or divert a ship despite the fact that it has clearance.

Copies of the clearance forms that would be made available at the United States Embassy and Consulates in Canada are attached. A clearance certificate (Clearcert) will be issued after inspection of the ship by an individual authorized by a U.S. Military Attaché and a determination by him that no offensive weapons or associated materiel, as defined in the Proclamation or designated by the Secretary of Defense pursuant thereto, are on board. The application for the clearance certificate may be approved by a Consular officer, or if no such officer is available at the port, the designee of the Service Attaché on behalf of the Consular officer.

In the absence of objection by your Department, the Embassy may issue the following statement:

“In connection with the quarantine of shipments of offensive weapons and associated materiel to Cuba proclaimed by the President of the United States on October 23, 1962, a clearance system has been instituted to avoid unnecessary delays and other difficulties arising out of the stoppage, inspection or possible diversion of ships. This system applies to foreign vessels that transit the quarantine area destined for a non-Cuban port and those destined for a Cuban port with cargo which contains no offensive weapons or associated materiel. It is available to vessels of any flag including those of the Sino-Soviet Bloc. A clearance may be obtained at the last port of call before entering the quarantine area from an American Consular officer or his authorized representative for the purpose of facilitating the movement of vessels. In unusual circumstances it may be necessary to stop, inspect or divert a ship despite the fact that it has clearance. Clearance forms are available at American Embassies and Consulates.”

Sincerely,

IVAN B. WHITE

701.

DEA/2444-40

*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 1983

New York, October 29, 1962

SECRET. OPIMMEDIATE.

Reference: Telcons between Minister-Prime Minister and Minister-Canadian Ambassador in Washington.

Repeat for Information: Washington (OpImmediate).

CUBA

Minister saw Stevenson this afternoon and in accordance with understanding reached with him we have informed UN Secretariat that Canada would be prepared to provide aircrew for photo reconnaissance operations over Cuba utilizing F-101 aircraft with UN markings but made available by USAF. Secretariat said that they would consider this offer in context of forthcoming discussions with Castro.

2. We have also had discussions with military representatives of USA Mission and of Secretary of Defence. They envisage requirement for two sorties per day and estimated that this would require four aircraft. They considered three possibilities regarding basing of aircraft (a) Jamaica (b) Cuba (c) USA. They took it for granted that aircrew required would be pilots and radar operators. They were uncertain as to possible duration of operation but thought that 30 days sounded like a reasonable estimate. Servicing of aircraft camera equipment and processing of film could be handled by UN contract with appropriate civil agencies.

3. What happens next will hinge on success of Secretary-General's discussions with Castro. We will keep you informed of developments.

702.

DEA/2444-40

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

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

CONFIDENTIAL

Ottawa, October 29, 1962

Attached for your consideration is a draft of a possible reply to the United Kingdom Prime Minister's communication to you of October 28 transmitting the text of his message to Premier Khrushchev.<sup>106 107</sup>

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note**Draft Note*

CONFIDENTIAL

Ottawa, October 29, 1962

REPLY FROM PRIME MINISTER TO PRIME MINISTER OF UNITED KINGDOM

I fully endorse your action in suggesting to Chairman Khrushchev that a satisfactory resolution of the immediate situation in Cuba will open up broad possibilities for the solution of outstanding East-West differences. The world has been brought close to disaster in the past week but out of the recognition of that fact has come an opportunity for a major advance towards lasting peace. Your message to Khrushchev is therefore most timely.

I am convinced – as I have already warned the Canadian people – that we cannot allow a sense of complacency to develop in the wake of any final solution to the immediate problem of Cuba which may be worked out over the next few days.

Clearly the reason that international tension mounted to such a danger point in the Cuban situation was that the Soviet move to introduce offensive missiles into the Western hemisphere threatened to upset the precarious military balance in the world. It is, however, not enough simply to restore that balance and have the world return to a condition of chronic instability. This fact has been recognized in the correspondence between President Kennedy and

<sup>106</sup> Voir/See L.V. Scott, *Macmillan, Kennedy and the Cuban Missile Crisis: Political, Military and Intelligence Aspects* (New York: St. Martin's Press, 1999), p. 175.

<sup>107</sup> Note marginale :/Marginal note:

Text approved by telephone by P.M. Sent under cover my letter 6.30 p.m. 29/10/62. O. W. D[ier]

Chairman Khrushchev. The most immediate consideration is to ensure that the impetus to broaden the area in which settlement can be sought will not be lost. Nuclear testing and disarmament are two such areas, but I would not exclude others. With respect to those issues which might properly fall in the field of disarmament, I believe that the Eighteen Nation Disarmament Committee should resume its work at the earliest opportunity so that the uneasy and dangerous balance of armed force might be replaced by stable international agreements.

I can assure you that the Canadian Government share your view that we should try to build better world relations upon a settlement of the present crisis.

703.

DEA/2444-40

*Note du chef de la Direction des Nations Unies  
pour le sous-secrétaire d'État aux Affaires extérieures*  
*Memorandum from Head, United Nations Division,  
to Under-Secretary of State for External Affairs*

RESTRICTED

Ottawa, October 30, 1962

CUBA AND THE UNITED NATIONS

You will already be aware of most of the developments yesterday in relation to Cuba. However, you may wish to have this report from me on activity by the Canadian Delegation during the Minister's visit to New York. In any event, this memorandum will serve as a record for file.

2. Shortly after his arrival in New York on October 28, the Minister met with most members of the Delegation to discuss various subjects. Principal among these was the Cuban situation. The announcement about U Thant's visit to Havana had been made during our flight to New York and, in view of the early departure of the Acting Secretary-General's party, the Minister wished to assure U Thant that Canada was ready to render assistance in providing some form of United Nations inspection for the dismantling of the missile bases in Cuba. The Minister ascertained from Colonel Moore (attached to the Permanent Mission) that qualified personnel were available in Canada.

3. During our evening meeting, the Minister had telephone conversations as follows:

(a) Mr. Charles Ritchie reported from Washington on latest developments in the Cuban situation on the basis of information he had obtained from the State Department. The Minister asked Mr. Ritchie to inform the State Department that Canada was ready to assist in providing personnel for the United Nations team. Mr. Ritchie later reported that State Department officials had warmly received this information.

(b) The Minister spoke with the Prime Minister about offering assistance to the United Nations.

(c) The Minister informed U Thant that Canada was ready to give whatever assistance the Acting Secretary-General might consider appropriate. U Thant expressed gratitude for this offer.

4. It had been arranged that the Minister would see Mr. Adlai Stevenson on October 29. This meeting took place about 2:45 p.m. Although I was not present, I understood that Mr. Stevenson explained to the Minister the United States scheme for conducting an aerial surveillance of Cuba under United Nations auspices. The four aircraft to be provided by the United States were to be flown by Canadians, who were the only others considered qualified to do so. It was expected that the aircraft might operate from Jamaica. There was some question whether navigators and flight control officers would be required as well.

5. As I understand it, at the time of Mr. Stevenson's conversation with the Minister, the United States had not raised this possibility with the United Nations. As one United States official put it to me, "We'll sell it to U Thant after Canada has bought it." It is my impression that Mr. Stevenson hoped that the Minister would have some success in persuading the Acting Secretary-General to accept this scheme. In the event, however, the Minister was unable to see the Acting Secretary-General or Brigadier Rikhye on October 29. Mr. Tremblay and Mr. Barton met with Flight Lieutenant (?) Harrison, an R.C.A.F. officer currently serving on Brigadier Rikhye's staff, to discuss the plan. He undertook to inform Brigadier Rikhye.

6. Because I was anxious to know something about the Secretary-General's attitude toward offers of assistance, I visited Mr. Omar Loutfi early in the afternoon of October 29. I explained to him Canada's willingness to help if its help seemed appropriate. Before seeing Mr. Loutfi, I had heard the press story to the effect that Sweden had been approached by the Secretary-General and that the Swedish Government had responded favourably.<sup>108</sup> I had also heard that the Secretary-General's thinking was that the Swedes might do the job alone, with the assistance of a few Secretariat personnel.

7. Mr. Loutfi informed me that U Thant was considerably embarrassed by the press report about his approach to Sweden. While it was true that the Secretary-General had been making some informal soundings, U Thant did not wish this to become known in Havana. He assumed that Premier Castro was in a highly emotional state and that he would be very sensitive about any suggestions concerning outside intervention. The Secretary-General had made no firm plans about observers or inspectors of any nationality. This was a question which must be fully explored in Havana to see what the traffic would bear. Mr. Loutfi recalled to me the difficult negotiation in 1956 between Dag Hammarskjöld and President Nasser, whose frame of mind then was probably much like that of Castro today.

8. Mr. Loutfi said that the Secretary-General was travelling to Havana on October 30 and would return to New York on October 31. He intended to leave some of his party in Havana. I confirmed later that Brigadier Rikhye and some technical personnel were to be left in Havana, presumably to keep contact with the Cuban government and to set up the administrative side of the proposed United Nations presence. In addition to Brigadier Rikhye and Mr. Loutfi, U Thant has taken with him Mr. Tavares de Sa, a Brazilian Under-Secretary in charge of the Office of Public Information. About 30 people are included in the Secretary-General's party.

9. If the Secretary-General is expecting to complete his business in Havana in one day, there is some suggestion that he already has an indication that Castro's reaction will be favourable to a United Nations presence. This conclusion is sustained by the fact that U Thant is planning to leave some of his party in Havana. Perhaps he is planning only to make initial contact in this first visit, leaving Brigadier Rikhye to work out the details. We are well aware that U Thant prefers to delegate authority. Besides, he is needed in New York to deal with pressing Congo affairs. The meeting of the Advisory Committee on the Congo, scheduled for October 30, had to be cancelled, partly because of the Secretary-General's absence but also Dr. Bunche had not returned from the Congo.

<sup>108</sup> Voir Thomas J. Hamilton, "U.N. Chief Confers," et "Sweden Offers Observers," *New York Times*, October 30, 1962, pp. 1, 14; "U Thant Asks for Observers for the U.N. Peace Mission to Cuba," *Times* (London), October 30, 1962, p. 11. Il n'a pas été déterminé de quelle source de nouvelles Murray aurait entendu ce rapport le ou avant le 29 octobre, mais le rapport initial semble provenir d'un journaliste suédois.

See Thomas J. Hamilton, "U.N. Chief Confers," and "Sweden Offers Observers," *New York Times*, October 30, 1962, pp. 1, 14; "U Thant Asks for Observers for the U.N. Peace Mission to Cuba," *Times* (London), October 30, 1962, p. 11. It has not been determined from what news source Murray would have heard this report by October 29, but it appears that the initial report was issued by a Swedish journalist.

10. The Secretary-General's side of the operation seems to be progressing well. I wonder whether the United States project for aerial surveillance may not complicate matters. It is difficult to see in what circumstances Castro or the Russians would accept the substitution of Canadian pilots under the United Nations flag for regular United States Air Force observers. This kind of air photo reconnaissance, moreover, seems very elaborate for the job to be done although I can readily understand why the United States would wish to make the verification system as fool-proof as possible.<sup>109</sup>

11. Many observers at the United Nations seemed to accept that the sending of Mr. Kuznetsov to New York meant that the Soviet Government genuinely wished to clean up this Cuban mess quickly. Before we left New York, he had already seen U Thant and had emerged "smiling," according to the New York evening papers. The fact that he smiles regularly whenever peace is breaking out, was not noted however.<sup>110</sup>

G.S. MURRAY

704.

DEA/2444-40

*Le sous-secrétaire d'État aux Affaires extérieures  
au chargé d'affaires de l'ambassade des États-Unis*

*Under-Secretary of State for External Affairs  
to Chargé d'affaires, Embassy of United States*

CONFIDENTIAL

Ottawa, October 30, 1962

Dear Mr. White,

Thank you for your letter of October 29 notifying me of the institution of a world-wide clearance system for ships entering the quarantine area around Cuba. I note that the procedures described in your letter are being adopted in order to avoid delay and other difficulties which would result from stoppage and inspection of ships, and may be applied to vessels of any flag entering the quarantine area.

I am authorized to confirm that the Canadian authorities have no objection to the application of these procedures to vessels of Canadian or other registry in Canadian ports. I hope, however, that there will be close co-ordination between the Embassy and this Department concerning the timing of any statement which may be issued by the Embassy. The wording suggested in your letter is quite satisfactory from our point of view, but we should like reasonable advance warning in case the Government wishes to make an announcement in the House of Commons.

Yours sincerely,

N.A. ROBERTSON

<sup>109</sup> Finalement, rien n'a découlé de cette idée voulant que des pilotes canadiens effectuent des vols d'inspection commandités par les Nations Unies. Voir *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), documents 112, 125, 132, 138, 158.

In the end, nothing came of this idea of having Canadian pilots perform UN-sponsored inspection flights. See *Foreign Relations of the United States 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), documents 112, 125, 132, 138, 158.

<sup>110</sup> Note marginale :/Marginal note:  
Noted. N. A. R[obertson]

705.

DEA/2444-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures*  
*Memorandum by Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, October 30, 1962

## CUBA

The Minister called in the Cuban Ambassador this morning to explain to him the importance which Canada attached to the success of the U.N. observer operation which U Thant would be discussing today with Premier Castro and to let the Ambassador know of Canada's readiness to contribute in any way possible to its success. In the Minister's opinion it was no less in Cuba's interests to cooperate.

2. The Minister went on to explain that the benefits of a successful U.N. observer operation in Cuba would not be confined to the Cuban situation only. He described the improved international atmosphere which had been so apparent in New York and which marked a complete reversal of the shock and depression which had characterized the atmosphere in New York as recently as Saturday last. The relaxation of tension brought with it great possibilities for progress in issues such as testing for there was wide-spread revulsion to the prospect of nuclear war which the Cuban crisis had brought to a head.

3. So far, the United Nations generally, and U Thant in particular, had come out of the current crisis well. U Thant had shown great wisdom and initiative and had earned the wide-spread respect of member states. The result was a renewal of faith in the United Nations even by countries such as the United Kingdom, which had a justifiable cause for complaint over the attacks to which they were being subjected in the 4th Committee. The recent crisis had shown that the United Nations was the principal hope of maintaining peace and Canada fully endorsed that view.

4. The Cuban [Ambassador] did not dispute the Minister's assessment of the U.N. role or the hopes which the crisis had engendered for the future. He expressed the hope that some good could come out of the recent events. Specifically, he hoped that Cuba could obtain a guarantee that the United States would not attack Cuba. The Minister commented that such a guarantee had been already promised by President Kennedy, who, on the whole, had handled himself well throughout the crisis in the face of many internal demands for stronger action. Indeed, the three leading personalities on the United States side, Kennedy, Rusk and Stevenson were not warlike men, had consistently shown a determination to work out peaceful solutions and were the voices of moderation in United States policies.

5. The Cuban Ambassador noted in reply that these same three Ministers were those who had adopted a policy of isolating Cuba economically and politically in the Western hemisphere and, judging by this morning's newspapers, apparently intended to continue that policy. Cuba had offered repeatedly to discuss their differences with the United States but had been rebuffed. The question was, would they be prepared to do so now.

6. The Minister did not reply directly, other than to say that the present offered an opportunity for progress in a number of directions. There was a general will to reduce tensions. Even Berlin and other broad issues might now be capable of resolution. The drastic change in the atmosphere in the last few days had greatly altered the outlook for peace.

7. The Cuban Ambassador said that he would report the views expressed by Mr. Green to his Government.

R. C[AMPBELL]

706.

J.G.D./MG01/VI/845 (Cuba - Conf. Official Material)

*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], October 30, 1962

## THE SOVIET UNION AND THE CUBAN CRISIS

In any analysis of Soviet objectives in creating the conditions for the latest Cuban crisis, a number of basic considerations must be kept in mind.

(a) Khrushchev is essentially a cautious man who is fully aware of the dangers of thermonuclear war and of the present strategic superiority of the USA. He therefore would not willingly run the risk of a major confrontation with the USA except where the vital security interests of the USSR were at stake.

(b) At the same time, Khrushchev is an impatient man who loathes inactivity and needs successes. He felt compelled to demonstrate that his policy of "peaceful coexistence" pays dividends, be it something as intangible as a meeting with the President of the USA or something as concrete as a settlement in Laos. He likes to keep things moving and nothing had been moving, satisfactorily for him, for many months: Berlin talks had brought no progress, a disarmament agreement seemed as far off as ever, no significant Soviet advances were being made among the neutralists, and Western Europe integration and economic progress were moving ahead in marked contrast with Marxist assumptions and the Soviet bloc's economic problems.

(c) Khrushchev is also a proud man who is determined that the Soviet Union be accorded a status and a respect which he feels is due, but not widely enough acknowledged, to a great power and to him personally as the leader of that power.

2. The psychological explanation of his decision to establish offensive missile sites in Cuba probably lay in his desire to stir things up, to get them moving, to act dramatically, to be noticed, to be able to point to successes. But in his caution he knew that he must not let the pot boil over, and this was amply demonstrated in his careful handling of the crisis once President Kennedy had made his speech of October 22.

3. Khrushchev's objectives, put in logical terms, were many and complex. The end of the operation he himself probably could not predict until he saw how events developed.

(a) By a rapid build-up of offensive missiles in Cuba he might be able to effect a short-cut to reducing the strategic imbalance favouring the USA, circumventing the North American early warning network and covering off a number of SAC bases which are still a vital part of the American superiority. Even if American reconnaissance spotted the build-up quickly (and he probably knew it would), he could safely assume that the USA would not attack the Soviet Union in retaliation for the mere establishment of bases in Cuba. If the USA responded precipitately by attacking Cuba, Khrushchev would gain by being able to brand the Americans as aggressors.

(b) If he was able to get away with the build-up before effective counter-action was taken, Khrushchev would be in an improved posture to call for a discussion of Germany-Berlin, American bases on the periphery of the USSR, disarmament (nuclear tests, nuclear-free zones, non-dissemination of nuclear weapons, etc.) or any other point of conflict with the USA. His

enhanced bargaining position at the conference table would stem less from the crude fact of a Cuban dagger pointed at the heart of the USA (even with this, the Americans could impose an unacceptable level of damage on the USSR) than from the fact that the Soviet Union had been able to seize the initiative and act in a decisive way while the USA fumbled and hesitated about its response. The chances of pulling it off may well have been recognized as slight, but the dangers were not thought to be critical and the possible advantages justified the gamble.

(c) Should the Americans call, say, on the United Nations to stop the build-up before its completion, Khrushchev might still get ahead with the build-up while the United Nations machinery came into play. And in any event, such an initiative would be almost sure to lead to discussion and negotiation in which sooner or later Khrushchev would find himself face to face with Kennedy discussing the whole range of disputed problems. This would be better than interminable diplomatic exchanges and might even bring some solutions.

(d) If the Americans took forceful enough action to stop the build-up and insist on dismantlement, Khrushchev could count on getting some *quid pro quo*, perhaps the removal of a few American bases, at least some sort of guarantee for the territorial integrity of Cuba. Even this latter would be a gain. First of all, it would eliminate any obligation to go to the defence of an island much too far away from the Soviet Union for effective support, and secondly, it would be a tacit admission of the right of a Soviet-oriented régime to exist in the Western Hemisphere.

4. If one considers that Khrushchev seriously counted on achieving his maximum objectives, the Cuban gambit would be a serious defeat for him and one in which his personal prestige and that of the Soviet Union suffered a heavy defeat. But if one accepts that Khrushchev is a realist, and a cautious one; that essentially he was probing the Americans to see what he could get away with; and that he was from the outset willing to accept even the minimum objective as worth the gamble – then his defeat is only a relative one. The Soviet leader has at no time during the crisis looked as if he were acting in panic and such indicators as troop and naval movements and the orders to cargo ships not to test the American quarantine do not suggest that he was planning or expecting a major confrontation with the USA. The Soviet Union has undoubtedly suffered a loss of prestige as a result of the quick, determined and measured response of the USA. But it has not been a rout. Khrushchev has set himself up quite skilfully as the man of peace who would not be provoked into rash action by an impetuous young Kennedy. And the chances are at least even that he will soon have a meeting with Kennedy at which Khrushchev can bill himself as co-star (perhaps stealing the show?) in the settlement, or at least the direct discussion, of the major problems of the world.

5. Some of the consequences which may flow from the latest Cuban crisis must be examined, though with the usual *caveat* about the dangers of prediction where the Soviet Union is concerned.

(a) If the analysis of the previous paragraphs is correct, there is no reason why Khrushchev's internal position should suffer seriously, or perhaps at all. He is not likely to have embarked on such a venture as this without considerable discussion within the top leadership and therefore they are probably as much committed to it as he.<sup>111</sup> We know of no coherent body of opposition to Khrushchev within the Soviet Union and even if there are some grumblings of discontent, Khrushchev, a consummate politician, is capable of making partial success or even minor defeats appear as great successes.

(b) The Chinese leaders will probably more than ever conclude and imply that Khrushchev has no right to be the leader of the Communist world after what they may consider a great loss

<sup>111</sup> Note marginale :/Marginal note:  
P.M. questioned this. [O. W. Dier]



of face before the imperialists. The Cuban episode will probably lead to a further deterioration in Sino-Soviet relations, but it would appear that Khrushchev has for some time determined to follow the course of action which he deems necessary for the Soviet Union almost regardless of the reactions of the Chinese. The recent public expressions of Soviet support for the Chinese position in the Chinese-Indian border dispute may serve as minor compensatory fence-mending, though the Chinese will feel that they should have received this support, and much more longer ago.

(c) In Cuba, the minimum result will be to remove the bases and to guarantee the territorial integrity of Cuba against attack. Even this latter will give the Castro régime some standing and the Soviet Union some relief from worry, while the former removes the major American concern. A further proposal might be the neutralization of Cuba, with the removal of Guantanamo proposed as a swap for the removal of even the defensive installations, and with Cuba assuming the role of a neutral Moscow-oriented though less Moscow-dominated. In the rest of Latin America, the consequences are difficult to predict, though the Cuban episode may make some of the Latin American countries a little more chary of supping with the Soviet devil and the Kremlin's attempts at penetration a little more difficult.

(d) On Germany-Berlin, Khrushchev has probably satisfied himself by the Cuban probe (if indeed he was in any doubt before) that the Americans will stand firm on the essentials of their Berlin position and that therefore a show-down with direct confrontation is to be avoided. He could not reasonably impose a blockade on Berlin as the equivalent of the quarantine of Cuba, for demonstrably Berlin represents no military threat to the vital interests of the Soviet bloc. And in any event the strategic balance which has in part deterred him from taking action on Berlin has been restored by the decision to dismantle the Cuban bases. There may be some new harassment on the corridors, but it would appear more likely that Khrushchev will hope for, and perhaps work for, a new series of talks and especially a direct Kennedy-Khrushchev meeting on Berlin.

(e) In the disarmament field, the solution arrived at over Cuba may set some precedents. There is agreement to dismantle bases, to de-nuclearize an area and to inspect the proceedings. The Cuban crisis has already led to one proposal on dismantlement of Turkish bases in return for dismantlement of Cuban bases and it would be surprising if there were no further Soviet suggestions in this vein, plus perhaps a new attempt to set up nuclear-free zones.

(f) Certain quarters in the West may draw the conclusion from Kennedy's skilful handling of the Cuban crisis that a consistently hard and forward line should be adopted in all dealings with the opposition. Some hard liners in the East may feel that Khrushchev should have held firmer against American pressures. But the Cuban episode has demonstrated to more responsible statesmen, including the American Administration, that the present "balance of fear" is precarious and that a more reliable *status quo* should be sought.

6. We cannot say for certain what were the Soviet objectives in establishing missile bases in Cuba nor what will be the consequences of their agreement to dismantle the bases. We have probably not yet seen the full Soviet reaction to the Cuban crisis. After a short period in which it is confirmed that the Cuban settlement is honestly adhered to, President Kennedy may take advantage of the present momentum to propose a meeting with Khrushchev to try to come to grips with a range of outstanding problems like Germany-Berlin and disarmament which have

so far eluded solution.<sup>112</sup> This would<sup>113</sup> be a good moment to discover whether Khrushchev put things in motion with a view to finding solutions rather than just trouble-making and whether he is ready for serious negotiations.<sup>114 115</sup>

H.C. G[REEN]

707.

DEA/2444-40

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

TELEGRAM 217

Havana, October 30, 1962

CONFIDENTIAL. EMERGENCY.

Repeat for Information: Permis New York, Washington, London, NATO Paris (OpImmediate) from Ottawa.

MEDIATION OFFER

At his request I called on Foreign Minister tonight. Roa said he wished to give me Cuban Government's answer to offer made by Government of Canada to use its good offices in mediating between Cuba and US in order to find a pacific solution to present situation. Cuban Ambassador in Ottawa had indicated our hope for an early reply and (2 groups corrupt) let us have Cuban decision as promptly as possible.

2. Cuba, Roa said, deeply appreciated our friendly offer but was obliged to decline it since this same situation was now under discussion in UN, which Cuba considered appropriate forum for such discussion. Moreover at the moment the Secretary-General had come to Havana in this regard.

<sup>112</sup> À l'origine, le libellé de cette phrase était : « After a short period in which it is confirmed that the Cuban settlement is honestly adhered to, it is to be hoped, however, that President Kennedy will take advantage ... ». Il est probable que Diefenbaker ait fait cette modification.

The original wording of this sentence was: "After a short period in which it is confirmed that the Cuban settlement is honestly adhered to, it is to be hoped, however, that President Kennedy will take advantage ...". The change was likely made by Diefenbaker.

<sup>113</sup> Le terme initial était « should ». Il est probable que Diefenbaker ait fait cette modification.

The original word was "should." The change was likely made by Diefenbaker.

<sup>114</sup> À l'origine, le libellé était : « ... for serious negotiations now that he has taken the measure of Kennedy. ».

Il est probable que Diefenbaker ait fait cette modification.

The original wording was " ... for serious negotiations now that he has taken the measure of Kennedy." The change was likely made by Diefenbaker.

<sup>115</sup> Note marginale :/Marginal note:

PM opposed sending this to NATO Paris as basis for discussions in Council. Expressed reservations on 5(a). Seaborn informed 31/10/62. [O. W. Dier]

3. I did not repeat not discuss matter further with Roa as I was unaware that such an offer had been made. I should therefore be grateful for some background on this question.

4. Report follows tomorrow on my subsequent conversation with Roa regarding current developments.<sup>116</sup>

[GEORGE P.] KIDD

708.

PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 30, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Secretary of State for External Affairs (Mr. Green),  
The Minister of Justice (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 Public Works (Mr. Fulton),  
The Minister of Finance (Mr. Nowlan),  
The Minister of National Defence (Mr. Harkness),  
The Postmaster General (Mrs. Fairclough),  
The Minister of Fisheries (Mr. MacLean),  
The Minister of Labour (Mr. Starr),  
The Minister of Health and Welfare (Mr. Monteith),  
The Minister of Agriculture (Mr. Hamilton),  
The Minister of Defence Production (Mr. O'Hurley),  
The Associate Minister of National Defence (Mr. Sévigny),  
The Minister of National Revenue and Minister of Forestry (Mr. Flemming),  
The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
The Secretary of State (Mr. Halpenny),  
The Minister of Mines and Technical Surveys (Mr. Martineau),  
The Minister of Citizenship and Immigration (Mr. Bell),  
The Minister without Portfolio (Senator McCutcheon).  
The Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

UNITED NATIONS ACTIVITIES: CUBA: NUCLEAR TESTING  
(Previous Reference October 25th)

40. *The Secretary of State for External Affairs* said that during the recent Cuban crisis it was clear that Mr. Khrushchev had been convinced that Cuba would be invaded. His first move to get out of the impasse created by the U.S. stand had been to put up reasonable terms. His military people then began to switch things around and have the terms include the removal of U.S. bases from Turkey. When it was later found that President Kennedy would not accept this Mr. Khrushchev wrote to him and dropped the condition. The real danger was not Khrushchev

<sup>116</sup> Durant la crise des missiles de Cuba, le ministère des Affaires extérieures a fourni aux représentants du gouvernement américain de nombreux comptes rendus de l'ambassadeur Kidd.  
During the Cuban missile crisis, the Department of External Affairs provided American government officials with many of Ambassador Kidd's reports.

himself but rather the possibility of his being undermined or overruled at home. This was one of the reasons why President Kennedy was anxious that there be no American gloating or bragging.

The resolution calling for a moratorium on nuclear testing was due to be discussed at the United Nations. On Sunday, the Canadian Delegation had decided to draft a brand new resolution which would cause the U.N. to send the question of disarmament back to the Committee on Disarmament. The idea had been to take advantage of the present atmosphere of relief and reality. The draft resolution was taken up with the U.S. representatives, who were delighted with the idea. The United Kingdom and the United States had earlier been trying to get others to vote against the moratorium. This would get them "off-the-hook." The Italians were also pleased with the new draft. The Canadians met with six of the eight unaligned countries on the Disarmament Committee, who agreed to the Canadian proposal. It had also been shown to the Russians, who said that they wanted to look it over. The Poles were quite pleased and had been asked to act as co-sponsors with Canada. If the Russians agreed, this would mean that the question of nuclear testing would go back to the Committee at Geneva. There was a real chance that nuclear testing might be brought to an end. There would be great relief in the U.N. if Canada could succeed in its efforts. Of course, if the Russians did not agree to it then the matter would have to be dropped. After Canada's stand at Geneva, it would not be possible to vote against a moratorium on nuclear testing. The same was true of Norway, the Netherlands, Denmark and others. The U.K., on the other hand, had been trying to force Canada's hand to vote against it, but strangely enough the U.K. representative at the U.N. only yesterday had tried to get Canada to simply abstain from voting. They intended approaching the U.S. with the same end in mind, should Canada agree. The Canadian resolution would get everybody "off-the-hook."

Yesterday, the U.S. representatives had been told by the Canadian Delegation that it was vital that Canada get into Cuba as one of the observer countries. This view was checked with Mr. Rusk to see if there were any objections. On the contrary, he was delighted and anxious to see it happen. The Prime Minister had approved an offer of Canada's services in this regard being made to the Acting Secretary-General. Mr. U Thant was very pleased to receive it and intended asking Premier Castro if he would agree. Castro would have the last word in this matter. Some other countries felt that Canada should not be in as being a member of NATO. The action taken by Canada at the beginning of this week, if successful, would bring a real contribution towards peace and would raise the prestige of Canada among the nations.

41. *The Cabinet* noted the statement of the Secretary of State for External Affairs on U.N. activities this week in connection with the Cuban crisis.

...

709.

DEA/2444-40

*L'ambassadeur au Cuba  
à l'ambassadeur aux États-Unis  
Ambassador in Cuba  
to Ambassador in United States*

TELEGRAM [NON NUMÉROTÉ/UNNUMBERED]

Havana, October 30, 1962

CONFIDENTIAL. EMERGENCY.

Reference: My Tel (UNN) Oct 30.†

Repeat for Information: External Candel New York (OpImmediate) from Washington.

## OFFICIAL REACTIONS TO CRISIS

The pace of events has been so fast and unexpected and probably not repeat not fully understood by Cubans with result that it has had a stunning effect on public opinion at all levels. In the circumstances, I have hesitated until now to send a report on reactions and even now my assessment must be tentative.

2. Fidel Castro will speak Thursday after his talk with U Thant. The official Cuban line will not repeat not be known until then. Raúl Castro said on Sunday night that they were waiting orders from Fidel. There is a widespread rumour that Castro is furious about Russian retreat and the way he was relegated to the role of a second class puppet. Castro usually reacts violently when his ego is wounded. Today's newspapers show evidence of disappointment with Russians. The leading editorials in morning press make no repeat no mention of USSR. *Revolution*, however states that in Cuba nobody trembled, nobody turned coward and nobody retreated. The suggestion is that elsewhere somebody did.

3. The Cubans must also be rather disappointed by reactions in Latin America. Their effort to promote sabotage and rioting throughout continent were in accordance with their dream that Latin America would burst into the flames if USA invaded Cuba, but Castro's plan did not repeat not envisage sorry stage setting provided by events of past week.

4. Fidel Castro will want to prove to Cuba, the world and himself that he is nobody's puppet. His 5-point demands issued on October 28 represents his first efforts to climb back into the driver's (seat?).<sup>117</sup> In effect it insists that USA guarantees must include abandonment of a policy of unrelenting hostilities and it also contains highly unrealistic demands for immediate return of Guantanamo. USA refusal to meet these five points could be used to demonstrate that USA is still (Cuba's ?) enemy. Hatred of USA provides fuel to run Castro including régime and perhaps is own psychological system.

5. On the other hand the five points represent Castro's first reaction directed as much against USSR as designed for domestic consumption. First reaction however need not repeat not be a final position. Castro cannot repeat not easily prevent dismantling of bases and withdrawal of Soviet offensive weapons under UN inspection. Indeed he may decide to switch his line and try to take credit for preventing a war desired by "Yankee imperialism." The visit of U Thant has provided an opportunity for Castro to regain some lost prestige and Cubans are playing it up as a Cuban negotiation with UN on their relations with USA rather than a discussion on modalities of UN inspection of Soviet missile withdrawal.

6. I will comment further on official reactions after Castro's speech. A report on unofficial Cuban reactions† will be sent later today.

[GEORGE P.] KIDD

<sup>117</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 447-448.

710.

DEA/50128-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 785

Moscow, October 30, 1962

SECRET. DEFERRED.

Reference: My Tel 778 Oct 28.†<sup>118</sup>

Repeat for Information: London, Washington, Permis New York, NATO Paris, Paris, Bonn, Rome, Brussels, Hague, CCOS, DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

By Bag Berlin, Vienna, Warsaw, Prague, Belgrade, Cairo, Delhi from London, Havana from Ottawa.

CUBAN CRISIS – AFTERMATH

We have just lived through another ten days that shook the world. Indirect results also may be widespread and important, but may take some time to work themselves fully out. Assuming (it is too soon yet to be certain) that Khrushchev's Sunday promises are in fact implemented, sudden resolution of crisis will raise new dilemmas for Moscow leadership which may lead to further important developments here. Some tentative speculation about possibilities as they appear to me from here may perhaps be helpful.

2. It is important to assess as accurately as possible just what thinking, motivation and forces lay behind Soviet leadership's action first in attempting installation of strategic nuclear rockets in Cuba and then agreeing to withdraw them at American insistence. Significant details will no repeat no doubt continue to emerge only gradually, possibly over long period. Meanwhile Soviet propaganda machine will presumably try to obscure and misinterpret facts. But it seems to me fairly clear, and (if I am correct in this) important for Canadian and other governments to appreciate that Khrushchev's main motive, as suggested in my reference telegram, was to prepare by sudden strategic breakthrough for major diplomatic showdown, certainly on Germany and possibly on other questions, which would be based on another round of thermonuclear blackmail.

3. Khrushchev tried ruthlessly and shamelessly to scare Western countries in summer and autumn of 1961. His blatant threats then failed to crack nerve of European NATO members as he had anticipated. Lesson Khrushchev drew from this was not repeat not sensible one of abandoning his dangerously false assessment of Western political and psychological reactions, but merely to postpone crisis while he took steps to increase his offensive military capacity at cost chiefly of Soviet consumers (30 percent higher meat prices last spring, etc.). It seems to me clear that Khrushchev was telling Kroll substantial truth about his intentions when in September (my telegram 672 September 15†) he promised crisis showdown with Kennedy for late autumn of this year. I think last week's events should be read in light of these earlier disclosures of Soviet leader's psychology.

4. It seems clear Khrushchev was preparing in Cuba for second diplomatic showdown with West, this one to be direct confrontation of Kennedy and major thermonuclear threat against North America, rather than merely against European NATO allies. Probably Khrushchev's

<sup>118</sup> Note marginale :/Marginal note:  
Not rec'd in Comcentre 10:00 hrs 7/11/62.

reference in September 11 declaration of willingness to wait until after November 6 elections was designed not repeat not merely as cover for developing offensive rocket bases in Cuba, but also as hint to Kennedy that Khrushchev would be careful to save Kennedy's face in anticipated American breakdown, by letting Kennedy get congressional elections out of way first.<sup>119</sup> Probably Khrushchev also planned to offer some face-saving concessions, e.g. on nuclear test bans.

5. Although I believe West would be very wise not repeat not to cause too sudden or too much public loss of face by Khrushchev, particularly until after removal of rockets from Cuba and possibly for some time thereafter, it is nevertheless important that key governments and societies should not repeat not misread ominous lessons of Soviet duplicity and of Khrushchev's ruthless and repeated readiness to use thermonuclear threat in blackmail effort to gain political advance in Europe.

6. Events of past ten days have I think clearly demonstrated importance of maintaining and consolidating Western Alliance and of cherishing good Western defences and deterrent capacity until some dependable disarmament arrangements can be agreed and implemented.

7. Sunday's sudden disclosure to all senior CPSU personnel and also to intelligent and thoughtful sections of Soviet public of far-reaching recklessness wickedness and bankruptcy of Khrushchev's foreign policy toward West, will almost inevitably create some real domestic political problems in this country. If Khrushchev can save his internal position, and my guess is that he can, this will illustrate both his political nimbleness, and extent of his personal hold on key elements of Soviet power. I would anticipate that in any case some political heads here will have to roll, though this may take some time.

8. There is already some evidence in last week's events of uncertainty, and probably of fundamental differences of judgment and readiness to gamble, within leadership here. Furtseva mentioned at reception yesterday evening that decision to withdraw was a very near thing and that war had been very close. There were signs of Soviet nervousness, and search for acceptable way of backing down, last Thursday and Friday. You have probably had report of Soviet Chargé Loginov in London asking Thursday to see Lord Home, and in effect requesting British to help Moscow find compromise way out.<sup>120</sup> Reportedly Home scolded Loginov for Soviet duplicity. Loginov did not repeat not demur. Kohler tells me that on Friday Khrushchev sent message to Kennedy suggesting compromise deal solely on Cuba. Soviet (and as far as I know world) press had not repeat not yet published this message. Before Kennedy could reply Khrushchev sent Saturday afternoon message drastically stiffening terms by suggesting withdrawal from Cuba in exchange for American rocket withdrawal from Turkey. 24 hours later, faced with clear evidence that Americans were determined to take early military action against rocket bases in Cuba unless Moscow withdrew them, Khrushchev climbed down.

9. It seems to me almost certain that some members of Presidium must have disapproved rocket gambit in Cuba, and that as crisis deepened they and presumably others favoured withdrawal, while presumably some still wished to hold on to get better terms even at risk of vastly graver dilemma for Moscow if USA acted militarily in Caribbean. In due course such people may be too dangerous or distasteful after climb-down costs become clearer for Khrushchev to leave in positions of power. Probably too some elements in Soviet military leadership, which may or may not repeat not include Malinowski, favoured trying strategic rocket breakthrough in Cuba. These elements too may provide scapegoats.

<sup>119</sup> Voir/See "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16.

<sup>120</sup> Voir/See L. V. Scott, *Macmillan, Kennedy and the Cuban Missile Crisis: Political, Military and Intelligence Aspects* (New York: St. Martin's Press, 1999), pp. 105-111.

10. Tentatively (I am by no repeat no means sure) I would anticipate that Khrushchev's best method of saving face and restoring his prestige at home and possibly also with most of European satellites and neutrals, would be to build further on image, already being assiduously tried out here, as savor of peace. It seems to me quite possible that Khrushchev may find it necessary or desirable to take further action to give substance to this pose. He may prove more ready than thitherto to negotiate seriously for nuclear test ban and possibly for some disarmament measures. It is conceivable that he may try to get agreement on reduced arms budgets which would allow him to gain domestic popularity and perhaps restored political influence abroad by giving higher priority to economic development at home and perhaps to some increased foreign aid.

11. I am inclined to think that this would be Khrushchev's best line of defence. If so, it would be difficult for him simultaneously to adopt alternative course, to which he may also be tempted and which doubtless some forces here will press on him, to be as tough or tougher than ever on Berlin problem. He may feel impelled to proceed with signature of Berlin peace treaty, but if access is guaranteed this probably need not repeat not in itself be unacceptable to West. Sword of Damocles is less dangerous once it has dropped without disaster. I am inclined to doubt that Khrushchev would relish idea under present circumstances of a further showdown with USA, at time when prospect of Western climb-down must surely seem to him dimmer than ever, and when he can hardly afford to risk another personal failure.

12. We cannot repeat not exclude dangerous possibility that Khrushchev may seek, perhaps even in some desperation, to gain genuine political victories to offset his humiliation, even by running grave risks. But I am inclined at present to think it more likely that Khrushchev may decide to cut his prestige losses with Mao Tse Tung and such tough forward elements as there may be in European bloc and within Soviet political and military leadership, and to concentrate instead upon developing further his role of statesmanlike man of peace. A great deal of Khrushchev's political doctrine and prestige, at home and abroad, has long been committed to this course, based genuinely on one side of his complex nature. His very real and substantial achievements domestically in liberalizing and loosening monolithic inheritance of Stalinism show this is not repeat not mere pose.

13. I would hope (but am by no repeat no means sure) that if Khrushchev does decide to follow this immediate course of diminishing tensions, he would also forego temptation to plot secretly for third attempt at nuclear blackmail perhaps only in some years' time. But Khrushchev may draw from last week's failure chiefly the superficial but dangerous lesson he drew from 1961 failure, i.e. that he needs still more hardware. He may now concentrate on fastest possible further development of ICBMs and Polaris-type nuclear submarines. There may be an important debate here during next few weeks or months on this question. Doubtless some elements in Soviet leadership, smarting under humiliation, will be tempted to follow this course. If so, this will inter alia involve sharpened dilemma and strain on allocation of resources within Soviet economy.

14. For all these reasons and others it will I think be useful for West to seek some early and genuine progress in disarmament and easing of tensions. Danger of influencing Soviet leadership to decide on necessity of third showdown [and] try later by crash arms programme would also suggest that it might be wise for West to avoid excessive or too rapid exploitation of our recent triumph in such a way as to rouse justified and serious fears in Russia. It might I think therefore be wise for West to be forthcoming and indeed conciliatory insofar as genuine and legitimate Russian and Soviet interests are concerned.

15. I would hope however that quietly but effectively, after present dust has settled, efforts will be made by appropriate Western diplomatic and press means to help governments and peoples in Latin America and in non-aligned countries throughout world to attain just



appreciation of recent crisis, how and why it was caused, and how resolved. It will I think be very important that events of this magnitude be properly interpreted.

16. Presumably we can in any case expect (a) shattering loss of confidence in Khrushchev by Castro (b) perhaps some loss of confidence in Castro by thoughtful Cubans appalled at revelation of desperate gamble to which he lent himself and danger involved for Cuban people (c) some loss of Soviet prestige in other left wing circles outside bloc (d) opportunity for more realistic assessment of real nature of Soviet policy by leaders in non-aligned countries (e) some exacerbation of Chinese-Soviet relations (f) greater confidence in American firmness and reliability on part of West Germans and French (g) greater cohesion by NATO (h) stronger world-wide movement for rapid progress toward nuclear disarmament. All these tendencies will of course create new problems for Soviet Government, and new dilemmas on which they will have to take decisions.

ARNOLD SMITH

711.

DEA/50128-40

*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-410

Ottawa, October 31, 1962

SECRET. OPIMMEDIATE.

Reference: Your Tel 2536 Oct 30.†

Repeat for Information: London, Washington, Paris, Bonn, Candel New York, CCOS, DM/DND from CCOS.

By Bag Moscow from London, Havana from Ottawa.

#### THE SOVIET UNION AND THE CUBAN CRISIS

Following is the text of a memorandum prepared in the Department.<sup>121</sup>

2. This paper is an effort at analysis which should not be taken as representing official Canadian view. We find it difficult to accept the reasoning in paragraph 5(a) concerning the effect on Khrushchev's internal position. Some of us feel that what could be considered at best a very partial success for Khrushchev's venture in putting missile bases in Cuba would be found to have a detrimental effect on his internal political position.

3. There is also within the Department a view that in committing so much of Soviet prestige and such a heavy investment outlay in establishing missile bases in Cuba, Khrushchev must not only have hoped but even expected to get something more substantial than a guarantee for Cuba against attack. Those who hold to this line of thinking would therefore conclude that the blow to Khrushchev's prestige is greater than this paper suggests.

<sup>121</sup> Voir/See document 706.

4. Bearing in mind these comments and reservations, you may use the line of reasoning in this paper in discussions in Council tomorrow. Please make clear that it is inevitably a speculative piece on which we would welcome the comments of other delegations.<sup>122 123</sup>

[N.A.] ROBERTSON

712.

DEA/2444-40

*L'ambassadeur au Cuba  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 218

Havana, October 31, 1962

CONFIDENTIAL. OpIMMEDIATE.

Reference: My Tel 217 Oct 30.

Repeat for Information: Candel New York, Washington (OpImmediate) from Ottawa.

CONVERSATION WITH ROA

After receiving message reported in my reference telegram, I took opportunity to seek Roa's reactions to recent developments over Cuba. While he was unable or unwilling to respond officially to many of my questions, he periodically offered comments on a personal basis. In succeeding paragraphs I am summarising main points of interest arising out of this conversation.

2. On talking with Secretary-General, Roa said only one preliminary two-hour session had been held that afternoon (October 30), in which Cuba had presented its case. In accordance with terms of Castro's invitation to U Thant Cuba was prepared to discuss its differences with USA as well as cooperate with UN to solve present crisis, provided there was complete recognition of Cuba's sovereignty. He insisted that Castro's five points were a *sine qua non* for any easing of situation. When I asked about question of UN supervision of Soviet missiles' withdrawal, Roa replied that matter had not repeat not been discussed. He declared this was not repeat not purpose of visit as far as Cuba was concerned, and added in his view UN inspection in Cuba was unthinkable since it would be a violation of Cuban sovereignty. Radio and press coverage of Secretary-General's visit has been subdued and a somewhat pessimistic line taken on initial meeting.

3. Roa was extremely vague on modalities of Soviet missile withdrawal. He commented personally that this was essentially something agreed upon in an exchange of letters between Kennedy and Khrushchev. Cuba was an independent state and had not repeat not committed itself in this regard. He declined to say how removal would be effected, asserting that real point at issue was USA aggression against Cuba, not repeat not missiles which were but defensive weapons to protect a small state against a voracious neighbour. Cuban rights, including right of self defence, had been consistently disregarded by Americans, and even their photographic surveillance was a flagrant violation of Cuban sovereignty. At one point he did

<sup>122</sup> Ce télégramme comporte des corrections faites à la main. Le libellé initial attribue les opinions dans le deuxième paragraphe au premier ministre Diefenbaker.

This telegram incorporates revisions made by hand. The original wording attributed the opinions in paragraph 2 to Prime Minister Diefenbaker.

<sup>123</sup> Note marginale :/Marginal note:

Required in Paris by 9 a.m. [Auteur inconnu/Author unknown]

briefly give vent to his unhappiness at Soviet action when he explained Russians did not repeat not run this country.

4. Roa seemed almost oblivious of the fact that Canadians might be concerned about Soviet missile installations here. The missiles had been introduced to defend Cuba against USA aggression and would never be used against a friendly country.

5. In connection with Castro's five points I asked Roa frankly if he really thought USA could, at this time, agree to vacate Guantanamo. He said he personally recognized difficulty Washington faced in this regard, but that this was not repeat not Cuba's problem. A foreign base in this country was unacceptable not repeat not only to Cuba, but to much of world opinion. Certainly Cuban propaganda suggests Castro's colours have been nailed to mast on these five points.

6. Much of our talk was taken up with Roa's reiteration of Cuba's catalogue of America's misdoings in contrast to Cuba's own virtuous position. I had distinct impression Roa had been somewhat disillusioned by alacrity with which the USSR came to terms with USA, and particularly the Russian proposal to trade off Cuba against Turkey. Nevertheless his deep feeling about USA seems to remain as strong as ever. Further, I suspect he sees an opportunity through UN of regaining lost ground that must be fully exploited. In this way too, Cuba may hope to dispel image in Latin America of Castro as a Soviet puppet.

[GEORGE P.] KIDD

713.

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures  
à l'ambassadeur au Cuba  
Secretary of State for External Affairs  
to Ambassador in Cuba*

TELEGRAM M-102

Ottawa, October 31, 1962

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel 217 Oct 30.

Repeat for Information: Permis New York, Washington, NATO Paris (OpImmediate).

I was distressed to receive your telegram under reference which reveals a serious misunderstanding on the part of the Cuban Ambassador arising out of my conversation yesterday with him. At no stage was the question of Canadian mediation between Cuba and the USA raised at all. My purpose in calling him in was to stress the importance which Canada attached to the success of the UN observer operation and to encourage the Cubans to regard Canadians as acceptable for some of the functions involved if the Secretary-General considered them desirable. My real purpose was to impress upon the Cuban Ambassador that it was in Cuba's interests to cooperate.

2. I would like you to take steps immediately to clarify the misunderstanding which has arisen, probably as a result of the Ambassador's imperfect grasp of English. It is important however that the Cubans realise that no offer of Canadian mediation has been made.

3. I am sending you separately the full record of my talk with the Cuban Ambassador<sup>124</sup> but you should not await its arrival to carry out the instruction in this message.

[H.C.] GREEN

<sup>124</sup> Voir/See document 705.

714.

DEA/12814-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 784

Moscow, October 31, 1962

SECRET. EMERGENCY.

Reference: Telecon Webster-Fournier Oct 31.

## CUBAN CRISIS – MIKOYAN

This is to confirm that at 2300hrs last night I received urgent note from MFA requesting visas for Mikoyan and party who planned to fly to Havana via Canada November 1 on Ilyushin 18. MFA informed us by phone that request for overflight permission with necessary details, was being submitted to you through Soviet Embassy Ottawa. MFA note stated list of names of Mikoyan's party and passports, and list of crew members, would be sent to us today and we expect them shortly.

2. Webster phoned you my recommendation that providing you decide to authorize overflight we be authorized by phone to grant transit visas for party without usual delay.

3. I do not repeat not have sufficient information here to make firm recommendation whether overflight should be authorized. As you know, Mikoyan is often used as trouble shooter in crises, e.g. Guinea last winter, Hungary 1956. Assuming USSR is in fact proceeding with dismantling rockets in Cuba as promised, Mikoyan's mission is presumably to try to save as much as possible of Soviet prestige and influence with Cuban régime. There may also be important differences between Khrushchev's and Castro's policies and Mikoyan's task may be to bring Castro round. Alternatively it is I suppose still conceivable that Russians might try some dangerous trick. Without access here to up-to-date American intelligence assessment whether dismantling has begun or even whether construction has been suspended, I am not repeat not in position to recommend whether or not repeat not prudence would dictate thorough search of Soviet aircraft if repeat if you do authorize its overflight.

4. Junior Foreign Ministry official last night remarked that Mikoyan's quick trip to Cuba via Canada was part of implementation of agreed settlement, and asked that I recommend Soviet Embassy request for overflight permission. We gave no repeat no commitment on this. This morning Lavrov has phoned me to say he has been instructed to request our favourable and speedy consideration of overflight as well as visa request "in view of very special international situation." I said question already referred to you despite our slow communications.

5. It seems to me refusal by Canada could be made to look bad, and might be difficult. So could thorough search of plane carrying Soviet Deputy Prime Minister. But basic consideration should be prudence in light of current responsible assessment of developments in Cuba.

6. Please keep us informed whether you decide to grant overflight, and if so whether you consider it necessary to search plane or would rely on assurances (which I assume you will require) that no repeat no weapons carried. Lavrov has orally given me such assurance.<sup>125</sup>

ARNOLD SMITH

<sup>125</sup> Note marginale :/Marginal note:

Message picked up by Mr. Fournier at 7 a.m. this morning. [Auteur inconnu/Author unknown]

715.

DEA/2444-40

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

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

CONFIDENTIAL

[Ottawa], October 31, 1962

OVERFLIGHT BY SOVIET PLANE

Gerry Stoner phoned me at 9.10 this morning to say that he had received a phone call from André Bissonnette of our NATO Delegation in Paris to say that in connection with the Russian request for a technical stop at Gander of a Russian plane carrying Mikoyan and party, the Danes and the British have agreed to allow this plane through. In the case of the British this means that the aircraft would land at Prestwick at 5 a.m. tomorrow.

2. The RCAF inform us that provided permission is granted for this flight in the course of the morning, they would be able to send a courtesy crew via commercial aircraft today. The courtesy crew would arrive Prestwick at 8 a.m. approximately tomorrow. This would not mean too considerable a delay for the Russian plane at Prestwick.

JEAN FOURNIER

716.

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, November 1, 1962

CUBA

At 9 p.m. last night, the U.S.A. Chargé d'Affaires sought an interview with you on instructions from his Government. As you were not available Mr. Campbell saw Mr. White at the East Block.

2. Mr. White was bringing the information, since made public, that Premier Castro had refused any form of verification by the United Nations or under United Nations auspices of the removal of offensive weapons from Cuba in spite of the U.S.S.R.'s willingness to proceed as agreed. In the light of the new situation this created, Mr. White was under instructions to ask the Canadian Government to intervene strongly with the Cuban Government and threaten to break off diplomatic relations if Cuba's "defiance continues." The United States Government suggested that the line which could be taken by Western countries still maintaining diplomatic relations with Cuba would be to point out that "practically the whole world had welcomed the Kennedy-Khrushchev agreement to avert the possibility of nuclear war which the presence of offensive nuclear weapons in Cuba presented." If we do not feel able to threaten an immediate breach of relations, we might wish to strongly protest Cuban intransigence and point out to Premier Castro that his desire to thwart current efforts to settle the crisis and to impede the United States desire to do so, if continued, would make it difficult to maintain normal relations with his régime.

3. The United States message added that it was hoped that any action taken as a result of these United States representations would be factual in presentation and would not appear to be the result of United States pressure.

4. Mr. White thought that a similar message was being delivered to the Foreign Ministers of other Western countries still maintaining diplomatic relations with Cuba.

5. Commenting personally on the outcome of the U Thant mission (information of which was based on a report from New York), Mr. White said that United States quarantine and surveillance measures would be resumed November 1 on expiry of the 48 hours suspension. U Thant's failure to persuade Premier Castro to accept United Nations verification of removal confronted the United States with a most serious dilemma. Because of the deception that the United States had suffered at the hands of the Soviet and Cuban regimes over the installation of the missiles in the first place, it was not enough to have assurances that these installations were being dismantled and removed; there had to be positive proof under international supervision. Although there was a wide-spread belief that the visit of Mr. Mikoyan to Havana was to bring pressure to bear on Premier Castro, the United States could not be certain of the degree of collusion which still might be present in current Cuban-Soviet manoeuvres. It was for these reasons that the United States Government was taking these prompt measures to have pressure brought to bear on the Castro Government to accept the United Nations role as agreed between the United States and the U.S.S.R. Mr. White thought Canada was particularly well placed to exert such pressure because we had throughout managed to maintain some sort of influence with Castro. The conversation you had had with the Cuban Ambassador on October 25 would make a convenient point of departure for any such representations, since the Cubans at that point had seemed to be inviting a settlement with United Nations participation. Mr. Campbell informed Mr. White that you had had a further conversation with Ambassador Cruz on October 30 which in a sense amounted to the sort of representations that were now being requested by the United States Government, since they were designed to impress upon Cuba the need to cooperate with the United Nations. Mr. White was also informed of the misunderstanding which had arisen as a result of the second meeting with the Cuban Ambassador and the steps which had been taken to correct it.<sup>126</sup>

N.A. R[OBERTSON]

717.

H.B.R./Vol. 6

*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], November 1, 1962

CUBA

As I mentioned to you last night, Ross Campbell gave me by telephone some background to the exchange of telegrams between Ottawa and Havana on the Minister's conversation of October 30 with the Cuban Ambassador. The Under-Secretary wished us to know that the story had been given to the United States Embassy in Ottawa in case Cuban sources might make public a misleading account of what had transpired. I gathered that the Department

<sup>126</sup> Note marginale :/Marginal note:  
? [Auteur inconnu/Author unknown]

hoped that we would take steps to reinforce Ivan White's reports clarifying the Minister's position.

2. The basic point is that the Minister did not make an offer of mediation. His purpose in talking to the Cuban was to let the Cuban Government know that we were anxious to pave the way for the acceptance of the United Nations inspection operation in Cuba and that we thought it would be in Cuba's interest to support that operation and to have Canada participate in it.

3. As Ross Campbell gave it to me the Minister pointed out that if the United Nations operation in Cuba were a success it was not just Cuba that would benefit; a general reduction of international tension could well result.

4. The Minister expressed the view that the Secretary-General of the United Nations had conducted himself skillfully and enhanced the standing of the United Nations. Messrs. Kennedy, Stevenson and Rusk, the Minister said, were all men of moderation (in speaking to Ivan White, Ross Campbell had added the words "and firmness"). The Cuban Ambassador had said to the Minister that these same American leaders were the ones who were isolating Cuba and that the Cuban Government needed a guarantee. The Minister said they already had a guarantee from President Kennedy but the Ambassador made it clear that something much more airtight, United Nations backed etc., was needed. The isolation of Cuba had to stop. The Cuban Government had often said that it would like to talk with the United States but it had always been rebuffed. The great issue was: were the United States ready to talk now. In reply to this the Minister simply said that we should try to get one thing settled at once, meaning try to make the United Nations inspection process a success and if that could be done further possibilities might open out.

5. The foregoing is not necessarily a comprehensive account of the Minister's conversation with the Cuban. I emphasized to Ross Campbell that if we were to speak to the Americans here it was extremely important that we should be supplied with a record of the conversation in order that there be no discrepancy between our explanation and Ivan White's report. Ross Campbell seemed rather uncertain of being able to get permission to send us the record although he said he would try.

H.B. R[OBINSON]

718.

DEA/2444-40

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

TELEGRAM 222

Havana, November 1, 1962

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel M-102 Oct 31.

Repeat for Information: Permis New York, Washington, NATO Paris (OpImmediate) from Ottawa.

I saw Foreign Minister this afternoon and carefully explained situation to him in order to clarify unfortunate misunderstanding that has arisen as a result of Cuban Ambassador's misinterpretation in his message to Havana. Roa said he would ensure that Cuban Government was aware that no repeat no offer of Canadian mediation had been made. There should, therefore be no repeat no doubt left in Cuba's mind in this regard.

[GEORGE P.] KIDD

719.

H.B.R./Vol. 6

*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, November 1, 1962

Dear Norman [Robertson],

It will perhaps be of interest to you in piecing together the developments of the past ten days to learn of some remarks made to me recently by Scotty Reston and Walter Lippmann with regard to the question of Turkish bases as an element in the Cuban crisis.

Reston told me yesterday that "earlier this year" President Kennedy had made some attempt to persuade the Turkish Government to agree to the removal of nuclear missiles from Turkey.<sup>127</sup> I had not heard of this before, and a review of the files here reveals nothing very precise, although there are a number of indications from the Embassy in Ankara which suggest that the question of the missile bases in Turkey has been under fairly active discussion with the NATO and US authorities during the past nine months or so. If, indeed, the US authorities have been working towards the withdrawal of missiles from Turkey their efforts do not appear to have met with the desired response. As far as one can tell from the papers available here, the trend of Turkish policy seems to have been rather in the opposite direction, e.g., to evince an interest in getting more advanced missiles and, more generally, to obtain assurances that the NATO authorities did not exclude nuclear retaliation on the USSR in the event of a Soviet attack on Turkish bases. Against this there is the personal comment of a Turkish official (Ankara telegram No. 139 of October 25†) that removal of the missiles from Turkey in exchange for similar action in Cuba might be acceptable to Turkish Government and opinion.

Whatever may have been the real story of these exchanges, Reston's remark is interesting in the light of a comment made to me the other night by Walter Lippmann. He was talking about his column of October 24 in which, among other things, he said that the bases in Turkey and Cuba could be dismantled without altering the world balance of power. I gathered that he had checked the text of this column with someone highly placed in the Administration and had not been discouraged from publishing it.<sup>128</sup>

The possibility of a direct swap of Turkish and Cuban bases, in the terms of Khrushchev's public message of October 27, did not as you know have any attraction for the Administration

<sup>127</sup> Ceci renvoie peut-être à une tentative semblable en 1961. Voir *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), documents 90, 219; Vol. XVI, documents 362, 364, 366; et Michael Dobbs, *One Minute to Midnight: Kennedy, Khrushchev, and Castro on the Brink of Nuclear War* (New York: Knopf, 2008), p. 270. This may be a reference to such an attempt in 1961. See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), documents 90, 219; Vol. XVI, documents 362, 364, 366; and Michael Dobbs, *One Minute to Midnight: Kennedy, Khrushchev, and Castro on the Brink of Nuclear War* (New York: Knopf, 2008), p. 270.

<sup>128</sup> En fait, Ritchie faisait référence à la chronique de Lippmann du 25 octobre. Voir "Blockade Proclaimed," *Washington Post*, October 25, 1962, p. A25. Ritchie was actually referring to Lippmann's October 25 column. See "Blockade Proclaimed," *Washington Post*, October 25, 1962, p. A25.



here. These bits of evidence from Reston and Lippmann, however, throw an interesting shaft of light of the thinking of some (as yet unidentified) people in the higher reaches of the Administration. It is tempting to hope that if the withdrawal of the Cuban bases can be successfully negotiated, there may be some support here for including the Turkish bases as part of some wider arrangement, perhaps in the sphere of arms limitation or disarmament. This is all rather speculative, however, and in the absence of harder evidence should not be taken as more than a very light straw in the wind.<sup>129</sup>

Yours sincerely,

C.S.A. RITCHIE

720.

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], November 1, 1962

CUBA

Our preliminary reaction to the United States suggestion that a strong protest including the threat of breach of diplomatic relations should be presented by our Embassy in Havana is that such action at this stage would be self-defeating. Over the past two years of deteriorating United States-Cuban relations, the maintenance of a Canadian Embassy in Havana has frequently proved valuable. The reasons which have prompted us to maintain those relations in the past are no less valid in the present critical situation and to change the policy at this stage would imply that the maintenance of relations had been mistaken. As government spokesmen have frequently stated, our past policy was based on the principle that diplomatic relations do not reflect approval or disapproval of the régime in power. Already it is clear that in the days ahead the Canadian Embassy may be called upon to play an important part, particularly if Canada is associated with any United Nations observation operation. For similar reasons even to hint at the possibility of breaking relations would be inadvisable and would, of course, destroy any possibility of Cuba's accepting Canadian participation in a United Nations operation.

2. On the other hand there is something to be said for our taking action now to impress upon the Cuban Government the urgent necessity of their making possible the United Nations role, without which the present United States-U.S.S.R. agreement for resolving the crisis cannot be fully carried out. Failure to achieve satisfactory inspection could revive the prospect of further unilateral measures by the United States.

<sup>129</sup> Note marginale :/Marginal note:  
Not sent. [H. B.] R[obinson]

3. In the circumstances you may wish to consider asking our Ambassador in Havana to deliver a message along the attached lines to the Cuban authorities. Such action on our part would be a logical follow-up to your conversation of October 30 with the Cuban Ambassador and would come appropriately from Canada in the light of our offer to make a contribution to the United Nations observer operation.<sup>130</sup>

N.A. R[OBERTSON]

721.

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures  
à l'ambassadeur au Cuba  
Secretary of State for External Affairs  
to Ambassador in Cuba*

TELEGRAM XL-125

Ottawa, November 1, 1962<sup>131</sup>

CONFIDENTIAL. EMERGENCY.

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

INSPECTION OF REMOVAL OF MISSILE BASES IN CUBA

Because of the failure so far to get Cuban agreement on supervision of the dismantling and removal of ballistic missile bases, we would like you urgently to present a note to the Foreign Minister along the following lines:

2. Begins: Canada with all other peace-loving nations of the world, has followed with concern and anxiety the current crisis which has threatened the security of all countries, including of course both Cuba and Canada. Canada therefore welcomed the understanding reached that the long-range weapons facilities would be dismantled and removed from Cuba and that Cuba would receive a solemn guarantee against invasion of its territory.

3. It is clear that attainment of these purposes would be greatly assisted by an effective system of verification under United Nations or other auspices.<sup>132</sup> In this regard Cuba has a most important contribution to make toward resolving the immediate crisis and strengthening the peace-keeping authority of the United Nations.

4. Within recent years international inspection has come to be generally accepted as a necessary instrument in certain dangerous situations. Canada and a number of countries have on several occasions offered, within a UN context, to have international inspection applied to their territory. The Canadian Government earnestly hopes that as a matter of urgency the Cuban Government will agree to verification and will thereby make a decisive contribution to the peace and security of the world. Ends.

[H.C.] GREEN

<sup>130</sup> Note marginale :/Marginal note:

L[atin] A[merican] Div[ision:] Tele XL-125 revised signed by SSEA Nov 2/62 and sent. M. N. B[ow]

<sup>131</sup> La date d'envoi est le 2 novembre : voir la note marginale inscrite sur le document précédent.  
Sent November 2: see marginal note on the preceding document.

<sup>132</sup> Cette phrase comporte des corrections faites à la main. Le texte initial était :  
This sentence incorporates revisions made by hand. The original wording was:

"It is clear that this understanding cannot be carried to a successful conclusion under UN or other auspices without the cooperation of Cuba and without an effective system for verification under United Nations or other auspices."

722.

J.G.D./MG01/XII/F/100

*Note du secrétaire du Cabinet  
pour le premier ministre*

*Memorandum from Secretary to Cabinet  
to Prime Minister*

SECRET

[Ottawa], November 2, 1962

I thought I should let you know that Campbell reports that Basil Robinson says that stories are all about Washington and may be reflected in the House today to the effect that NORAD has been a failure when it was put to the test because:

1. Canada failed to respond to the request from NORAD to go on DEFCON 3 Alert when asked.
2. The U.S. requested and were refused the right to put nuclear warheads at their bases in Canada (presumably Harmon and Goose).
3. The U.S. requested and were refused the right to move U.S. fighter planes to Canadian bases.

I knew of No. 1 and I assume that Mr. Harkness will be prepared to answer that if it arises in the House.

I assume that No. 2 refers back to the request of two or three years ago<sup>133</sup> which has never been met because of the desire to get agreement first on having warheads here for Canadian forces.

I did not know of No. 3 but Miller told me this morning on the phone that there had been one such request. I assume Mr. Harkness dealt with it himself, either on his own or in consultation with you, or perhaps with Ministers at a private meeting.

I suggested to Miller that he better warn Mr. Harkness to be ready for a question on this matter in the House this morning.<sup>134</sup>

R.B. B[RYCE]

<sup>133</sup> Voir/See Volume 26, documents 173, 174.

<sup>134</sup> Notes marginales :/Marginal notes:

Willing and [Desirous?] to cooperate but Can[ada] makes its decisions.

[Two words illegible] American tell Can[adians] what they should do.

CBC [four or five words illegible] in Washington. [John G. Diefenbaker]

723.

DEA/2444-40

*Note de l'ambassadeur au Cuba  
pour le ministre des Relations extérieures du Cuba*

*Note from Ambassador in Cuba  
to Minister of External Relations of Cuba*

Havana, November 2, 1962<sup>135</sup>

Excellency,

On the instructions of my Government I have the honour to bring to Your Excellency's attention the views set forth in the succeeding paragraphs.

Canada, with all other peace-loving nations of the world, has followed with concern and anxiety the current crisis which has threatened the security of all countries, including, of course, both Cuba and Canada. Canada therefore welcomed the understanding reached that long-range weapons facilities would be dismantled and removed from Cuba and that Cuba would receive a solemn guarantee against invasion of its territory.

It is clear that attainment of these purposes would be greatly assisted by an effective system of verification under United Nations or other auspices. In this regard Cuba has a most important contribution to make toward resolving the immediate crisis and strengthening the peace-keeping authority of the United Nations.

Within recent years international inspection has come to be generally accepted as a necessary instrument in certain dangerous situations. Canada and a number of countries have on several occasions offered, within a United Nations context, to have international inspection applied to their territories. The Canadian Government earnestly hopes as a matter of urgency that the Cuban Government will agree to verification and will thereby make a decisive contribution to the peace and security of the world.

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

GEORGE P. KIDD

724.

DEA/2444-40

*L'ambassadeur au Cuba  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 225

Havana, November 3, 1962

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel X-125 Nov 2.

Repeat for Information: Washington, London, Permis New York, NATO Paris  
(OpImmediate) from Ottawa.

<sup>135</sup> Kidd a présenté cette note au ministre cubain des Affaires étrangères le 3 novembre.  
Kidd presented this note to the Cuban Foreign Minister on November 3.

## VERIFICATION OF SOVIET MISSILE REMOVAL

I saw Foreign Minister late this morning and presented first person note to him stressing urgency with which you viewed matter. Note employed text given in paragraphs 2, 3 and 4 of your reference telegram with routine opening and closing paragraphs added.

2. Roa commented that we were of course aware of position which Cuban Government had taken in opposition to any UN verification of Soviet missile dismantlement and removal. He promised however to bring note to attention of President Dorticós and Prime Minister Castro at once. This is probably as satisfactory a response as we can expect for the moment.

3. Castro reaffirmed his refusal to permit UN verification in Cuba during his address evening November 1<sup>136</sup> on which I reported in my telegram 224 November 2. † It would be interesting to know nevertheless whether Secretary-General felt door had been slammed shut or not repeat not. Cuban attitude could also be influenced by discussion held with Mikoyan. In this connection Soviet Counsellor told me that Mikoyan will probably be in Havana for about a week.

[GEORGE P.] KIDD

725.

CEW/Vol. 3176

*Le consul général à Los Angeles  
au ministre (Information), Ambassade aux États-Unis*

*Consul General in Los Angeles  
to Minister (Information), Embassy in United States*

Los Angeles, November 4, 1962

Dear Bob [Farquharson]:

Rather than wait for the regular forwarding of clippings, I am enclosing three dealing with the present Cuban situation in which Canada is mentioned, in fact in two of them, Canada is the whole subject. You may have seen these, as one is U.P.I. and the other one date-lined Montreal. The third one is date-lined United Nations.

My complaint is the fact that somehow or other the International Press deliberately or otherwise, failed to understand the significance of the Canadian Government's action in respect of the Cuban crisis. Apparently they cannot add two and two together and get four, but then this is to be expected. Surely they must have understood when it was announced that the Canadian Government had already refused over-flight privileges to Russian planes and had imposed inspection of aircraft of other nationalities landing in Canada for refuelling en route to Cuba many hours prior to the President's Statement, that there was no hesitancy on Canada's part – if anything, the contrary. Of course what they will never understand in this country, and we don't seem to be doing anything to make this fact clear, is that being informed and being consulted are not one and the same thing.

<sup>136</sup> Voir/See "1 November Interview," Castro Speech Data Base, Latin American Network Information Center, <http://lanic.utexas.edu/project/castro/db/1962/19621102-1.html>.

I hate to be unreasonable, but I am very much concerned about the apparent inadequacy of our public relations output. The information in most instances, must originate in Ottawa, and if you think it might do any good, I am prepared to write along the same lines to our Department, suggesting that something be done to improve the situation as regards the supplying of information that is so vital to our maintaining a proper relationship with the people with whom we are dealing in our respective areas.

Yours sincerely,

GEORGE R. PATERSON

726.

DEA/2444-40

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

TELEGRAM 229

Havana, November 5, 1962

SECRET. OPIMMEDIATE.

Repeat for Information: JIR from Ottawa.

SOVIET MISSILES' DISMANTLEMENT AND REMOVAL

During past few days there have been a number of indications that USSR is withdrawing some military personnel and equipment from Cuba.

2. In Havana area we have observed several small convoys of heavy trucks moving towards Port Mariel, in which there are at present three Russian ships. Equipment on trucks was fully covered by tarpaulins and could not repeat not be readily identified.

3. Considerable movement of military transports was seen over weekend along Central Highway in Pinar del Rio Province in general vicinity of missile sites and apparently proceeding in direction of Mariel. Transports observed carried Soviet personnel, camp equipment and equipment of electronic nature. Many trucks gave appearance of having been hastily loaded.

4. In Mariel yesterday we saw convoy of ten trucks towing 50-to-60 foot trailers. Each trailer carried tarpaulin-covered equipment. While equipment could not repeat not be identified clearly lengthy trailers suggested missiles. Trailers were being loaded complete on to one of Soviet ships.

5. Russian ship *Nikolaevsky* left Havana today with Russian military personnel aboard. This ship whose normal complement is about 350 passengers appeared to be well filled according to British Embassy.

[GEORGE P.] KIDD

727.

DEA/50309-40

*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, 1962

NORAD: CONSULTATIVE ARRANGEMENTS

In addition to the statement in the 1957 NORAD Agreement on “the importance of the fullest possible consultation between the two Governments on all matters affecting the joint defence of North America”<sup>137</sup> there was also a secret exchange of notes in 1959 dealing with consultation prior to increasing the state of readiness of NORAD in a period of international tension.<sup>138</sup> There was also a supplementary arrangement defining how such consultation should be initiated. (Copy of these exchanges is attached.)<sup>139</sup>

2. Under his terms of reference CINC NORAD is authorized to “specify the conditions of combat readiness, to include states of alert ...” of forces assigned to his operational control. The supplementary Exchange of Notes was intended to clarify this provision. Thus the relevant provisions of the secret exchange of notes provide:

(1) “CINC NORAD is authorized to increase the operational readiness of his forces as set forth in sub-paragraph 10 (i) of his terms of reference and pursuant to paragraph (2) below.

(2) “CINC NORAD is not in a position to assess all the political factors available to both the Canadian and United States Governments; therefore, it will be the responsibility of the Chiefs of Staff of Canada and the United States, in consultation with their respective political authorities, to reach agreement for increasing states of readiness of NORAD forces during periods of international tension when factors of overriding political significance are involved. In these circumstances, parallel consultations will be carried on between the political authorities of our two countries prior to reaching such an agreement. CINC NORAD will be provided continuously with the best information concerning the world situation to assist him in anticipating any requirements for increased or decreased NORAD operational readiness.

(3) “In the event that agreement should be reached on a decision to authorize CINC NORAD to order an increase in the state of readiness of his forces as a result of such consultation, agreement will also be reached on the desirability of making any public announcement and the terms of such an announcement.”

3. Thus the concept of consultation at the diplomatic, as well as the military level, in appropriate circumstances, is specifically provided for in the agreements governing NORAD.

4. The information given to the Canadian Government on the United States intentions vis-à-vis Cuba does not seem to have constituted consultation as provided in these arrangements, as

<sup>137</sup> Voir *Recueil des Traités du Canada*, 1958, n° 9.  
See *Canada Treaty Series*, 1958, No. 9.

<sup>138</sup> Voir/See Volume 26, documents 216, 217.

<sup>139</sup> Seuls les documents mentionnés dans l'avant-dernière phrase de ce paragraphe ont été imprimés en tant que pièces jointes; pour ce qui est des documents cités dans la première phrase, voir la note en bas de page précédente.

Only the documents referred to in the second-to-last sentence of this paragraph have been printed as enclosures; regarding the documents referred to in the first sentence, see the preceding footnote.

we had understood them. In fact it seems that the United States took a deliberate decision not to consult any of its allies in order to achieve maximum surprise and impact on the Soviet Union. The question arises for Canada whether the existence of NORAD presupposes special obligations which entitle Canada to special treatment over and above that accorded the other allies of the United States.

N.A. R[OBERTSON]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Le ministre de l'ambassade aux États-Unis  
au directeur du Bureau des Affaires du Commonwealth britannique  
et d'Europe nord, département d'État des États-Unis*

*Minister, Embassy in United States,  
to Director, Office of British Commonwealth  
and Northern European Affairs, Department of State of United States*

SECRET

Washington, January 11, 1960

Dear Mr. Willoughby,

The agreement concerning increased states of readiness for NORAD incorporated in an exchange of correspondence between the Ambassador and Mr. Murphy dated September 20 and October 2, 1959 respectively provides that "it will be the responsibility of the Chiefs of Staff of Canada and the United States, in consultation with their respective political authorities, to reach agreement for increasing states of readiness of NORAD forces during periods of international tension when factors of overriding political significance are involved. In these circumstances, parallel consultations will be carried on between the political authorities of our two countries prior to reaching such an agreement."

It is considered that it would be desirable to establish some procedure to implement the provision for consultation. As far as can be seen, no new machinery, formal or informal, would be required.

The question of CINC NORAD's right to increase the state of readiness of his command in an emergency not being in question, there would normally be sufficient time for consultation to be carried out in the normal way through the appropriate diplomatic and military channels. As regards consultation between the Department of State and the Department of External Affairs it is suggested that the Embassy in Washington be the channel on the Canadian side, and that in a more urgent situation direct telephonic consultation between the Departments could take place at such a level as would be deemed appropriate.

Aside from political consultations provided for in the above-mentioned agreement, it is envisaged that, if time and circumstances permit, a special meeting of consultation could be held between our two governments during periods of international tension, which would be devoted to the general international situation and could also consider the question of increasing NORAD's state of readiness.

Which method of consultation might be used would be determined in the light of existing circumstances. It would be for either government, in its discretion, to initiate consultation.

Yours sincerely,

S.F. RAE



[PIÈCE JOINTE 2/ENCLOSURE 2]

*Le directeur du Bureau des Affaires du Commonwealth britannique  
et d'Europe nord, département d'État des États-Unis,  
au ministre de l'ambassade aux États-Unis*

*Director, Office of British Commonwealth  
and Northern European Affairs, Department of State of United States,  
to Minister, Embassy in United States*

SECRET

Washington, January 14, 1960

Dear Mr. Rae,

I refer to your letter of January 11, 1960 with regard to the exchange of letters dated September 30, 1959 and October 2, 1959 between Ambassador Heeney and Secretary Herter concerning the question of increasing the state of readiness of NORAD forces during periods of international tension when factors of overriding political significance are involved. Your letter deals with the matter of establishing a procedure to implement the provisions for consultation under numbered paragraph 2 of Ambassador Heeney's letter.

As you state in your letter, there will presumably be sufficient time to carry out the political and military consultations required by this agreement through appropriate diplomatic and military channels, since the matter of CINCNORAD's right to increase the state of readiness of forces under his operational control is not in question. For its part, the State Department anticipates that the political consultations will normally be carried out with your Embassy by the Bureau of European Affairs or at such higher level as may be deemed appropriate.

It is recognized that there is a possibility of a situation being so serious as to warrant direct telephonic consultation between the State Department and the Department of External Affairs. The State Department therefore, does not regard the above-mentioned channel as being exclusive and agrees that in a more urgent situation both Departments should feel free to consult telephonically at such level as would be deemed necessary.

The State Department also recognizes that aside from the consultation provided for in the above-mentioned agreement, a special meeting of consultation could be held between our Governments, if time and circumstances permit, which would be devoted to the general international situation and could also consider the question of increasing NORAD's state of readiness.

Sincerely yours,

WOODBURY WILLOUGHBY

728.

DEA/2444-40

*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 2605

Paris, November 7, 1962

SECRET, PRIORITY.

Reference: Our Tel 2576 Nov 5.†

Repeat for Information: Washington, London, Paris, Candel New York, Brussels, Hague,  
Rome, Bonn, JIR, DM/DND from CCOS.

By Bag Moscow from London, Havana from Ottawa.

CUBA: NATO CONSULTATION

After this morning's regular meeting of Council USA representative read out extracts from telegrams of instruction he had received dealing with Cuba under a number of headings.

2. *USA Policy.* There was good evidence that missile bases in Cuba were being dismantled but there was no repeat no evidence as to what was being done with equipment or missile sites. Assembly of bombers was continuing and work might be proceeding on a submarine tender base. USA surveillance continues without any assurance for safety of aircraft involved. USA requires dismantlement of all offensive weapons of Soviet bases in Cuba and this is USA understanding of what Khrushchev-Kennedy exchange calls for. USA sees two possible courses of development from here. Under first it should be possible to establish removal of Soviet offensive weapons and that they have not repeat not re-entered Cuba. This would include missiles and their equipment and bombers and their equipment. This course of development would require air surveillance and ground inspection to verify export of missiles and other weapons which might have to be counted on ships at sea. Other possible course of development would be that agreement made would be "re-interpreted" by USSR and implementation of bargains fudged. USA has some evidence that this latter process may be beginning. If events follow first course USA will lift quarantine and give an assurance against invasion of Cuba though this latter assurance will not repeat not prevent USA from continuing to cope with Cuban aggression or subversion in Latin America. If second course is established it will be unacceptable to USA. Without appropriate verification and inspection, air surveillance and quarantine will continue and if offensive weapons are not repeat not removed USA will have to consider action. There cannot repeat not be uncertainty and Soviet assurances will not repeat not be enough. USA will make it clear throughout to USSR that it requires that agreements be properly carried out, that there is a clear choice between verified removal and USA action but no repeat no middle ground. USA hoped that it would be able to count on allied support.

3. *Analysis of Situation.* In USA view USA had almost all military advantages on its side in Cuban crisis. There was no repeat no reason to believe that USSR would have withdrawn so quickly if crisis had occurred in Berlin or in some other area closer to USSR. It could not repeat not be taken for granted that Soviet retreat over Cuba would be duplicated. USA continued to believe that correct attitude was a firm but moderate posture but this posture would be possible only if backed up by an adequate level of force and an adequate range of weapons choices. In relation to Cuba USA had had a wide choice of weapons. Lesson to be drawn from this was that in relation to problems nearer to USSR Alliance should accelerate its efforts to build up "spectrum of responses." In addition successful USA reaction over Cuba was result of detailed contingency planning. USA therefore thought that it would be wise to apply this procedure to Berlin by keeping plans up to date and improving state of military readiness of Alliance.

4. USA hoped that other NATO Governments were undertaking continuous studies of Cuban crisis and its aftermath with object of contributing to profitable exchange of views. USA thought that this study should be carried on both in individual capitals and in Council to [deduce?] political implications of crisis and plan steps to be taken if Cuban problem were properly settled. Finletter added that USA representatives in New York had been instructed not repeat not to discuss with Russians issues other than dismantlement and withdrawal of offensive weapons but in their conversations with Kuznetsov and his staff they were on lookout for clues as to further Soviet intentions.

5. *Official and Public Reactions in Latin America.* State Department thought that both of these were generally extremely favourable. Pro-Castro and pro-Communist responses in Latin America had fallen short of expectations in spite of nature of USA action over Cuba which had given good opportunities for anti-USA demonstrations and difficulties for local governments. State Department thought that this outcome was to be explained by at least four factors: (a) Communist organizations in Latin America had been thrown into disarray by promptitude of USA action and unanimity of OAS support. This disarray was accelerated by Soviet reaction to USA firmness and ignoring Castro. (b) Crisis provided unimpeachable evidence of Soviet intervention in hemispheric affairs. (c) Latin American Governments had taken steps to restrain hostile demonstrations, and (d) there had been a considerable over-estimate of strength of Castroism in Latin America. State Department thought that if agreement with Russians was carried out USSR would redouble their subversion efforts in Latin America in near future. Finletter then read out a long list of offers of help from various Latin American Governments to illustrate extent of Latin American assistance and said that he hoped that this list would increase. You have already received this information from Washington.

6. UK Permanent Representative then read out what he called a preliminary assessment of whole field of latest crisis including Soviet motives and future actions. He said that USSR anxieties about nuclear imbalance in favour of USA had been heightened by Kennedy's requests in March and May for additional appropriations for nuclear weapons especially for Minuteman. Soviet anxieties over imbalance had led to an increase in Soviet military expenditures from 1960 to 1962 of over 40 percent. Foreign Office thought that USSR feared that even this rate of expansion could not repeat not overcome imbalance. In addition Khrushchev needed to take action to enable him to put on greater pressure over Berlin and achieve a personal success. It was for these reasons that he had agreed to establishment of missiles in Cuba. He was also seeking to undermine allied confidence in USA if it should turn out that USA did not repeat not react firmly. Foreign Office thought that it must be assumed that plan had been exhaustively studied and approved by Praesidium. Khrushchev had seen risks involved and may have been against plan at first but may have agreed to it on being assured that risks were not repeat not great. Foreign Office thought that Khrushchev might have held view that period of greatest danger was that during which missiles were being landed in Cuba rather than period of construction of missile sites. USSR must have expected that USA would take no repeat no violent action but would take case to UN where USSR could count on neutrals to overcome any USA tendency to take action. UK thought all this had been arranged during Raúl Castro's visit to Moscow earlier this year and that TASS statement on Cuba was meant as a warning to USA.<sup>140</sup> USA action in imposing a quarantine, taking case to Security Council and naming USSR rather than Cuba as responsible party must have caught USSR off balance. Khrushchev had then become anxious to avoid a head-on clash. One incident which had not repeat not been satisfactorily explained was unpublished Khrushchev letter of October 26<sup>141</sup> which Foreign Office thought might have been sent either by Khrushchev on his own or after consultation with Praesidium. October 27 letter,<sup>142</sup> however, had represented second thought of a dangerous character in that they appeared to cast doubts

<sup>140</sup> Ceci pourrait faire allusion à la déclaration de l'agence TASS du 11 septembre. Voir "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16.]

This may be a reference to the TASS statement of September 11. See "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16.

<sup>141</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 84.

<sup>142</sup> Voir/See *ibid.*, document 91.

on Khrushchev's good faith. Khrushchev might have sent this second letter against his better judgement and have been brought back to his original offer by prompt USA rejection.

7. Mason continued that since Cuban crisis USSR had issued no repeat no statement about Berlin or given any indication of possibility of a riposte in Berlin in spite of ample opportunities to do so. Foreign Office had noted that Soviet officials had not repeat not used opportunities presented by farewell calls of Sir Frank Roberts to say much about Berlin. One conclusion might be that they were reconsidering their position. It would be prudent to assume that Khrushchev would seek to extract advantages from crisis by claiming that there was a clear USA commitment not repeat not to attack Cuba and would also pursue line that Khrushchev was a man of peace. A weakening of Soviet authority within Communist bloc and of Khrushchev's authority within USSR could not repeat not be ruled out. Events in Cuba might be considered to support Communist China's claims about inadequacy of Soviet leadership. USSR must also expect credibility of its military threats in future crisis to be somewhat reduced. Nevertheless it should not repeat not be assumed that Soviet retreat in Cuba means that there would be an equal readiness to retreat where vital Soviet interests were involved. Mason concluded by welcoming Finletter's plea for a joint effort to exchange assessments, saying that what was badly needed was an exchange of many assessments not repeat not simply those of USA and UK.

8. I opened my remarks by referring to Prime Minister's statement of November 5<sup>143</sup> (PG218 November 5†) and particularly to that portion which linked solidarity with consultation. I also referred briefly to Canadian efforts to urge acceptance of proper verification on Cuban Government. After a reference to information contained in your telegram S-410† I spoke at some length on basis of your telegram S-425 November 6.†

9. Netherlands Representative commented on several specific points. His authorities thought that terms of proposed USA guarantee not repeat not to invade Cuba were so general as to be likely to cause difficulties in future in that USSR would try to broaden interpretation so that almost any change in USA policy could attract a charge of back-sliding. Netherlands authorities also feared that assurance of a promise of no repeat no invasion from other Latin American Governments amounted to giving Castro a life insurance policy while he continued his subversive activities. Netherlands feared that USA and Latin American reactions to Cuban subversion would be limited by guarantee and that any action against subversion emanating from Cuba would be interpreted as aggression by neutrals as well as USSR. On supervision and control Netherlands Permanent Representative drew attention to terms of Khrushchev's letter of October 27 connecting Cuban and Turkish bases and saying that authorization of Cuban and Turkish Governments would be needed for inspection. Netherlands thought that this might indicate that USSR envisaged using Castro to get out of its pledges as far as possible once danger of nuclear war receded. Netherlands doubted that any precedent would be set in Cuba for inspection in relation to disarmament. On conflict between USSR and Castro and especially over five points, Netherlands thought that USSR while not repeat not changing its attitude completely might have modified its attitude so as not repeat not to accept principle of international inspection of nuclear armaments and that question of control would therefore be

<sup>143</sup> Le 4 novembre, Diefenbaker a prononcé un discours à la synagogue Beth Tzedec de Toronto. Pour ses notes d'allocation, voir D.M.F., vol. 112, et J.G.D./MG01/XII/C/342; voir également "Diefenbaker Urges A-Weapons Race End," *Globe and Mail*, November 6, 1962, p. 5, and "P.M. Calls for a Halt to World Arms Race," *Toronto Daily Star*, November 6, 1962, p. 2.

Diefenbaker delivered an address on November 5 at Beth Tzedec Synagogue in Toronto. For his speech notes, see D.M.F., Vol. 112, and J.G.D./MG01/XII/C/342; see also "Diefenbaker Urges A-Weapons Race End," *Globe and Mail*, November 6, 1962, p. 5, and "P.M. Calls for a Halt to World Arms Race," *Toronto Daily Star*, November 6, 1962, p. 2.

as difficult as ever. In Netherlands view Khrushchev had expressed willingness to have UN play a role because he feared that a bilateral agreement between USA and USSR would not repeat not in itself be enough to guarantee against USA military intervention in Cuba. USSR had therefore used idea of UN inspection as a temporary shield between USSR and USA to protect Cuban bases against immediate USA action. On degree of Castro's independence Netherlands authorities thought that Mikoyan's first task was to explain change in Soviet tactics to Castro and assure him that political, military and economic assistance would continue. Netherlands thought there was a secret defence treaty between USSR and Cuba and that Castro would accept inspection only after all missiles had been withdrawn so that international inspection would reveal nothing of importance. Netherlands thought their morbid fear of spying would keep USSR from letting others see their nuclear weapons or their sites and that weapons would be removed from public view very quickly but Netherlands wondered whether study had been given to possibility that some of weapons had been placed in storage or warheads for them had been stored. In general Netherlands saw no repeat no reason to expect a diminution in Soviet intransigence. There was no repeat no reason to expect a period of reduced tension because it would be difficult for USSR to accept this setback and there would be a search for counter moves which would be more difficult for West to cope with. While there had not repeat not yet been any signs of Soviet countermoves directed against Berlin, Netherlands thought it was as urgent as before to give highest priority to study of political measures. He pleaded for information about studies being undertaken by Committee of Ambassadors in Washington and asked that their plans be discussed soon so that differences could be ironed out. There had been a tactical change of course but no repeat no fundamental change in Soviet line. Consultations were therefore needed in face of a Soviet counter move.

10. De Staercke said that Spaak agreed with USA and UK analyses. He would also agree that Soviet intentions were as hostile as ever. It might be true that Soviet initiative in Cuba had been result of a Praesidium decision but now that it had failed it might well be that new trends or cliques would be developing within Praesidium and we must not repeat not give weapons to extremists. Belgians thought Khrushchev had put himself in a difficult position over Berlin because if he were now to be aggressive there after failure in Cuba he would risk appearing in eyes of neutrals to be a man who continually jeopardized peace. In Belgian view therefore Praesidium would have to take a certain amount of time to reconsider its position over Berlin and decide what to do. He agreed to idea of exchanging analyses and approaching in common question of what to do next but countries like USA, UK and France had better sources of information than most and therefore should take lead in discussion of future action. He referred once again to Kennedy's letter of October 27<sup>144</sup> with its reference to the "first component" and called it "charter for future action." He thought we should be ready to consider within Alliance questions like a détente between NATO and Warsaw Pact, disarmament, nuclear weapons tests and Germany and Berlin. On latter Alliance should press ahead rapidly with its political contingency planning. We had waited for a long time to see results on work of ambassadorial group but perhaps Council should embark on its own on a study to elaborate a dynamic doctrine for West so that Kennedy would know views of Alliance if he had a personal meeting with Khrushchev.

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<sup>144</sup> La lettre à laquelle on fait référence ici pourrait être celle imprimée dans *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 95. The letter referred to here may be the one printed in *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 95.

11. It was agreed that urgent items of Council business would be deferred to a meeting on Friday November 16 while regular meeting of Council on Wednesday November 14 would be devoted to political questions including political contingency planning on Berlin. This meeting would continue into afternoon if necessary. This decision appears to answer question raised in my telegram 2580 November 6.†

[GEORGE] IGNATIEFF

729.

DEA/2444-40

*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 2120

New York, November 8, 1962

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris, NATO Paris, Bonn from Ottawa, CCOS, DND, PCO Ottawa from Ottawa.

By Bag: Havana from Ottawa, Moscow from London, Berlin from Bonn.

CUBA: BRIEFING BY USA

Stevenson and McCloy gave briefing to large group of allies on present state of negotiations on Cuban question. Briefing had been given two days previously to Latin American group. No repeat no comments are to be made to press.

2. Stevenson prefaced his comments by reporting that USA had become increasingly concerned as they realized extent of Soviet offensive buildup in Cuba which he termed "enormous and ominous." He said that Soviet build-up of atomic capability in Cuba represented largest concentration of offensive power in any comparable area in world and directly affected retaliatory power of USA deterrent and endangered security of hemisphere. He made it clear that this and not repeat not electoral considerations guided USA and therefore that there would be no repeat no change in USA policy now election was over.

3. USA was insisting on removal of missiles and warheads, bombers and nuclear bombs and verification that removal had taken place. USA was not repeat not insisting on removal of surface to air missiles, anti-tank missiles etc (even though these were operated by Soviet technicians) nor were they requiring removal of latest MiGs and of Soviet forces. Pedersen of USA mission told us privately that it was quite possible some more advanced equipment might later be withdrawn by USSR since withdrawal of missiles removed need for more sophisticated equipment. He expected if this were done it would be done gradually to minimize offence to Castro.

4. Stevenson reported on state of negotiations under following headings:

(a) *Quarantine and Inspection of Incoming Ships*

5. There had been protracted discussion on categories of ships to be inspected, flag of ships to carry inspectors etc. Agreement had been reached on all questions except when inspection would end with USSR pressing for November 12 and USA unwilling to set any date. Red Cross inspectors had been accepted but Red Cross was insisting that all countries affected should give agreement including Cuba and country under whose flag ship sailed. USSR was undertaking to secure agreement from all countries whose ships it had chartered but would not repeat not approach other Soviet bloc countries. Additional problem had arisen in that Red

Cross claimed if inspection were to end by November 12 it was not repeat not worth making arrangements to start. Date for termination was connected with unresolved question of withdrawal of bombers. USA suspected USSR might be drawing out discussions until all missiles had been removed.

*(b) Inspection of Outgoing Ships*

6. Agreement has been reached on arrangements for inspection at sea. USSR will provide schedule of ship departures and agree on rendezvous. Arrangements for one rendezvous have already been made for today and eight other ships were to leave yesterday or today. USA ships will draw along side and take photos from ship and possibly from helicopters. Missiles have been taken on board ship directly on their carriers and are covered with tarpaulins. Enough of missiles will be exposed to permit USA to make certain identification. USA does not repeat not regard this as substitute for ground inspection but it provides adequate confirmation of fact of removal of weapons. USSR has admitted to having about 40 missiles in Cuba which conforms closely with USA intelligence estimates. There have been no repeat no arrangements made for inspection of missile warheads. USSR has refused to discuss question as separate issue. They have not repeat not denied they are in Cuba but have limited their statements to assertions that everything connected with missiles will be removed.

7. No repeat no progress had been made on problem of removal of bombers. USA took view Il-28s were included in agreement since USA had referred to bombers as offensive weapons from first and USSR agreed to remove weapons which "USA deems offensive." Most of bombers had not repeat not yet been uncrated as of few days ago and uncrating was continuing after missiles being dismantled. Pedersen told us privately he believes uncrating has now stopped. Nevertheless USSR has not repeat not yet agreed to withdraw them. In subsequent discussion possibility was raised that USSR faced problem that title for bombers had been transferred to Cubans unlike missiles which remained Soviet property. Stevenson stated USSR had never taken this position in negotiations but admitted it might be one of problems which Mikoyan was facing. Cubans certainly had technical capacity to fly planes; on other hand planes were capable of carrying nuclear weapons and on one-way flight could reach as far as Montreal and deep into Latin America. For this reason USA would continue to insist on their removal. Even if USSR were to agree now to do so another two weeks would probably be required for their withdrawal whereas missile withdrawal might be completed in few days.

*(c) On-Site Inspection*

8. USA considered ground inspection was essential particularly because of difficulty of arranging for inspection of warheads which are small and for which no repeat no arrangements for at-sea inspection had been made. Privately Pederson admitted that latter arrangements might never be made which was further reason for ground inspection to ensure no repeat no missiles had been concealed. Until ground inspectors were arranged USA had no repeat no alternative but to continue aerial inspection. Stevenson recognized that USSR had its problems with Castro. But USA [was] not repeat not prepared to give undertaking on no repeat no invasion until they were sure all missiles bombers and nuclear weapons had been removed and this required ground inspection.

9. Even if there was immediate on-site inspection USA recognized that danger of reintroduction of weapons existed and therefore desired continuing inspection. For present they had no repeat no other thought than to accept Soviet promise given in Security Council. However USA was giving thought to schemes for regional denuclearization. Several members of USA mission have told us that Brazilian resolution could serve this purpose and USA is very interested in it. (See our telegram 2104<sup>†</sup> for Dean's comments on changes which USA is seeking to have Brazil make in resolution so that USA could support it.) Members of USA

mission however fear that Castro will be unwilling to cooperate in scheme for regional inspection even though proposal would have attraction that it would include Castro once again in a regional organization. This however is long-term question.

10. Stevenson acknowledged in answer to question that principal hold which USA had over USSR was withholding undertaking not repeat not to invade. Until USSR had this undertaking Khrushchev could not repeat not point to any gain from installation of missiles and was therefore domestically vulnerable. Pedersen admitted privately that for its part USA could not repeat not give undertaking on-site inspection [sic] until inspection had taken place. This requirement arose more from political than from military reasons. Administration's insistence until October 22 that no repeat no offensive weapons had been introduced into Cuba in spite of Republican charges and many refugee reports made it necessary for administration to be able to point to inspection as guarantee that no repeat no nuclear weapons remained in Cuba or were being clandestinely reintroduced. Pedersen ventured private opinion that unless Mikoyan unexpectedly secured Castro's agreement to on-site inspection there was serious possibility that there would be no repeat no on-site inspection and therefore no repeat no undertaking by USA not repeat not to invade. This would mean there would be no repeat no final settlement of Cuban question. Instead there would be residual bitterness on both sides which would mean Cuban situation instead of becoming starting point for settlement of problems between USSR and USA would be added source of controversy.

(d) *Security Council Meeting*

11. USA took view that Council meeting should only take place once all elements of agreement had been carried out. Meeting would merely record USA guarantee against invasion and USSR guarantee not repeat not to reintroduce nuclear weapons. USA was not repeat not insisting on any particular form of undertaking. They thought it unwise to hold any Council meeting until all problems had been privately settled to avoid danger of public debate worsening situation.

12. Stevenson undertook to hold another briefing session next week.

[PAUL] TREMBLAY

730.

DEA/4470-A-40

*L'ambassadeur au Cuba  
au secrétaire d'État aux Affaires extérieures*

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

DESPATCH NO. 521

Havana, November 13, 1962

SECRET

CUBA AND SOVIET MISSILE BASES

The recent Cuban crisis has quite naturally directed renewed attention to the aims and purposes of Soviet policy in the cold war. One feature of this review has been an assessment of the motives which led the Kremlin to establish medium and intermediate range missile bases in Cuba. This offensive build-up represented rather a major shift in Soviet policy towards Cuba from that of providing various forms of political, economic and military assistance for the Revolutionary Government to the use of the island as an advance military outpost. As has been pointed out by several commentators, the Russians were in effect seeking to alter the balance of power by neutralizing the second-strike capability of the United States in a global conflict,



as well as to use Cuba more blatantly for anything from nuclear blackmail to straight horse-trading in East-West negotiations.

2. One facet of the analysis of Soviet motivation that warrants some consideration is the extent to which Cuba played a role in the decision to establish the missile bases. In the absence of hard evidence on this subject at the moment it may be useful in this context to examine the course of recent Cuban-Soviet relations and attempt to discern the Cuban attitude towards and interest in the decision to accept these offensive weapons under Russian control.

3. At the outset one can, I think, say with reasonable confidence that the Cubans showed not the slightest degree of unhappiness in possessing the missiles on their soil, and were quite prepared to regard the weapons as part and parcel of their military arsenal. Indeed, they have displayed marked unhappiness over their subsequent dismantlement and removal. Viewed in retrospect, some of Castro's remarks just before the crisis broke out concerning the repulsion of a United States invasion of Cuba suggest that the knowledge that the missiles would soon be available strengthened his confidence in believing he could deal with such a contingency, and consequently his intransigence.

4. It has been my belief, as mentioned in several previous reports, that the Cubans have for some time been attempting to draw the U.S.S.R. into a formal commitment to guarantee the security of the Revolutionary Government. By his strong declaration of faith last December<sup>145</sup> and his subsequent demonstration this Spring that in the final analysis the régime could not survive without him, Castro succeeded in getting his Communist credentials generally accepted by the Russians. This was a fundamental step in paving the way for increased military and economic assistance this Summer. However, it is doubtful whether this really satisfied the Maximum Leader. Despite what amounted to associate status within the Bloc, he still remained in a rather exposed position far from the home base of Communist strength. Moreover, the apparent Cuban rejection of the Rapacki efforts to moderate both the external drive and the anti-American dynamism of the Revolution<sup>146</sup> was followed by a rising crescendo of oral sparring with the United States when the upsurge in Soviet assistance prompted the inevitable public reaction in the United States. Cuba retorted by sharpening the image of an island threatened by imminent invasion. Then developments only served to increase the need for a Soviet military guarantee in Castro's mind.

5. My Yugoslav colleague is of the opinion that the Cubans made a strenuous effort this Summer to be accepted into the Warsaw Pact.<sup>147</sup> This is certainly conceivable, although it was probably a non-starter with the Russians since it would have represented too open a political

<sup>145</sup> Ceci pourrait faire allusion au discours télévisé prononcé par Castro les 1<sup>er</sup>-2 décembre 1961. Voir "Castro Is Setting Up Party in the Communist Pattern," *New York Times*, December 3, 1961, pp. 1, 4; Herbert S. Dinerstein, *The Making of a Missile Crisis: October 1962* (Baltimore: Johns Hopkins University Press, 1976), pp. 147-148.

This may be a reference to a televised address that Castro delivered on December 1-2, 1961. See "Castro Is Setting Up Party in the Communist Pattern," *New York Times*, December 3, 1961, pp. 1, 4; Herbert S. Dinerstein, *The Making of a Missile Crisis: October 1962* (Baltimore: Johns Hopkins University Press, 1976), pp. 147-148.

<sup>146</sup> Adam Rapacki, le ministre des Affaires étrangères de la Pologne, a visité Cuba en juin 1962. Voir "Poland, Cuba, and the Missile Crisis, 1962: Ciphred Telegrams from the Foreign Ministry Archives in Warsaw," *Cold War International History Project Bulletin* 17/18 (Fall 2012), pp. 463, 473-475

Adam Rapacki, Poland's foreign minister, visited Cuba in June 1962. See "Poland, Cuba, and the Missile Crisis, 1962: Ciphred Telegrams from the Foreign Ministry Archives in Warsaw," *Cold War International History Project Bulletin* 17/18 (Fall 2012), pp. 463, 473-475.

<sup>147</sup> Aucune information n'a pu être trouvée à ce sujet dans les sources secondaires.  
No information has been found on this in secondary sources.

challenge to the United States without the means of backing it up. The supply of additional military hardware, including IL-28 bombers, and in particular the establishment of Soviet missile bases in Cuba under the control of Soviet military personnel, would have been a respectable substitute and gone a long way in meeting Castro's demands for a military guarantee. Indeed, the presence of Soviet operational units in Cuba was in itself almost tantamount to a guarantee of Soviet military aid in an emergency. Castro no doubt also assumed that, once established, he could exercise a measure of direction over the use of the missiles, for Dr. Roa intimated to me in one conversation that Cuba considered the missiles had been provided for their use and that the Russians were essentially operators of Cuban weapons. In any event Castro could certainly, by his actions, have had the power to exercise indirect control over their employment. Finally, and this point should not, I consider, be overlooked, the idea of being able to bring down devastation on the United States is something that seems to appeal to Castro and some members of his entourage. The possibility of rockets from the Soviet Union raining down on the United States, should an attack be launched against Cuba, was attractive enough – as shown by the warm Cuban reception to the TASS statement this September raising the spectre of such a possibility.<sup>148</sup> However, the thought of being able to unleash this type of vengeance directly from Cuban territory appears to have been even more heady wine.

6. The disadvantages from a Cuban standpoint of locating Soviet missiles on the island are readily apparent. Not only did it represent a Soviet strategic move in the pursuit of Soviet rather than Cuban interests, which could react detrimentally to the latter, but it was hardly calculated to improve Cuba's standing in the hemisphere, particularly with important states such as Brazil and Mexico, which continued to adopt a tolerant attitude towards Cuba. These are, however, not points which in my view the Cubans would properly grasp. In September, before the construction of the missile bases had begun, I suggested to Dr. Roa in a dinner conversation one night that it seemed to me Cuban policy ran the danger of transforming the country into a pawn which the Soviet Union could employ in international chess gambits. The Foreign Minister reacted somewhat warmly to this suggestion, declaring that, unlike the typical self-interest which underlay Western policy, the Soviet Union, in providing military and economic support for Cuba, did not have ulterior motives. Nonetheless he is intelligent enough that my point did not completely escape him. However, the belief in Soviet altruism which he expressed is to a greater or lesser degree evident in many supporters of the Revolution even though recent events have sullied the shining armour of Moscow somewhat. Again, the thought of the added military power which the missiles would give to a country which already maintains the strongest military organization in the Americas, outside of the United States, would far outweigh with the Cubans any arguments of adverse repercussions in Latin America. They would see this development as a means of enabling them to dictate terms to states on the continent that took an antagonistic attitude. From an ideological standpoint they may well, too, have thought that fear would drive many elements of the Latin American left, and particularly those who accepted the "better Red than dead" thesis, to the cause of Castro Communism. The possession of missiles could therefore be construed as facilitating the ultimate revolution throughout the hemisphere, for which Castro conceives of Cuba as being the vanguard. Furthermore, that the United States would not tolerate Soviet missile bases in Cuba and the Russians might in turn back down over this question never, I am sure, entered Cuban thinking.

7. All this is not to argue that the Cubans succeeded in persuading the Russians to establish missile bases in this country, but rather to point up my contention that the Cubans were not

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<sup>148</sup> Voir/See "Text of Soviet Statement Saying That Any U.S. Attack on Cuba Would Mean War," *New York Times*, September 12, 1962, p. 16.

averse to the idea when it was put forward. The basic decision on so important and far-reaching a question was obviously taken by the Soviet Union, but it does seem to me that little persuasion was required to convince the Cubans to go along with the idea. It represented at the very least the closest military tie yet secured with the U.S.S.R. Essentially the decision had appeal to both Moscow and Havana for different reasons and there was a convergence of national interests, as each party conceived of its interest.

8. The most likely time when the decision was taken would appear to have been during the visit in July of Raúl Castro to Moscow. This visit now appears to have been considerably more significant than it looked to us here at the time. It will be recalled that the Cuban Minister of the Armed Forces went to the Soviet Union at the invitation of Marshall Malinovsky, the Soviet Defence Minister. Moreover, the younger Castro was accompanied by a retinue of senior Cuban military commanders and spent most of his time in military circles, including lengthy discussions it seems with Soviet military chiefs. This, in the absence of any communiqué to explain the purpose or results of the visit, would fit in with this thesis. One Cuban semi-official source has told us that there was some question on the Cuban side about the Russian insistence on maintaining full service and control over the missile establishments, but that this was sweetened by promises of increased economic aid. Che Guevara's subsequent trip to Moscow, at the end of which further economic and military aid was made public, would also tie in with this account. In addition I have heard from another Cuban semi-official source that the Russian military further convinced the Cubans of the desirability of proceeding with despatch on the arrangements for the missile sites by allegedly showing Raúl Castro and his party intelligence reports of a planned United States invasion of Cuba in the Fall. Whatever the real facts of these Soviet-Cuban discussions this Summer, I think it is not unfair to say that the proposal to establish missile bases in Cuba would not have fallen on unreceptive ears.

9. In the event matters have not worked out as planned, and the dismantlement of the missile bases and the removal of all known Soviet missiles from the island has undoubtedly left a legacy of suspicion and distrust in Cuban-Soviet relations, with potentially serious consequences for the long-term future of the Revolution. The Cubans have had some of their most cherished illusions shaken, and they now must realize that there are distinct limits to the extent to which the Soviet Union is prepared to protect the Revolution, the initiation of nuclear warfare being one. In the process Castro has suffered a loss of prestige and the image of Soviet disinterestedness has been tarnished. However, it is too early to see exactly where all this leads in Soviet-Cuban relations. The immediate resentment experienced in Havana in the wake of the Kennedy-Khrushchev agreement seems to have subsided, and Castro has managed to recoup some of his losses. His inability to turn elsewhere clearly compels a degree of cooperation, a feeling presumably also shared by the Soviet Union unless it is prepared to accept the immediate loss of prestige likely to ensue from letting the Revolution founder. The outward indications of Mikoyan's visit so far suggest that the Russians are willing to take their time in having their way and are further ready to go to some lengths in assuaging Castro's ruffled feelings.

10. While much will depend on the manner of the subsequent resolution of the crisis created by the missile bases, the whole affair seems to mark a major setback in the onward march of the Revolution in the hemisphere. Such plans as Castro may harbour of becoming a 20th-Century Bolivar have also received a rather rude shock.

GEORGE P. KIDD

731.

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 3355  
SECRET. PRIORITY.

Washington, November 13, 1962

Reference: Permis New York Tel 2120 Nov 8.

Repeat for Information: Permis New York, London, Paris, NATO Paris, Bonn, CCOS,  
DND Ottawa, PCO Ottawa from Ottawa.

By Bag Havana from Ottawa, Moscow from London, Berlin from Bonn.

CUBA

I called November 9 on Llewellyn Thompson who has throughout the Cuban Crisis been one of the small inner circle responsible for advising the President. In the course of a long conversation the following main points emerged.

*Possible Solutions*

2. Stressing that he was giving his personal views, Thompson analyzed present stage of crisis as possibly developing towards a situation in which neither the USSR nor repeat nor USA would be able fully to carry out their mutual undertakings embodied in the exchanges between President Kennedy and Khrushchev. Although the Russians were from all indications complying with their undertaking to dismantle and remove offensive missiles from Cuba, they had thus far been reluctant to take similar action to remove the IL-28 bombers which USA had unequivocally included within the category of offensive weapons. Furthermore, there was no repeat no sign yet that Mikoyan would be able to persuade Castro to agree to inspection of Cuba to confirm the absence of offensive installations. USA undertaking to provide assurances against invasion of Cuba and to remove the naval quarantine were both conditional on the removal of the bombers and on the establishment of adequate inspection arrangements. He could not repeat not forecast the outcome on the bombers but thought that the inspection arrangements as originally envisaged by the President would not repeat not be attainable. Hence it was possible, depending on how much influence Mikoyan could exert on Castro, that USA undertakings would not repeat not be required to take effect.

3. Thompson pointed out that an undertaking not repeat not to invade Cuba (which he thought the Russians would wish embodied in a formal document) would considerably limit the freedom of action of USA to comply with its obligations under the Monroe Doctrine and the Rio Pact. Incidentally, he expressed the view that the central reason for the Soviet decision to agree to withdraw its offensive weapons from Cuba was that the Russians had satisfied themselves through their own intelligence that USA was both willing and in a position to invade Cuba unless USSR were prepared to withdraw. Thompson also pointed out that whilst President Kennedy agreed to give assurances against an invasion of Cuba, he had before and throughout the crisis made it entirely plain that the Castro régime's military ties with USSR were not repeat not negotiable. Finally an obligation not repeat not to invade Cuba would create difficult problems in USA relations with some Latin American states and also, unless there were adequate verification arrangements, with USA public opinion.

4. At the same time Thompson thought that the indefinite maintenance of USA precautions such as the quarantine and aerial surveillance of Cuba would not repeat not be entirely satisfactory. Continued interference with Soviet or chartered ships would be an irritant to good

USA-Soviet relations whilst the aerial surveillance of Cuba would always carry the risk of Cuban counter action against the surveillance aircraft and a corresponding risk of escalation.

5. It seemed, therefore, to be Thompson's view that means should be found of avoiding a stalemate. He seemed interested in exploring arrangements which would provide a pretext for international inspection of Cuban territory, thus satisfying the demands of USA public opinion. Under this concept, which he termed a Caribbean peace zone, international inspection might be undertaken within all territories bordering the Caribbean, including, for this purpose, some parts of USA such as Florida. The establishment of such arrangements would permit an initial inspection of Cuban territory on terms which might be more acceptable to Castro than those currently required under USA-Soviet bargain. Thompson thought that USA, for its part, would find it possible to permit inspection of certain parts of USA territory since such inspection would produce nothing that could not repeat not be ascertained by normal means in an open society such as existed here. The point, of course, would be to demonstrate that USA was not repeat not mobilizing Cuban refugees or exiles for an invasion of Cuba.

6. Thompson also mentioned the Brazilian proposal for a Latin American denuclearized zone. In his view the Brazilian proposal would take time to negotiate in detail; would not repeat not include USA territory (although USA might be guarantor of the scheme); would have to rest on initiatives taken by the Latin Americans themselves; and would have to be considered in the light of the precedent it might create, especially by African states (which had earlier been mentioned in the Brazilian draft resolution in the UN).<sup>149</sup> Though not repeat not expressing opposition to the Brazilian proposal per se, and, indeed, attracted by the idea that it might bring Cuba back into relations with Latin America, Thompson clearly viewed it as a longer term scheme which might not repeat not meet the immediate USA objective of achieving early international inspection of Cuban territory.

7. I did not repeat not have time to explore these ideas more fully with Thompson but it seems clear that there is a good deal of thinking going on here and in New York about the possibilities of finding a way out of any stalemate that Castro's intransigence might be able to impose, while at the same time preserving a degree of freedom of action for USA to pursue its anti-Castro policies.

#### *Soviet Policy During the Crisis*

8. Thompson made a number of interesting points about Soviet policy, including that mentioned above regarding the basic reason for the Soviet decision to withdraw offensive weapons from Cuba. He made it clear in relation to all these points that Western observers could not repeat not, of course, be certain of their analyses of Soviet motives and tactics.

9. However, subject to that caveat, Thompson thought Khrushchev had decided on an uncharacteristically daring gamble to establish offensive capability in Cuba. Thompson was satisfied that a reason for Khrushchev's decision was related to the Soviet posture over Berlin. He had personally obtained from Khrushchev several clear indications that Berlin occupied a central place in Khrushchev's thinking. Khrushchev had said, for instance, that Berlin was the only major issue between USA and USSR, relegating even problems like disarmament to a less critical category. Khrushchev was, moreover, personally involved in the development of Soviet policy on Berlin. He had clearly wished to make progress on this problem but had been at a loss how to proceed. It seemed likely, therefore, that Khrushchev had for some time been building up for a "poker game" with USA in New York at the end of November or beginning

<sup>149</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XI (Washington: United States Government Printing Office, 1996), document 79 n. 3; Sam Pope Brewer, "Cuba Is Pressed on Missile Inspection in U.N.," *New York Times*, November 9, 1962, p. 2.

of December, in which he would hold some really high cards. A master stroke in Cuba would, of course, provide the basis for this.

10. Thompson assigned a fairly influential role in this decision to the Soviet military. He did not repeat not think that they had advised Khrushchev to take the gamble involved but had more likely pointed out that the policy he wished to pursue (i.e. over Berlin) postulated certain military requirements which USSR could not repeat not fulfil unless some strategic advance such as the establishment of offensive nuclear capacity in Cuba were attained. The net result, therefore, seemed to have been that Khrushchev, in the face of such advice, had decided to take the risk involved. Thompson reflected on the deceptive tactics employed and in this connection drew particular attention to Khrushchev's expressed willingness to delay further action relating to Berlin until after the November elections. He also mentioned the Soviet pretensions that their military assistance to Cuba was purely defensive as another factor.

*Implications of Crisis for Soviet Policy*

*(a) Internal*

11. Thompson was not repeat not inclined to take the view that Khrushchev's internal political position was immediately at stake as a result of the setback over Cuba. Although one could not repeat not, of course, be sure, Thompson thought that any internal shake-up as a result of the Cuban crisis would take some time to emerge. However, he thought it was of interest that Voroshilov had been called out of retirement and speculated that part of the purpose was to keep the Soviet military in line.

*(b) Intra-Bloc Relationships*

12. Thompson thought that the situation would be quite otherwise within the Communist bloc as a whole. Khrushchev's decision to withdraw offensive capacity from Cuba had already brought down the wrath of the Chinese Communists, as indeed, had Soviet line in relation to the Sino-Indian dispute

*(c) External Policy Implications*

13. As regards relations with the West Thompson thought that the situation was not repeat not yet clear. However, he thought that there would probably be a period of reassessment by Soviet leaders before any serious pressure were applied on the Berlin problem. He was rather inclined to think that the Soviet leadership would prefer to concentrate on broader issues such as disarmament and similar problems, although he remarked that on nuclear testing Soviet tactics had not repeat not yet provided any basis for optimism.

[C.S.A.] RITCHIE

732.

CEW/Vol. 3175

*Note du conseiller à l'ambassade aux États-Unis  
pour le ministre de l'ambassade aux États-Unis*

*Memorandum from Counsellor, Embassy in United States,  
to Minister, Embassy in United States*

TOP SECRET

[Washington], November 16, 1962

CANADA-UNITED STATES DEFENCE QUESTIONS

I thought it might be useful to summarize the information I received during my conversation with Jim Nutt yesterday.

*Acquisition of Nuclear Weapons*

2. A memorandum was sent to the Prime Minister on October 26 from the Minister<sup>150</sup> recommending that:

- (1) in the light of developments during the Cuban crisis, a review should be made of the Canadian position on the acquisition of nuclear weapons for Canadian forces in Canada and in Europe
- (2) the basis of the Canadian position should be “a stand-by arrangement” whereby the weapons would be made available to Canadian forces when hostilities appear to be imminent
- (3) the Department of National Defence be requested to determine the precise physical arrangements which would be necessary to bring the weapons into Canada from United States bases, and to make them available for Canadian forces in Europe from United States stockpiles, and the time which would be required to implement such arrangements
- (4) necessary amendments should be made to existing documents which were prepared earlier in consultation with the Department of National Defence.

3. Mr. Nutt was not aware whether the Prime Minister had commented on Mr. Green’s memorandum. He understood that a memorandum recommending the acquisition of nuclear weapons on the basis of the documents worked out earlier was sent to Cabinet by Mr. Harkness.† Mr. Nutt had not seen this memorandum to Cabinet and he was not aware whether it had been discussed by Ministers. As a matter of interest, the file copy of the memorandum to the Prime Minister from Mr. Green has Ross Campbell’s name as drafting officer.

*Defence Production Sharing – United States Position at Halifax Meeting*

4. A memorandum went forward to the Minister recently summarizing the results of recent discussions in the Panel on the Economic Aspects of the Defence Questions.† The memorandum reviewed the line taken by United States officials at the Halifax meeting. It pointed out that Canadian efforts to obtain clarification of the McNamara directive (and tying our concern to our balance of payments problems) had resulted in an exposition by United States officials of the various areas in which they felt Canada was not fulfilling its defence commitments. In the circumstances, the consensus in the Panel, as recorded in the memorandum to the Minister, was that it would seem inadvisable to make any further approach for the time being to the United States, either at the official or ministerial level, for the purpose of clarifying the McNamara directive. The opinion of the Panel was that there was as yet no evidence that Canada’s special position was being substantially affected as a result of the McNamara directive.

*Cuban Crisis – NORAD*

5. Jim Nutt’s information was that Cabinet considered on October 23 CINC NORAD’s request, received through military channels, to place the Canadian elements of NORAD in an increased state of readiness. It was agreed to turn down the request.<sup>151</sup> Mr. Harkness then went to the Prime Minister and succeeded in obtaining his consent to comply with CINC NORAD’s request the following day. It appeared also that Ministers considered the United States request

<sup>150</sup> La note en question pourrait être le document 230, bien que la discussion qui suit ne soit pas un résumé très précis du contenu de la note.

The memorandum in question may be document 230, although the discussion below is not a very exact synopsis of that memo’s contents.

<sup>151</sup> Voir/See documents 659, 672.

to move nuclear weapons to SAC bases in Canada and to disperse United States fighters from the United States to Canadian bases.<sup>152</sup> Ministers were not prepared to grant these requests.

6. My impression was that D.L.(1) Division was as much in the dark about developments as we were down here. The information regarding the crisis and United States request relating to NORAD was restricted to relatively few officials in the Department. The view in D.L.(1) is that NORAD procedures for consultations at the political level were not complied with. They think there is nothing wrong with the procedures and tend to explain developments which took place in the light of what appeared to be a deliberate policy decision by the United States not to consult any of its Allies. The Division is reluctant, however, to come to any firm conclusions in this regard because they do not know what transpired when Mr. Merchant saw the Prime Minister in the late afternoon of October 22. It is quite possible, they think, that he may have brought to the Prime Minister's attention the need to place NORAD forces in a state of increased preparedness.<sup>153</sup>

R.P. C[AMERON]

733.

DEA/50128-40

*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 2679

Paris, November 16, 1962

SECRET. OPIMMEDIATE.

Reference: Our Tel 2673 Nov 15.†

Repeat for Information: Washington, London, Candel New York, Paris, Disarmdel  
Belgrade, Brussels, Hague, Rome, Bonn, CCOS, DM/DND from CCOS.

By Bag Moscow from London, Berlin from Bonn, Havana from Ottawa.

SOVIET POLICY: CUBA, BERLIN, DISARMAMENT

Following is an account of a two and one-half hour interview by the departing UK Ambassador in Moscow with Khrushchev on November 12, checked with UK notes.<sup>154</sup> Gromyko was present during the interview. Khrushchev appeared in good form and in complete command of all the matters he discussed.

2. After giving an account of USSR's growing economic strength and prospects, Khrushchev turned to nuclear tests and disarmament. On nuclear tests he said that his experts had insisted a new scientific method must be tested. This would delay the ending of Soviet tests beyond November 20 but they would be concluded early in December or at any rate before the end of the year. All big nuclear tests had been completed. This meant USSR had completed tests on

<sup>152</sup> Note marginale :/Marginal note:

Newsome mentioned Bomarcas as having been included in U.S. requests. [H. B. Robinson]

<sup>153</sup> Notes marginales :/Marginal notes:

I'll ask Bill Armstrong about this. [H. B. Robinson]

Mr. Cameron[:] Thanks. [H. B.] R[obinson]

<sup>154</sup> Pour un compte rendu de cette conversation fait par Arnold Smith, voir Moscou aux Affaires extérieures, télégramme 832, 19 novembre 1962,† MAE/50128-40.

For Arnold Smith's account of this conversation, see Moscow to External telegram 832, November 19, 1962,† DEA/50128-40.



warheads for all existing rockets and those to be created. Khrushchev assumed that USA and UK testing needs had been met as had those of USSR. A treaty prohibiting tests in three environments could be signed now but USSR would like underground testing included. He suggested that verification of underground tests was possible through the use of black boxes. He was prepared to admit "international personnel of inspectors" to USSR to supervise the functioning of these boxes. Such personnel would be flown to the boxes stationed in USSR in Soviet aircraft. At this point Gromyko interjected that, of course, this would be with certain precautions. Khrushchev continued that he thought this offer went half-way to meeting USA requirements on inspection and he hoped that USA Congress could accept a test ban treaty covering all environments.

3. Disarmament, however, was the big question he said. The West had not repeat not answered Gromyko's proposals and there were no repeat no intermediate problems. (Comment: UK delegation could not repeat not explain this remark further.) In 1955 USSR had advanced proposals against surprise attack involving the inspection of airfields, communications centres, etc. Cuban crisis showed the need for more attention to this question.

4. Khrushchev went on to say that the following questions were ripe for decision:

- (1) NATO-Warsaw Pact agreement
- (2) Taiwan questions
- (3) German question.

5. After brief references to (1) and (2), Khrushchev said German question was the most important. It was necessary to recognize the fact that there were two Germanies. There was no repeat no advantage for either side in the present situation. In Berlin the outstanding point was the stationing of Western troops. Khrushchev said Allied garrisons could stay temporarily in West Berlin but the important thing was to end the concept of a NATO military base and occupation régime. This might be accomplished by placing Western forces under UN flag to give them an international appearance. He did not repeat not mention his previous proposals to place Soviet or Warsaw Pact troops in Western Berlin but did say that the composition of the garrison need not repeat not be a subject of dispute. It was important to achieve agreement soon in order to avoid a collision more dangerous than Cuba. He would prefer Western signatures on a peace treaty but would not repeat not insist. UK Permanent Representative said Sir Frank Roberts did not repeat not have authority to enter into full details concerning Berlin and Khrushchev did not repeat not elaborate on UN function in Berlin. Khrushchev said, in relation to the existence of two Germanies, that a peace treaty would be prepared but he realized he could not repeat not propose the signature of half a peace treaty. His proposals on Germany and Berlin were not repeat not very clear but there was no repeat no element of a threat in his remarks.

6. Referring to Cuba, Khrushchev called it a reasonable compromise. USSR had fulfilled its obligations by withdrawing its rockets and nuclear warheads. USA should now end the blockade and respect Cuban sovereignty, the latter being confirmed in a document with UN authority. There were still Soviet experts in Cuba but they would be withdrawn when the need for their presence was past. Khrushchev was against foreign military bases and stationing troops in foreign countries. He said the Soviet proposals contained no repeat no political or material damage for any country. He reiterated that Cuba was a compromise and an example of peaceful co-existence, but there were still idiots on both sides who did not repeat not understand. When Roberts asked about Soviet bombers in Cuba, Khrushchev replied that the IL28s were obsolete and ready to be scrapped when his marshals suggested they be sent to Cuba in direct response to Kennedy's call-up of 150,000 USA reservists. The bombers were not repeat not a serious issue and USSR had fulfilled all its obligations to President Kennedy. Khrushchev confirmed once again that all nuclear warheads had been withdrawn.

7. In the very brief discussion which followed, Belgian Permanent Representative pointed to the similarities between this conversation and the Spaak-Khrushchev conversation a year ago.<sup>155</sup> I pointed to the new emphasis in this exchange on the closeness of the two sides to war over Cuba, to the absence of a timetable for Berlin from the foreground of discussion and to the attempt to creep forward on nuclear testing. The new element on the black boxes seemed to me to be the prospect for admitting international personnel of inspectors. Norwegian Permanent Representative suggested that Khrushchev's proposals about Western troops in Berlin might bring forth an analogy with the way Western troops had fought in Korea under the UN flag.

8. The concluding intervention was made by French Permanent Representative on the basis of a circular letter sent by French Foreign Office to posts abroad in the light of French prior knowledge of the Roberts-Khrushchev conversation. French Permanent Representative said French Government wanted to underline that the important thing for USSR was that the status of Western forces in West Berlin should be changed and that from the moment such a change in status occurred, we knew enormous consequences would follow. This is what France had always resisted. USSR was trying to hoodwink us. Khrushchev wanted to show that there was neither a winner nor a loser in Cuba but, in fact, USSR had been severely defeated even if USA did not repeat not want to emphasize that defeat. Reading from the concluding paragraph of French despatch, he said that in French view, the suggestion Khrushchev made to Roberts was the very one he had intended to put forward in New York if he had succeeded in establishing his missiles in Cuba. He must, therefore, now expect his proposals to meet with more resistance.

[GEORGE] IGNATIEFF

734.

DEA/4470-A-40

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

TELEGRAM 257

Havana, November 20, 1962

CONFIDENTIAL. OPIMMEDIATE.

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

THE CUBAN POSITION – MIKOYAN'S VISIT

In publishing Castro's latest letter November 19 to U Thant<sup>156</sup> the press has been careful not repeat not to draw attention to issue of IL28s. Castro's consent to withdrawal of bombers now referred to as Soviet property would seem to be a result of Soviet pressure to recognize facts of life. His rather defensive denial that Cuba is blocking negotiations for a solution to

<sup>155</sup> Voir Sydney Gruson, "Spaak Says Soviet Backs Wide Talks with No Deadline," *New York Times*, September 25, 1961, pp. 1, 3. Pour un compte rendu plus détaillé, voir OTAN Paris aux Affaires extérieures, télégramme 2385, 22 septembre 1961, † MAE/50341-40, partie 20.2.

See Sydney Gruson, "Spaak Says Soviet Backs Wide Talks with No Deadline," *New York Times*, September 25, 1961, pp. 1, 3. For a fuller account, see NATO Paris to External, telegram 2385, September 22, 1961, † DEA/50341-40, part 20.2.

<sup>156</sup> Voir/See "Castro's Letter to Thant," *New York Times*, November 21, 1962, p. 9.

crisis also suggests USSR has in fact been accusing him of doing just this. Castro perhaps significantly makes no repeat no mention of “five points” in this letter.

2. Castro is doubtlessly in earnest however in his intention to shoot at any planes within range of his anti-aircraft weapons. He would lose prestige with his own troops if he backed down. Moreover Foreign Ministry stated yesterday that all commercial air flights have been cancelled for military reasons. If USSR has kept control of its advanced anti-aircraft missiles this might not repeat not interfere with U2 surveillance.

3. I would imagine Castro’s continued opposition to introduce, albeit in somewhat less than all-embracing form, “unilateral inspection” in two recent letters to Secretary-General<sup>157</sup> is based on an emotional and absolute rejection of anything which would wound dignity or sovereignty of Cuba. On the other hand it is also possible that he may have or thinks he has something to hide. Reliable local reports we have received as well as those published abroad would indicate that Cuba has underground arms storage facilities and defences.

4. It is only logical to relate any Cuban concession to Mikoyan’s prolonged visit here which has prevented his return to Moscow for first his wife’s funeral and now opening meeting of Central Committee of Communist Party. We were told by a junior member of Soviet Embassy (applying for Canadian visas?) that he would probably be leaving by Saturday November 16. The dinner Thursday November 14 given by Soviet Ambassador for Castro and other members of Cuban hierarchy looked like a farewell occasion. Castro’s sharp somewhat admonitory letters to U Thant the same day appeared to be his own violent communiqué to mark end of his conversations with Mikoyan. While publicity about visit has been both spasmodic and sparse with no repeat no indication that talks were being held in a cordial atmosphere it seems the two men held a series of personal talks in Havana, during trips to collective farms, at Veradero Beach and elsewhere.

5. In (any?) event Mikoyan stayed on and press disclosed that he had had long visit with Guevara and then Rodríguez. Sunday night Dorticós gave a return dinner which neither Fidel nor Raúl attended, a fact which newspaper *Revolución* made very obvious to its readers. To force Castro to soften his stand Mikoyan may have had to show there were teeth behind Soviet smile and to have lobbied with other members of Cuban innermost circle.

6. A refusal to compromise was doubtless popular with young extremists at university and elsewhere whom Castro seems to regard as his real constituents. Castro followers blame Russians for taking away missiles rather than him for letting them in. A children’s ditty making rounds goes “Nikita, you pansy, you do not repeat not take back what you have given away.” The latest poster to go up reads “Together Fidel” and “Cuba is not repeat not the Congo.” The Cubans are now busy holding demonstrations of solidarity with Venezuelan revolution in what is termed the heroic people against tyrant Betancourt; this would not repeat not disclose any intention to mute the revolutionary call in Latin America.

7. On the other hand Fidel may find that he has made a mistake in buying short-term domestic advantages through a policy of intransigence which Cuba has not repeat not the power to maintain thus giving USA a series of diplomatic victories instead of sweeping crisis under carpet as quickly as possible and trying to move back from military field where USA enjoy such overwhelming advantage to political. Even Castro has had to swallow the proud boasts uttered when missiles were still here and admit Cuba cannot repeat not withstand a USA attack.

<sup>157</sup> Voir aussi/See also “Text of Castro Letter to Thant,” *New York Times*, November 17, 1962, p. 2.

8. Not repeat not all Cuban leaders appear to share Fidel's death wish and their views combined with USA pressure and Soviet persuasion may force him to make further concessions. Concessions however damage image he has created of superman who could stand up to and trounce USA.

[GEORGE P.] KIDD

735.

DEA/2444-40

*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, n.d.]

CUBA

Attached is a copy of some notes left for the Minister by the United States Chargé d'Affaires, Mr. Ivan White. Mr. White called on the Minister to discuss this question on November 20, 1962.<sup>158</sup>

M.N. B[OW]

[PIÈCE JOINTE/ENCLOSURE]

*Note de l'ambassade des États-Unis  
Memorandum by Embassy of United States*

SECRET

[Ottawa], November 20, 1962

TALKING PAPER

The following is a summary of the Cuban situation as viewed by Washington at 9:00 p.m. last night.

The United States has as yet been unable to obtain satisfactory performance from the U.S.S.R. with regard to the withdrawal of the IL-28 bombers.

Nor have adequate arrangements been made for ground inspection in Cuba and adequate safeguards against the presence and reintroduction of offensive weapons.

Recent reconnaissance has confirmed the presence in Cuba of organized Soviet military units with the most modern field equipment. These cannot be dismissed merely as "Soviet technicians."

Castro has now announced that he intends to fire on United States reconnaissance planes. Continued U.S. reconnaissance is essential action authorized by the OAS resolution.

Since the United States must continue surveillance, there is serious possibility of an incident against which the United States is determined to take retaliatory measures.

<sup>158</sup> Note marginale :/Marginal note:  
Noted. [N. A.] R[obertson]

The situation is fluid and may take one of several courses. The Soviets may act against Castro or in any event may not support him in exchanges that might follow his interference with U.S. reconnaissance. On the other hand, they may provide military support for Castro. The nature of the future U.S. action will naturally depend upon which options the Soviets select.

The continued refusal on the part of the U.S.S.R. to withdraw the IL-28 bombers or active Soviet military participation in action against necessary military surveillance might well require the reestablishment of the quarantine and its extension to petroleum products.

The President intends to make clear to the nation and to the world on Tuesday afternoon the present posture of affairs and to indicate that an early resolution of the remaining problems must be achieved. This approach would, of course, be altered materially if a favourable answer were received from Khrushchev on the IL-28s before the press conference.

The United States expects to be able to count on the full cooperation of its allies in the event it becomes necessary to reimpose the quarantine – with or without an expanded prescribed list – or to take other appropriate action to deal with the situation.

The United States is calling a meeting this week of the Organ of Consultation of the OAS so that we can make a full report on the measures taken under the resolution of October 23 which authorized all appropriate action including the use of armed force.

The U.S. Permanent Representative to NATO will call for a special meeting of the NAC Tuesday afternoon, November 20, to inform his colleagues of the foregoing.

736.

DEA/50128-40

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

TELEGRAM 595

Cairo, November 21, 1962

CONFIDENTIAL. DEFERRED FROM LONDON.

Reference: Moscow Tel 785 Oct 30.

Repeat for Information: Washington, Permiso New York, Paris, Rome, Bonn, Brussels, Hague from London, CCOS, DM/DND from Ottawa

By Bag Berlin, Vienna, Warsaw, Prague, Belgrade, Delhi from London, Havana from Ottawa.

## NON-ALIGNED COUNTRIES AND THE LESSONS OF CUBA

I have given some thought to Mr. Smith's suggestion that efforts could be made in due course by Western diplomatic and press means to help governments and people in Latin American and non-aligned countries to attain a just appreciation of the recent Cuban crisis on the grounds that this provides an opportunity for a more realistic assessment of the real nature of Soviet policy by leaders of these countries. In this context I think we should also include the lessons to be drawn from the Chinese attack on India.

2. My tentative conclusion is that Western diplomats would be unwise to press these points in non-aligned countries. There is to start with a natural reluctance to admit miscalculations on the part of the non-aligned leaders and I think it would be unrealistic to expect any early application of these lessons or indeed any modification in that rather vague concept "non-alignment."

3. At the same time there is little doubt that the more intelligent among the neutralists have been giving most serious consideration to both Cuba and the Sino-Indian dispute and I am sure the lessons have not repeat not been lost upon them. No repeat no doubt because of their basic bias in most cases against the West they will resist drawing the natural conclusions as long as possible but I do not repeat not think we would hasten this process by any prodding on our part. I think we are more likely to secure the desired results by letting the neutrals work this out for themselves.

4. Yesterday, for example, the Foreign Minister Dr. Fawzi told me that the lessons to be drawn from Cuba were: (a) the world cannot afford very many more approaches to the brink of the abyss (b) the Russians engaged in a very dangerous game of duplicity, (c) there must be adherence to the rules of International Law. When I suggested that another conclusion was that Cuba had betrayed the non-aligned camp by permitting itself to be a mere pawn in the hands of the Soviet bloc, he simply refused to be drawn into a discussion on this subject.

[R.A.D.] FORD

737.

DEA/72-AGS-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, 1962

FLIGHTS TO CUBA BY SOVIET BLOC AIRCRAFT

President Kennedy's announcement late yesterday that the United States naval "quarantine" of Cuba would be lifted immediately<sup>159</sup> introduces a new factor into the problem of overflights and landings in Canada by Soviet bloc aircraft en route to Cuba. We could soon be in a situation – if we are not already in it – where Canada and other NATO countries would be applying more rigorous measures than the United States itself.

2. Two questions would seem to be raised by President Kennedy's announcement:

(a) Whether we should continue to search Soviet bloc aircraft at Canadian airports. The purpose of these searches has been the same as the U.S. naval "quarantine" at sea, i.e., to prevent the introduction of military equipment into Cuba. The legal analogy is not so close in that Canada is legally entitled to search aircraft, whereas the legality of United States action on the high seas was certainly doubtful.

(b) Whether to allow the three Ilyushin 18 aircraft, which Cubana has applied to ferry from Moscow to Havana, to transit and land in Canada en route.

*The Question of Search*

3. Since the outbreak of the Cuban crisis, and to some extent even before that, the United States Government has urged very strongly both in NATO and bilaterally that its allies do everything possible to prevent or to make it difficult for Soviet bloc aircraft to operate on routes to Cuba. It was in response to a United States request that we deny overflight and transit privileges to all such aircraft that Canada decided to (a) withhold permission for Soviet flights

<sup>159</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 461-463.

on the grounds that the Soviet Union was not a member of ICAO, and (b) search other flights which for legal reasons could not be prevented.

4. As late as yesterday the United States was continuing to urge this policy on its allies in the NATO Political Advisers Committee. We do not yet know to what extent the United States will modify the line it has been taking as a result of President Kennedy's announcement. Generally speaking, however, the United States has been basing its requests to its allies on the extreme delicacy of the Cuban situation and on the argument that until the Soviet offensive capability had been removed from Cuba, the most rigid precautions were justified. It seems to follow from the United States decision to lift the quarantine that they now believe that this threat to their security has been substantially removed. At all events, NATO members who continue to search aircraft – as many are now doing – could be construed as taking more rigorous measures than the United States itself.

5. To search aircraft of countries with whom we maintain diplomatic relations and common membership in ICAO is an extraordinary measure, even if legal. While we should perhaps avoid a sudden decision to call off the searches, I believe that we should aim to do so at an early date after prior consultation with the United States.

#### *The Three IL-18 Aircraft*

6. The Cuban authorities have now provided information which leads to the conclusion that these three aircraft are properly registered Cuban civil aircraft and legally entitled as such to the ICAO privilege of overflying and transiting Canadian territory. Specifically, the Cuban authorities have told us that:

- (a) The aircraft are civil passenger/cargo types.
- (b) They were purchased from Aeroflot and are now the property of Cubana Airlines.
- (c) The aircraft are Cuban-registered under proper authorization of the Cuban authorities and bear Cubana's markings painted on them at the factory.
- (d) The captain and first officer of each aircraft on these proposed flights will be Cuban citizens. The other crew members will be Soviet citizens, who have been authorized by the Cuban aeronautical authorities to assist on these ferry flights because Cuba itself lacks enough qualified personnel to operate this type of aircraft.
- (e) The only passengers carried will be officials and technicians of Cubana Airlines and the only cargo will consist of spares for the aircraft themselves.
- (f) The purpose of the flights is to deliver the three aircraft to Cuba.

The reliability of this information is borne out by a report from Canada House that the British Foreign Office is convinced that the flights are *bona fide*.

7. If we similarly accept that the aircraft are *bona fide* Cuban aircraft – and there seems no reason to doubt this – our legal position is clear. We could not refuse overflight and transit privileges without breaching our ICAO obligations.

8. As of yesterday the British Government had decided to allow the aircraft to overfly Britain subject to landing at Preswick where they will be searched. The Belgian Government, although it has not yet reached a final decision, will probably do likewise. The Irish and Icelandic Governments have not made up their minds, but will probably be guided by what the others do.

9. Here again it is not clear whether United States objections to these IL-18 flights have been softened by the President's announcement. I believe, however, that as we have consistently maintained over a considerable period of time that we would not lightly breach our ICAO obligations except in an extreme emergency, we should continue to adhere to this basic line of policy and permit the flights to take place. Prior consultation with the United States would be desirable before reaching this decision and the flights, if permitted, might or might not be

searched as circumstances seemed to dictate. As it seems probable that these aircraft will be used on the Prague-Havana route in replacement of Cubana's present Britannias, we might also inform the Cuban Government that while we have no objection to reasonable replacement of equipment on this route, we would not look with favour on any augmentation of regularly scheduled air services between Eastern Europe and Havana if they contemplate sending such flights through Canada.

*Recommendations*

10. If you agree generally with the course of action proposed above, I recommend that we inform both the Political Advisers Committee of NATO and the United States Government in Washington of our thinking and invite comments. This would meet the need for prior consultation with the United States before taking a final decision. It should, however, be made clear, especially to the United States authorities, that we believe our legal obligations must take precedence in the situation which now exists as a result of President Kennedy's announcement.<sup>160</sup>

11. Incidentally, the USA Embassy has just informed us that they are discontinuing the "pre-clearance" procedure instituted some time ago to facilitate passage through the quarantine of ships bound for Cuba. This seems to indicate that they are moving rapidly to dismantle all quarantine measures.

12. A telegram to Washington and NATO Paris is attached for your signature, if you approve.<sup>161</sup>

J. W[ATKINS]  
for Under-Secretary of State  
for External Affairs

738.

DEA/50128-40

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

*Ambassador in Soviet Union  
to Secretary of State for External Affairs*

TELEGRAM 847

Moscow, November 22, 1962

SECRET. DEFERRED.

Reference: My Tels 776 Oct 28† and 785 Oct 30.

Repeat for Information: London, Washington, Permisis New York, NATO Paris, Paris, Bonn, Rome, Brussels, Hague, CCOS, DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

By Bag Berlin, Vienna, Warsaw, Prague, Belgrade, Cairo, Delhi from London, Havana from Ottawa.

SOVIET MOTIVES IN PUTTING MISSILES IN CUBA

I dictated my reference telegrams hastily right after Soviet agreement to withdraw missiles from Cuba, because I had been impressed by inadequacy and potential danger of some

<sup>160</sup> Note marginale :/Marginal note:

No. Just hold the line both on Russian planes and on the new planes for Cuba. H. C. G[reen]

<sup>161</sup> Note marginale :/Marginal note:

Telegram *not* approved. M. N. B[ow]



preliminary assessments I had heard here from some representatives of neutral countries and one or two of our lesser European allies, about what had really happened and why, and what implications could be expected for future. I thought you might find it useful to have my assessment from here quickly. Since then there have been a number of developments in various parts of world and a number of important speeches and other remarks in Moscow by Soviet leaders. None of these have given me reason to change the views I expressed in my reference telegrams. These now seem to be shared by my most important Western and neutral colleagues.

2. In particular it seems to me virtually certain that on question of motives Khrushchev had hoped that he would achieve in good time a strategic breakthrough which would make possible a diplomatic showdown with USA on Berlin and possibly at same time on other questions, in which Americans would have to take decision directly under the threat of a greatly enhanced Soviet strategic thermonuclear capacity against USA itself. I think that Khrushchev hoped and expected that in circumstances USA would back down, with some face-saving formula for Kennedy. This is compatible with his expectation in 1961 that a thermonuclear threat against our European allies would cause them to force a NATO backdown, and with what he had told Kroll in September this year.<sup>162</sup> I think it would be naïve to expect that if, as he hoped, Khrushchev had actually secured such a backdown, he would not repeat not have gone on to use this thermonuclear threat from time to time in future for other advances. His motive in seeking strategic breakthrough was probably not repeat not limited to Berlin. (I suspect Khrushchev regarded breakthrough as desirable “pour toutes fins utiles”). But attributing to Khrushchev any lesser motive than Berlin showdown seems to me wrong and dangerously optimistic. While Khrushchev’s primary target was Berlin (and therefore breakdown in NATO cohesion in general and particularly in confidence in Anglo-Saxons among public opinion of FGR), there would have been other objectives later on. It seems to me unwise and unsafe to interpret this Cuban ploy in any minor or too comfortable way.

3. On contrary, it is possible to build a thesis more disquietening than that which I have been putting forward. As you know I was impressed and disturbed last spring and summer by what I considered dangerous irresponsibility of charges by Malinowski and others (including at one stage Khrushchev himself) that USA was planning a preventive war and that Kennedy himself had explicitly indicated that USA might adopt such policy.<sup>163</sup> This talk, when coupled with fact that type of first generation strategic rockets installed in Cuba were entirely vulnerable to easy attack and would thus be of no repeat no conceivable military use except as first strike weapons, fired before Americans could destroy them, could have sinister implications. Personally I do not repeat not believe that Khrushchev himself has envisaged, even for distant future, launching of preventive war. As you know last spring I tended to explain Malinowski’s charges of American preventive war plans in terms of Soviet Defence Ministry’s desire to maintain and even increase their budget in face of pressure on Soviet resources for improvement of agriculture and chemical industry. I still think this interpretation probably correct, but it is not repeat not inconceivable that some military men, possibly including Malinowski, may have envisaged eventual desirability in certain circumstances of launching first strike. On other hand under present circumstances at least I do not repeat not believe

<sup>162</sup> Voir/See document 710.

<sup>163</sup> Voir/See “May Day,” *Current Digest of the Soviet Press*, Vol. 14, No. 18 (May 30, 1962), p. 19; “Malinovsky on the Anniversary of Victory in Europe,” *Current Digest of the Soviet Press*, Vol. 14, No. 19 (June 6, 1962), pp. 19-20; “Marshal Malinovsky on Some Lessons of History,” *Current Digest of the Soviet Press*, Vol. 14, No. 25 (July 18, 1962), pp. 14-16; *Foreign Relations of the United States, 1961-1963*, Vol. V (Washington: United States Government Printing Office, 1998), documents 177, 179, 189, and 212.

Soviet military leadership is by any means sufficiently influential to swing Soviet Government policy on such basic issues.

4. It also seems to me wrong to interpret Cuban gambit, as some circles in West and a few representatives in Moscow (e.g. notably at first Swedish Ambassador) suggested here, as meaning that Khrushchev was reluctantly pushed into dangerous Cuban-missile base adventure by Red Army leadership. Doubtless he must have had some encouragement or acquiescence from military leaders, but in my judgement whole thing is directly in line with Khrushchev's own previously demonstrated psychology, and his propensity to seek advances by threats.

5. I also see no repeat no evidence of a forward "war party" inside Soviet leadership. Existence of an element more cautious than Khrushchev, and more ready to concentrate on domestic development of the economy than on foreign policy adventures, is in my judgement more likely.

6. If, as I would think probable in due course (but perhaps not repeat not too quickly since this would imply a loss of face for the régime itself) there is some reshuffling in personnel in Headquarters, this may imply something about the sort of advice given to Khrushchev. But if as I think almost certain Khrushchev keeps his own position, this will not repeat not imply those who lose power were primarily responsible for gamble, but merely that they are serving the role of scapegoat, and perhaps also that in view of advice given during the crisis about terms on which a retreat would be acceptable, their continuation in top positions could prove embarrassing or dangerous. Moreover we have passed through a time in which men are tested, and it would seem normal that in due course revelations thus afforded should have influence on selection of individuals for continuation in or promotion to key posts. Soviet diplomats and others who contributed to false Soviet assessment of probable psychological reactions of President Kennedy and USA Administration and public may now suffer some loss of confidence: but here too I think the main mistake was Khrushchev's own; as was his error in estimating reaction to his threats against our European allies in 1961.

ARNOLD SMITH

739.

DEA/10224-40

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

DESPATCH 571

Havana, November 23, 1962

SECRET. DEFERRED.

Reference: Our telegram No. 257 of November 20.

CASTRO AND THE MIKOYAN VISIT

The extended sojourn of Anastas Mikoyan in Cuba leads me to suspect that his objectives may be somewhat broader than were at first generally imagined. It has been my supposition that the Russian Vice-Premier's mission was probably a three-fold one. First, there was the need to ensure that the agreement with the United States over Cuba was carried out to the extent that Moscow wished to see it implemented and to ensure that Cuba would not throw up any roadblock in this regard; second, there was the desire to restore some of Castro's lost prestige and soothe his aggrieved feelings by sending a high-ranking emissary to Havana to explain Soviet policy in the crisis; and, third, there was the necessity of demonstrating continued support for as well as of shoring-up a faltering satellite, particularly after the stresses

and strains of weeks of remaining on a war footing, by providing new economic aid. However, four weeks should have provided ample time to complete these tasks.

2. Now that the United States has placed limits on the extent of Soviet penetration in the hemisphere that it is prepared to accept and trammelled, or at least put restraints on, the degree to which the Soviet Union can employ Cuba as a pawn in the cold war, the Russians will presumably over the next few months have to take a hard look at their policy vis-à-vis Cuba. Indeed, they may well be going through a process often termed in such a situation as “agonizing reappraisal.” It is surely not unreasonable to expect that in the meantime they would wish to ensure that Castro cannot get them involved in future difficulties or confrontations with the Americans not of their own choosing. One can, for example, hardly believe that Moscow welcomes the continuing reiteration in the press and on the radio of Castro’s threat to shoot down any United States plane that comes within reach of Cuban anti-aircraft fire.

3. The Soviet reaction to Fidel Castro’s extreme demands, as contained in his so-called Five Points, has hardly been over-enthusiastic. Mikoyan, while paying lip-service to this document, has talked of these points here as a useful basis for peace in the Caribbean but given no indication that the U.S.S.R. stands solidly behind the demands. At the same time the Soviet Union has to strike a nice balance between satisfying minimum United States requirements and leaving its Cuban protégé in too exposed a position.

4. The Russians face a real problem in dealing with Cuba since two facets of the Revolution, its Messianic drive for hemispheric revolution and its militant anti-Americanism, are almost bound to lead to further trouble with Washington if not kept in check. And yet these very same characteristics have in the past year become almost the essential dynamic forces of the Revolution, seemingly more important than the construction of a viable Marxist-Leninist society on the island which, judging by Cuban statements, is a distant future goal rather than a current policy calling for full and undivided attention. Indeed, in long-range terms I believe that unless the Cubans can be persuaded to give up the active pursuit of these two policies, the Revolution faces bleak prospects. Only as a neutralized Communist state in the Caribbean does it seem to me that the Revolution stands any chance of survival. Otherwise the United States cannot really be expected to tolerate its existence indefinitely and desist from working towards its ultimate downfall. The likelihood of Castro recognizing this and playing under such ground rules does not seem bright and, given the manner in which these policies have become the fuel with which the Revolution functions and almost the principal purpose of its being, one can only be pessimistic of such a compromise solution.

5. Nevertheless to some extent the Cuban cat has to be belled. From the Russian standpoint Castro must at least learn some of the realities of international life and cease to view the world solely through a Havana periscope. Ideally, I suppose the Russians would like to reorganize the Cuban Government to effect a form of collective leadership that was in the making until the Escalante affair this Spring.<sup>164</sup> Since then, however, all the evidence suggests that Castro has regained his old position of dominance. Despite the importance of old Communists in many fields, the new Communists – and specifically among the close associates of Fidel Castro – hold the real reins of domestic power, the army, the militia, and the security police. One hears little today of the National Directorate of the O.R.I., which was designed to be the political governing body of the country, or of the foundation of the United Party. The ruling circle seems to have boiled down to a group of about six or seven men in which the orthodox

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<sup>164</sup> Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. X (Washington: United States Government Printing Office, 1997), document 349; Thomas M. Leonard, *Castro and the Cuban Revolution* (Westport, CT: Greenwood Press, 1999), pp. 33-34, 100.

Communists are a distinct minority (the Castro brothers, Guevara, Dorticós, Aragones, Rodríguez, and perhaps still Blas Roca), with the Maximum Leader very much the final decision-maker. The crisis has only served to bring this into sharper focus. While the Russians possess the economic thumbscrews necessary to bring pressure on Castro, there is a danger that in so doing the Cuban investment could blow up in their faces. The stick has presumably to be exercised judiciously and intermixed with offer of a carrot. A forced reorganization of the Government would not be an easy operation even though some members of the hierarchy might not be averse to an enlargement of the power base in Cuba.

6. The other alternative is perhaps a process of indirect undercutting of Castro's leadership by a combination of persuasion and straight talk to those around him. There is some indication that this may be going on, from the individual discussions which Mikoyan has recently been holding with Guevara, Rodríguez and Aragones at a time when the press has made no mention of direct Castro-Mikoyan talks and created the impression that Castro is not altogether on good speaking terms with the Soviet leader. The same thought was also put to us recently by a Foreign Ministry official in an off-the-record remark. My Yugoslav colleague is of the opinion that the Russians are determined to re-educate the Cubans to the need to think in world terms in framing their policy as well as the need to follow the Russian line on peaceful co-existence, rather than to emulate the bulldozer tactics of Peking. To these ends he believes that Mikoyan is prepared to remain in Havana as long as is necessary.

7. For his part Castro obviously is having to do some deep brooding (he now apparently is spending much of his time at the University, even sleeping there, in this frame of mind) if not thinking. He has to face up to the fact that the Russians have clearly demonstrated that they are not prepared to engage in a global war over Cuba. His horizons are no longer unlimited. Any wild dreams he harboured of bringing the United States to its knees or of igniting a hemispheric fire have been pulled up short. He has a nation still almost fully mobilized for a threat that, if not non-existent, is certainly not imminent, and yet must find a justification for returning to some semblance of normality. There are signs that the food situation is becoming more pinched and that sectors of the economy are feeling the effects of the crisis. Harvesting of the country's main resource, sugar, is approaching. Castro must, therefore, shortly come to some *modus vivendi* with his patron unless he is bent on suicide. And, politically, he still no doubt hopes to obtain some concession from the Russians which he can use to show the Cuban population that he still calls the tune on Cuban affairs.

8. For the moment Castro has not come to terms with Mikoyan. Indeed, the rather hasty denial this week of an A.P. story apparently obtained from reasonably reliable sources in the Ministry of Industries that a new economic agreement was about to be signed<sup>165</sup> suggests that he is most anxious not to give the impression to the Cuban public that he is being bought off. Some ground has admittedly been gained by Mikoyan, as in the acceptance of the removal of the IL-28's for which there is some reason to believe that these planes had been consigned to Cuba by the Russians, even though they in turn may have been making the most of the point as a bargaining counter with the Americans. Castro retains one very important trump card in any negotiations with Mikoyan and that is the knowledge that without Castro at the helm, at least nominally, the Cuban Revolution would at this time stumble if not collapse.<sup>166</sup>

GEORGE P. KIDD

<sup>165</sup> Vraisemblablement/Possibly "New Soviet-Cuba Aid Pact Reported Signed in Havana," *New York Times*, November 21, 1962, p. 6.

<sup>166</sup> Note marginale :/Marginal note:  
Seen by the Minister.

740.

DEA/4470-40

*L'ambassadeur au Cuba  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 270

Havana, November 26, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: My Despatch 571 Nov 23.

## CUBA AND MIKOYAN VISIT

The three and a half weeks' visit of Mikoyan to Cuba ended today without any communiqué having been issued. Instead both sides made statements separately, Mikoyan's in form of a radio and TV address last night,<sup>167</sup> and Cuba's in a declaration published in this morning's press<sup>168</sup> and described as their answer to President Kennedy's press conference November 20.<sup>169</sup>

2. Mikoyan's address announced as "a few farewell words to the Cuban people" was only carried on one of the two TV channels and without benefit of any Cuban leaders present. Technically it was an unhappy performance with Mikoyan and his interpreter repeatedly speaking in unison. The statement itself was not repeat not of a sort to fire Cuban revolutionaries. There was a judicious mixture of praise for revolution, comments on difficulties of creating a Communist society, promises of Soviet support for Cuba and (reminder of?) need to avoid global warfare. At one point he seemed to be suggesting that in Cuban-Soviet partnership, the Cubans must heed the words of Khrushchev. There were also indirect references to collective leadership and while due respect was paid to Fidel Castro his name was frequently linked to Cuban leadership in general.

3. The Cuban statement was drawn up at a joint meeting of National Directorate, ORI and Council of Ministers with stated purpose of informing Cuban people and world of position of both party and government on crisis. This is first time for many months that ORI has been formally listed as taking part in a policy decision and indeed its first public appearance since crisis began. The re-emergence of party organization in this manner even though Castro is its Secretary-General may indicate that Mikoyan has succeeded in some measure in clipping the wings of its leaders.

4. First new point in statement is a further elucidation of Cuba's stand on inspection. In place of its former rejection of inspection Cuba now asserts it will not repeat not accept UN inspection unless USA agrees to inspection on its territory in Puerto Rico and in other locations training camps for mercenaries spies saboteurs and terrorists centres of subversion and bases for pirate ships [sic]. Although Cubans have found a formula other than outright objection by (raising?) such conditions' net effect is tantamount to continued rejection. In this connection it is alleged also that at no repeat no time did Cuba offer its territory for verification of disarmament and withdrawal of Soviet offensive weapons. USSR had complied with its part of agreement in this regard and Kennedy was employing verification as a pretext for not repeat

<sup>167</sup> Voir/See Sam Pope Brewer, "Mikoyan Returns from Cuba Today; Will Meet Thant," *New York Times*, November 26, 1962, p. 1; "He Addresses Cuban People," *New York Times*, November 26, 1962, p. 5.

<sup>168</sup> Voir/See "Castro Demands Inspection in U.S.," *New York Times*, November 27, 1962, pp. 1, 4.

<sup>169</sup> Voir/See *American Foreign Policy, Current Documents, 1962* (Washington: United States Government Printing Office, 1966), pp. 461-463.

not completing his part and insisting on maintaining a provocative and aggressive policy against Cuba. While catalogue of America's sins is repeated, the threat to fire on USA planes over-flying Cuba contained in two letters to Secretary-General is notably absent.<sup>170</sup>

5. The second new point is acceptance of Moscow line, albeit with some reservations, on peaceful coexistence. Cuba now believes in possibility of avoiding war and that war is not repeat not inevitable. The statement also implicitly recognizes that immediate danger of war between Cuba and USA has declined. This also is being translated into action by demonstration of militia unit which has been going on over week-end and elimination from radio and TV of propaganda piece on the theme of a nation at war ready to repel invaders.

6. There is of course a reiteration of five points which are said to be indispensable for a final solution of crisis plus a further demand that means must be found for effective control of USA activity covered by these five points. Mikoyan's rather lukewarm repetition of his remarks (at university?) that these five points represent logical programme for peace in Caribbean which USSR supports as just does not repeat not suggest Russians consider presence as essential element in resolving crisis.

7. While reaffirming Marxist-Leninist direction of revolution in Cuba statement is silent on the question of its relation with USSR. It would seem that ties of friendship have been strained even though partnership continues.

[GEORGE P.] KIDD

741.

DEA/2444-40

*Le représentant permanent auprès des Nations Unies  
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations  
to Under-Secretary of State for External Affairs*

LETTER NO. 826

New York, November 28, 1962

CONFIDENTIAL

POLISH VIEWS ON CUBAN CRISIS

I attach a copy of a memorandum prepared for me by Mr. Delisle reporting on an extremely interesting conversation which he had with the Polish Deputy Foreign Minister, Winiewicz. Since the memorandum is worth reading in full I shall not attempt to summarize it.

2. In the event that Winiewicz' visit to Ottawa takes place, it might be of interest to explore the ideas which he exposed to Mr. Delisle.

PAUL TREMBLAY

<sup>170</sup> Voir/See "Text of Castro Letter to Thant," *New York Times*, November 17, 1962, p. 2; "Castro's Letter to Thant," *New York Times*, November 21, 1962, p. 9.

[PIÈCE JOINTE/ENCLOSURE]

*Note**Memorandum*

CONFIDENTIAL

[New York], November 17, 1962

## POLISH DEPUTY MINISTER FOR FOREIGN AFFAIRS ON CUBA

I had an interesting talk on Cuba last night with Deputy Minister Winiewicz, Vice-Chairman of the Polish Delegation, at a private reception. A journalist in Poznan before the war, Mr. Winiewicz was Ambassador in Washington from 1947 to 1955 at which time he took up his present position in Warsaw. There was only one other person who shared in the conversation last night, our host, Mr. Price Erichsen-Brown, our Consul in New York. Mr. Winiewicz whom Mr. Erichsen-Brown and myself knew while we were in Warsaw felt, I think, that he could talk fairly freely.

2. I asked him what he thought could be done at the present time in relation to the Cuban problem and particularly whether he felt that a three-nation setup along the line of the International Commission in Indochina could not be envisaged as a mediation team and perhaps inspection unit in Cuba. Mr. Winiewicz did not seem attracted by the idea. He said that at the present time he was convinced from his talks with the Cubans here in New York that they were craving for the initiation of conversations with the Americans. He claimed that the Cubans were almost desperate for some form of direct dialogue with Washington. He said that as far as the Poles were concerned, they were encouraging this trend and were desirous of being helpful in the context of their relations with the United States, the pattern of which they were very anxious to preserve. He said that when Foreign Minister Rapacki had been invited to pay a visit to Cuba last summer, he was rather concerned about the reaction that such a visit might cause in the United States. The Poles did not want their relations with the Americans to suffer from what might appear as an effort to get closer ties with Cuba. Mr. Rapacki decided to accept the invitation all the same. From Mr. Winiewicz' comment the implication was that there were some pressing problems in Cuba concerning relations between Polish experts and technicians there and the Cubans. Mr. Rapacki spent seven days in Cuba in July. Mr. Winiewicz claims that Mr. Rapacki's stay had a restraining effect and that the Cuban propaganda campaign against the United States slowed down afterwards.

3. I asked Mr. Winiewicz if Poland had many experts and technicians in Cuba. He said that they had had more than they have now. There had been conflicts between some of the Polish technicians and the Cubans, particularly in the field of fisheries. He said that because some Polish advisers wore holy medals and attended Mass they were considered by the Cubans as counter-revolutionaries. The situation apparently came to a head and the Polish advisers were withdrawn at least as far as fishing operations were concerned. Mr. Winiewicz said that now they had only mining technicians in Cuba.

4. On the question of the Cuban fishing port which is being built by the Soviets now, he said that the construction of the port had been open to any nation on the basis of bids. In fact the Japanese bid had been accepted by the Cuban Government. However, under pressure from Washington the Japanese had later withdrawn their offer. Castro then turned to socialist countries and sounded out Poland. Poland could not afford to finance the undertaking as it was already involved in the building of a harbour in Cyprus. Eventually the Soviet Union had decided to take over the project.

5. I said I imagined it must not be too easy to act as adviser to the Cubans as they appear to be a somewhat undisciplined lot. Mr. Winiewicz said that it was not so much that as a case of a

revolutionary zeal. He compared the Cubans to the Chinese in this respect. Throughout the conversation, in fact, he made reference to the Chinese and the Cubans as the somewhat unruly immature sectors of the socialist world. He made it clear that Poland was siding with Soviet Russia in this conflict. At one time, for instance, he referred to a visit made by the President of Poland, Mr. Zawacki, to Peking a year or more ago. The latter had inquired when he could call on Mao Tse-tung. One morning he was awakened at 4:00 a.m. and told that the Chinese leader would see him in an hour's time, that is at 5:00 a.m. The Polish President was offended and declined politely the appointment. Later on he was offered another more convenient time with enough notice.

6. Mr. Winiewicz said that in the course of his talks with the Cubans and through other information sources, he was told that there are two countries in America which the Cubans would consider as being acceptable in any mediation job with the United States. They were, in this order, Brazil and Canada. When I said that Canada's selection surprised me a little in view of our membership in NATO, he said that the Cubans were, of course, aware of that but that nonetheless they placed a high trust in Canada's objectivity, disinterestedness and devotion to peace. However, in the present conflict between the United States and the U.S.S.R. over Cuba he was of the opinion there was nothing much the secondary powers could do. He felt that the leading countries of the world towered so high above the others that they alone had the means to prevent a situation such as the Cuban one from quickly degenerating into war.

7. Mr. Winiewicz on the whole remains confident that the United States and the U.S.S.R. will work out their differences and that relations between East and West are bound to be normalized over a period of years. He expressed himself clearly in favour of not allowing the Chinese or the Cubans to interfere in any process of rapprochement between the Soviet world and the West, particularly between the U.S.S.R. and the U.S.

J.L. DELISLE

742.

DEA/50128-40

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

TELEGRAM 876

Moscow, November 29, 1962

SECRET. DEFERRED.

Repeat for Information: London, Washington, Permis New York, NATO Paris, Paris, Bonn, Rome, CCOS, DM/DND Ottawa from Ottawa, PCO Ottawa from Ottawa.

By Bag Berlin from Bonn.

CONVERSATION WITH KHRUSHCHEV: ROCKETRY AND SOVIET MOTIVES  
ON CUBA-BERLIN AND DISARMAMENT

At various points in my long conversation with him Wednesday morning Khrushchev spoke of rockets in terms which I think throw some light on his motivation, and his tactical and strategic thinking regarding his actions on Cuba, Berlin, and disarmament.

2. Khrushchev said he had put rockets into Cuba as a deterrent. He did not repeat not explicitly qualify this merely as defence against American attack on Cuba (as he had done with



Sir Frank Roberts, to my mind so unconvincingly.<sup>171</sup> On contrary Khrushchev said that since Americans had got so upset about deployment of rockets in Cuba, he had agreed to withdraw them, because “it is not repeat not really a matter of much importance to me just where our rockets are located.” Khrushchev immediately developed this theme by claiming that he had plenty of submarines which could fire Polaris type missiles against USA, and also had plenty of ICBMs in Russia which could reach USA. Khrushchev said that problem of redeployment therefore did not repeat not seriously matter from his point of view.

3. Khrushchev’s remarks about strategic irrelevance of geographic location of IRBMs and MRBMs are I think obviously untrue at present in view of Soviet paucity of nuclear missile firing submarines and of ICBMs. But I did not repeat not think it necessary to challenge Khrushchev on this point, since probable effect if any of such challenge would merely have been to reinforce his inclination to press ahead with buildup of more Polaris type missiles, nuclear submarines and ICBMs. However I thought Khrushchev’s remarks on this subject instructive, as tending to reveal his realistic concept of the indivisibility of Soviet deterrent capacity, especially when considered in conjunction with Khrushchev’s remarks on a different point in conversation (reported in paragraph 3 of my telegram 863 November 28)<sup>172</sup> about his local tactical and strategic superiority in region around Berlin, which would make it possible for USSR to take unilateral action there which would place squarely on West onus of choosing between acquiescence in Soviet fait accompli or escalation to major hostilities and probably to global nuclear war.

4. To my mind this conversation tended to confirm the line of analysis of Khrushchev’s motives in Cuban plot which I suggested in my telegrams 778 October 28 and 785 October 30.

5. Also relevant is Khrushchev’s statement to me, mentioned in my telegram 863 November 28 (paragraph 3 (b)), that for practical purposes no repeat no disarmament agreement could be expected prior to settlement of Berlin problem. Khrushchev immediately added that disarmament and Berlin questions were quite distinct, but that they nevertheless were related in time because in practice no repeat no man could be expected to disarm if he anticipates that he may have to fight. “It is for this reason that Berlin problem must inevitably be settled by agreement first.”<sup>173</sup>

6. I commented to Khrushchev on this that in my opinion prior agreement on and partial implementation of disarmament would remove danger of upsetting strategic balance, and thus would enormously facilitate for both sides mutual concessions and agreement on problem of Berlin, of peace treaties with Germany or Germanies.

7. But comment I wish to make in this message is that Khrushchev’s statement that disarmament is impossible prior to Berlin settlement seems to me to suggest that he is still toying with idea that he can achieve Berlin settlement by threat of unilateral action backed up by sufficiently strong military deterrent force. It seems to me probable that it is Khrushchev’s continued adherence to this earlier concept which goes far to explain his relative disinterest in getting disarmament agreement first.

8. If there is anything in this line of analysis, it seems to be possible that if only we could somehow disabuse Khrushchev of idea that he can somehow get Western backdown on Berlin by threat of force, then once this idea was genuinely abandoned Khrushchev might be much

<sup>171</sup> Voir/See document 733.

<sup>172</sup> Voir/ See document 197.

<sup>173</sup> Note marginale :/Marginal note:

Bluff. [Auteur inconnu/Author unknown]

more ready to adopt position on disarmament which might at last make an agreement in this vital field possible.<sup>174</sup>

ARNOLD SMITH

743.

DEA/10224-40

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

DESPATCH No. 610

Havana, December 13, 1962

CONFIDENTIAL

CUBA ON THE EVE OF CHRISTMAS

As the second Socialist Christmas in Cuba draws nigh, it may be useful to take a general look at the state of the country and the way in which it has emerged so far from the recent crisis. Such an assessment must inevitably be tentative at this stage – some views more sensed than based on hard fact – for all the implications of the events set in motion in late October, but still not yet fully unfolded, are far from clear.

2. The over-all impression one gains at the moment is of a rudderless vessel drifting in a becalmed sea, drifting for lack of any political direction from the top and without any readily available chart to enable it to get back on course. The crisis itself was obviously a traumatic experience for the revolutionary leadership. Cuba became the centre of an East-West controversy but yet the subsequent decisions were taken largely without the benefit of Cuban participation. Much to the chagrin of Castro, the settlement of the immediate crisis created by the introduction of Soviet offensive weapons on the island became the subject of negotiations between Moscow and Washington. To be sure, Castro attempted to inject himself into the picture with his intransigent stand on on-site inspection, with his Five Points, and with his maintenance of a state of “war alert” long after any danger of military action by the United States had passed. Nor have these forays on his part produced any tangible results to date, and if the crisis runs down to the point where there is a final stand-off between the two major powers, with the “no invasion” pledge set aside and air reconnaissance continued in the absence of adequate verification and safeguards on the weapons issue, the clock will then have been turned back for Castro, leaving him in a more exposed position. The Cuban Government may well face increased diplomatic and economic pressures from the United States at a time when the Soviet ability to underwrite the political future of the Revolution has been sharply circumscribed. Moreover, Castro’s own ability to control the situation has been reduced by lines drawn as a consequence of the crisis. For the nonce, at any rate, he seems uncertain of what course to adopt and is keeping his own counsel.

3. Added to this are indications that certain political manoeuvrings are going on behind the scenes. Whether they stem from Soviet pressures to place some limitations on the Maximum Leader’s freedom of action, or whether the Fidelista Communist group is seizing the opportunity to consolidate its position among the power elite of the Revolution, or whether dissatisfaction, accompanied by some disillusionment, in ruling circles is bringing about a reorganization of the Government, or whether again Castro is simply brooding while he

<sup>174</sup> Note marginale :/Marginal note:

After Cuba this sh[ould] not appear too difficult. [Auteur inconnu/Author unknown]

decides what changes he would like to make in his court, one cannot say with any confidence at present. Suffice it, however, that something appears to be going on.

4. Fidel Castro himself has not spoken to his people since he took to the air just prior to the arrival of Mikoyan. This is six weeks ago, an unusually long period of silence on his part for a nation used to hearing from him regularly. Furthermore, since he appeared last in public almost two weeks ago at the funeral of the air crash victims, he has been out of the public view. Even the press has been silent about his activities. Indeed, we seem almost to be going through a period somewhat similar to that of the political in-fighting prior to the demise of Anibal Escalante this spring. Rumours are naturally beginning to pile on top of one another. He is said to be back in the Sierra Maestra; he has been in an automobile accident; he is making a grass-roots tour of the country. The net effect, however, when the personification of the Revolution drops out of sight, whereas his is customarily an ubiquitous presence, is to create uncertainty and despondency. The dynamism has temporarily gone out of the Cuban body politic and the country does not know in what direction it should turn. Ergo listlessness prevails.

5. In my view Castro blundered when he declined so strongly to go along with any sort of United Nations inspection. Admittedly by adopting a firm stand on this matter and by bringing out his Five-Point programme so closely on the heels of the Kennedy-Khrushchev exchange of letters, he recaptured a measure of initiative and regained some lost prestige to the extent that he was able to reassure his supporters and to convince the people that he was not a complete puppet of the Kremlin. Nevertheless, in so doing he sacrificed potential long-term gains for a short-term advantage. Through the acceptance of inspection, which he could readily have trammelled and made considerably less than effective in practice, he could have transferred the Cuban issue from the bilateral network on which it was being dealt to the multilateral United Nations forum. Here he could have muddied the waters more successfully and employed the resolution of the offensive weapons question to extract some political benefits. In this atmosphere he could have counted on a more congenial audience among the large block of non-aligned states and, after all, once his ability to commit the USSR to engage in nuclear war to preserve his régime was weakened there was all the more need to secure some political guarantee, however limited, from the United States. This the Americans might have found embarrassing not to accept at least in part in the world organization.

6. Instead he played the role of the petulant child. He laid down conditions and made demands that he did not have the power to back up. Indeed, if it turns out that he finally comes out of the crisis empty-handed politically, his tactics would seem to have been counter-productive. His failure to agree in some degree to cooperate with the United Nations may well have antagonized sections of neutral opinion. The need to demobilize quietly and without having explained the whys and wherefores of the whole operation has already left the Cuban people with a certain feeling of wasted purpose, particularly after the exhilaration created by the national response to his patriotic appeals at the time the crisis began. If, on top of this, his quinque-partite programme also gets nowhere, he again faces the charge of having failed to have achieved anything. That the Cuban authorities may be beginning to realize this was suggested to me when, in a conversation the other day with the Foreign Minister on the general subject of the crisis, Dr. Roa said somewhat plaintively at one point that if only the Americans would agree to discuss the future of Guantanamo this would be considered satisfactory in lieu of the immediate return of the base.

7. There is little doubt that Castro has lost prestige domestically and is in danger of losing more as the months go by, if he no longer appears to be able to dominate the scene and can offer no more than a further round of belt-tightening. At the same time, one should appreciate that to some extent he has been able to lay the public blame at the door of the Soviet Union. Moreover, he so towers above other figures in the Government that it is highly doubtful if the

Revolution could carry on without him. A stray bullet could, I suspect, still change the whole course of Cuban history. While there would probably be little aversion on the part of Fidelistas, and certainly not on the part of the old-line Communists, to see a broadening of the power base, there is general recognition within both groups of the essential need to have Castro serve as the front man.

8. That the crisis has taken additional starch out of the waning enthusiasm for the Revolution among the Cuban people seems apparent. As far as those who have opposed the régime in the past are concerned, this is not too important since recent events have only confirmed their beliefs. At the other extreme, the Government supporters probably remain for the present staunchly behind the régime even though there are indications from some private conversations we have had that at least members of the intelligentsia now entertain doubts. Essentially, however, this group cannot afford to relax their support very far, since the fall of the Government would spell the end for them. In the middle, where lies the vast majority of the population, passive, generally apolitical, and thinking largely in terms of the necessities of life, there has been underlying unhappiness for a long time. The bulk of such people want to enjoy their life peacefully and without regimentation. In broad terms, they care little about ideological issues or the complexion of the Government as long as it provides the means of obtaining three square meals a day and does not enter into their lives too deeply. Their dissatisfaction stems largely from the stomach rather than from the head, and it is dangerous to equate discontent of this type with anything constituting real opposition. Their morale has, I think, suffered a further drop from the crisis. One reflection of this is the way in which many members of the Committees for the Defence of the Revolution appear to have become less assiduous in carrying out their duties. There are also some signs that people are beginning to reason a little more about the defects of the Government. For the first time I see the glimmerings of this change but it is not something I would be prepared to document just yet.

9. At bottom, the economic situation is still the Achilles' heel of the Government. The crisis cannot but have had adverse effects in this regard even though in the first flush of the call to arms there was a special crisis effort put into economic operations with, for instance, absenteeism in particular declining temporarily. There have, however, been not only the manifold dislocations of mobilization but the disruption of the normal supply channels to the island. A member of the Inspection Service of the Ministry of External Commerce told me this week that almost no food had entered Cuba since the crisis began. A two-month gap in these supply lines from the Communist Bloc is going to be hard to repair without a major effort on the part of the Soviet Union, even granting the fact that good reserves of some staples such as wheat are reportedly on hand. The forthcoming months are likely to show increasing strains in the economic field.

10. The Government is undoubtedly conscious of this, and particularly its effect on the public at the yuletide season. This is evident from the efforts currently being made for a sort of organized gaiety for this period. Increased rationing arrangements have been instituted for Christmas in an endeavour to improve, or give the appearance of improving, the food situation during the holidays. However, in the case of the beef ration it appears to be essentially a question of doing without one week in order to have extra the next week. Moreover, the additional quantities of turkey, chicken and pork promised by the Government are somewhat indefinite. No specific amounts have been mentioned and it is doubtful if there is sufficient supplies of these foods on hand or if small farmers can be persuaded to cooperate at the low official purchase prices so that the added rations can be provided on a nationwide basis. Even assuming the Government is able to place more in the larders for Christmas, it is likely to be at the expense of normal rations in January and February. Knowing the Cuban fondness for the pastime of dancing, the Government also appears to be intent on providing many outlets for this activity, even including impromptu street affairs.

11. Unless there is some dramatic breakthrough on the international political front for Cuba the prospect would seem to be gloomy at best. But this need not necessarily mean the end for the Government. Several times in the past I have commented on the absence of any alternative to Castro in Cuba. This is still true today. There is nothing to fill the vacuum resulting from Castro's loss of prestige and popularity. No leader is on hand, no organization, and no programme around which people who wanted a change might group themselves. The sporadic and limited counter-revolutionary activity which has occurred throughout the year has, since the crisis began, almost disappeared. Also, given the resources which the Government possesses for enforcing its will, as well as the means of ferreting out potential opponents, active opposition, if such existed in any real sense of the word, would have difficulty in gathering momentum.

12. There is another fundamental factor, too. Cubans are wont to tell you in the same breath that they have never concerned themselves with the colour of the government-of-the-day in the past and complain about what they now have, and see no relationship between the two points. While admittedly there are many exceptions, the average Cuban is not cut from the cloth from which freedom-fighters are made. He essentially hopes that somebody, preferably Uncle Sam, or something, will eventually bail him out. In the meantime he is prepared to grumble but wait it out. Conditions exist in Cuba today which could produce an ultimate change of government and the normal safety valve of emigration has for the present been removed. However, unless there is a crack at the top, a revolt within the officer corps of the Army, or external circumstances bring about a change, conditions in Cuba will have to deteriorate further before the seeds of opposition sprout on the potentially fertile ground here.

GEORGE P. KIDD

CHAPITRE IX/CHAPTER IX

AFRIQUE  
AFRICA

PREMIÈRE PARTIE/PART I

AIDE À L'AFRIQUE  
AID TO AFRICA

744.

DEA/8260-15-40

*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], March 26, 1962

EDUCATIONAL ASSISTANCE TO FRENCH-SPEAKING AFRICAN STATES

The External Aid Office in co-operation with this Department is currently engaged in planning allocations for the 1962-63 fiscal year under the Canadian Programme of Educational Assistance to French-Speaking States of Africa. In accordance with your instructions sent from Geneva† these plans are based on the original annual amount of \$300,000 decided upon by the Government last year.

2. It is considered that an important factor for the success of this scheme is to consult closely regarding its operation with the extra-governmental bodies in Canada on which the Government must rely for assistance. As you know at a meeting held last July the Advisory Committee established to assist in the programme's development agreed to set up a working group drawn from organizations represented on the main committee to undertake preparatory work for the committee as circumstances required. The working group in question was to consist of appropriate representatives of Federal Government Departments, of Provincial Governments with particular emphasis on the Province of Quebec, of representatives of the Canadian universities (through the Canadian Universities Foundation) and of representatives of Canadian French language educational organizations. As neither this group nor the main committee have been called together since last July, and as plans for the programme's operation for the next fiscal year are now under way, it is the intention to call an early meeting of the smaller working group in order to inform them of progress so far achieved and to consult with them regarding plans for the future. This meeting of the working group could be followed at a later date by a plenary meeting of the Advisory Committee.

3. As you know, Mr. Marcel Cadieux who is Chairman of the Advisory Committee and who has been most closely associated with the programme at the Under-Secretary level, will be absent from Ottawa from April 19 to July 9 while attending meetings of the International Law Commission in Geneva. As his presence at meetings of both the working group and the Advisory Committee is considered essential, plans have been made to convene the working group in Ottawa on Wednesday, April 11 before Mr. Cadieux's departure. The principal reasons for calling such a meeting are as follows:

(a) To elicit the goodwill and co-operation of educational bodies and provincial governments (especially those of Quebec) whose co-operation is required for the successful execution of the

programme. In order to achieve this co-operation it is considered important to keep these groups fully informed of progress and to solicit their advice and assistance for future projects relating to the programme.

(b) To determine how best to apply the amount of \$300,000 per year to the needs and requests of receiving countries consistent with relevant practical and political considerations.

4. If the question of increasing the size of the programme and of seeking additional funds for its extension is raised by members of the working group, they could be informed that consideration of this possibility should be postponed until such time as the existing programme is implemented to the full and its value can be properly assessed.

5. In placing proposals before the working group for the programme's operation during the next fiscal year, it will be necessary to point out that a portion of the funds available are actually already committed. As you know a total of seven teachers are now on assignment in Africa (six in the Cameroun and one in Mali) and their contracts call for them to remain there during the whole of 1962-63. Approximately \$16,000 will be required from the 1962-63 funds to finance each of these seven assignments making the total requirement in this connection about \$112,000. As the total programme provides for expenditures of up to \$300,000 per year this would leave an amount of about \$188,000 for additional assistance. Officials of the External Aid Office in consultation with this Department have considered what form this additional assistance might take and the following three courses appear the most desirable:

*(1) The Provision of Additional Teachers and Educational Advisers*

Considering that seven teachers will continue on assignment during the next year and that their maintenance will need to come out of the 1962-63 allocation it has been estimated that the remaining amount of \$188,000 would suffice to finance fourteen additional teachers for assignment in the autumn of 1962. However, in view of the fact that the Government is already committed to provide at least two teachers to Tunisia and one film adviser to the Ivory Coast provision would remain for the supply of eleven persons yet to be allocated. It is considered that as a first priority an effort should be made to assign an additional eleven teachers. Their assignments would be based on the needs and requests of receiving countries as reported by Canadian representatives who have visited the areas, and on other reports, and also on practical and political considerations.

*(2) Training of Africans in Canadian French Language Institutions*

It will be recalled that this possibility was rejected for 1961-62 because there was not sufficient time to make arrangements for this type of training before the commencement of the 1961 academic year. Moreover, as many of the eligible African countries have expressed the view that better and more economical use could be made of the available funds by sending Canadian teachers and advisers to Africa and as there are other difficulties connected with the adaptation of students from under-developed countries in Canada, it would seem advisable to concentrate efforts on the provision of teachers or certainly to limit any training programme in Canada to a very few students at the post-graduate level.

(3) *Provision of Educational Equipment and Materials*

A variety of proposals were received during 1961-62 for assistance by providing educational equipment and building materials for educational purposes. A serious difficulty with this type of assistance is that many of the items required cannot be manufactured in Canada with a satisfactory Canadian content, and are therefore excluded. Moreover many items in this class are relatively expensive and the limited funds available would not go very far if they were devoted to this purpose. It would seem therefore, that this type of assistance might be placed low on our priority list but that requests which seem to have exceptional merit should be given consideration if they can be met.

6. After definite proposals for the programme's operation during the 1962-63 fiscal year have been formulated, they will of course be submitted to you for approval.

N.A. R[OBERTSON]

745.

DEA/12354-B-40

*Note du chef de la Direction de l'Afrique et du Moyen-Orient  
pour le sous-secrétaire d'État suppléant aux Affaires extérieures*

*Memorandum from Head, African and Middle Eastern Division,  
to Deputy Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], April 2, 1962

AID TO FRENCH-SPEAKING AFRICA

Attached is the background memorandum on "Aid to French-Speaking Africa" revised in accordance with your instructions passed to us by Information Division. The revision affects only pages 4 and 5 where we have given added emphasis to the growing number of states eligible under the present programme, and particularly to the early emergence of Algeria as an independent state, and where greater stress is put upon the connection between this question and the problems of Canadian national unity and Franco-Canadian relations.

2. The External Aid Office declined at this time to comment on the background memorandum because of the absence of Mr. Moran. We pointed out that Mr. Moran had already agreed to the shorter paper, sent by telegram to the Minister in Geneva,† and that he understood (according to his letter of March 16 to you†) that the longer paper was but a more detailed presentation of the shorter paper. Nevertheless, the External Aid Office preferred to withhold comment, apparently with the intention of reopening the whole question of increased aid to French-speaking Africa with Mr. Moran, when he arrives in Ottawa April 6.

3. Also attached is a covering memorandum for the Minister. After referring to the exchange of telegrams during his stay in Geneva,† we have attempted to put the background memorandum in its proper context. We have explained (mostly in Mr. Moran's own words to you in his letter of March 16) the reasons why the programme of aid to French-speaking Africa lacked effectiveness during its first year of operation. Thereafter, we have pointed out that there is good reason to expect that many of the difficulties encountered will disappear with the imminent establishment of direct diplomatic relations with all but two of the countries eligible to benefit by this programme.



4. If the revised background memorandum and the covering memorandum meet with your approval they will be prepared in final form for the Minister without delay.<sup>1</sup>

R.E. COLLINS

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Projet de note du sous-secrétaire d'État aux Affaires extérieures  
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 30, 1962

AID TO FRENCH-SPEAKING AFRICA

You suggested from Geneva that the programme of Canadian aid to French-speaking Africa should be discussed with you on your return with particular reference to the fact that appropriations allocated to the programme have thus far not been fully utilized. Before raising the question of a possible increase in the present programme, which is dealt with in the attached memorandum, it may be useful to make some introductory remarks.

2. With respect to the apparent lack of effectiveness of the programme thus far, you may be interested in the observations Mr. Moran put forward before this subject was raised with you in Geneva. He noted that it is normal that the first year of operation of any programme is the difficult one. The common experience of all countries is that only limited financial expenditure can be made during the first year because time is required both for the receiving countries to assemble the necessary data for proposed projects and also for the donor country to examine the proposals and determine whether they are within its capabilities. For example, in the first year of the Colombo Plan no expenditure was made from the \$24.4 million appropriated except for the purchase of wheat. Less than fifty per cent of the funds appropriated were spent in the first two years of the Plan. The Special Commonwealth Aid for Africa Programme initiated last year is following the same pattern. A large portion of the current year's appropriation will lapse although commitments already undertaken are sufficient to use all of next year's anticipated allocation.

3. In addition to this general difficulty the External Aid Office was also hampered in this particular programme by the lack of a channel for direct contact with the governments to which assistance is being provided. As you will recall, it was necessary this year for Mr. Beaulieu to visit these countries in order to obtain sufficient information for the programme to be put into effect. The imminent establishment of diplomatic relations with all of the states eligible under this programme, except Mali and Mauritania, will provide the necessary direct contact. Henceforth, accredited Canadian representatives will make periodic visits to practically all of the eligible states and will be able to perform on a regular and continuing basis the tasks carried out by Mr. Beaulieu on his visit. It is conceivable, therefore, that many of the specific problems encountered with this programme will be eliminated or diminished in the very near future.

4. For the foregoing reasons, the relative ineffectiveness of the programme for aid to French-speaking Africa would seem to be a temporary problem. (Mr. Moran may wish to comment

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<sup>1</sup> Note marginale :/Marginal note:

I think that we should await Mr. Moran's return and submit if possible an agreed presentation to the Minister. M. C[adieux]

further on this upon his return.) Moreover, as the attached indicates, this problem may be matched or even surpassed in its importance by the growing urgency, for political reasons, of re-examining the whole question of aid to French-speaking Africa. Two examples from the memorandum serve to demonstrate this situation. Algeria is likely to become independent within a short time. As Morocco and Tunisia are already entitled to benefit from the present programme, Algeria presumably will also be included. It is likely, therefore, that we shall run an even greater risk than before of difficulties in our international and bilateral relations with the French-speaking states since it will be necessary to spread \$300,000 among nineteen African nations, including this new and important one, in place of eighteen. This in turn may have implications in terms of the delicate yet exceedingly important domestic factor. On the other hand an increase in the allocation for this programme would be consistent with the Government's expressed intention of fostering greater national unity through encouragement of French-Canadian interest and participation in Canada's external policies.

5. The programme for French-speaking Africa for 1963-64 should be established within the next few months if it is to be applied effectively. The Advisory Committee must be convened during the summer if adequate time is to be allowed for the full implementation of its recommendations. The concern of the Department is that the programme should be geared on the one hand to the rapidly evolving situation in Africa and on the other hand to the needs of the External Aid Office for sufficient time to carry out its administrative functions.

6. Bearing this in mind, the attached memorandum was prepared in order to examine the general problem of aid to Africa and to reduce this problem to the specific issues of greatest importance to Canada at this time. As pointed out in the telegram sent to you in Geneva, current aid to the French-speaking states of Africa is at an exceedingly low level relative to that available to Commonwealth Africa. In addition, six African states are not eligible for Canadian bilateral assistance. We concluded that the most satisfactory way to begin to correct the imbalance among present aid programmes would be to plan for an increase in the assistance to French-speaking Africa. For this reason, it was decided to seek your views on whether in principle an increase in assistance to this area might be considered provided that the Advisory Group comes forward with sufficiently attractive proposals to warrant such an expansion.

N.A. R[OBERTSON]

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Note*

*Memorandum*

CONFIDENTIAL

[Ottawa], March 29, 1962

AID TO AFRICA

There has been increasing evidence over the past year of both public and governmental interest in Canada in our relations with the new states of Africa. This has taken such forms as visits by African delegations, activity of private organizations, press comments (especially in Quebec) on the state of these relations, and cooperation in the United Nations (notably with the French-speaking states).

2. The African states, encouraged by this cooperation and in need of new external assistance, have turned to Canada to draw upon our experience as a developing nation in their search for solutions to and help with their own internal problems.

3. Moreover, within the past year and a half eighteen new states have been created. For Canada, therefore, the problem of aid to Africa has become of substantial concern, and because of changing circumstances, both the magnitude and the nature of the problem have altered greatly since Canada's existing aid programmes for Africa were established.

#### *Background*

4. There are now twenty-nine independent African states. The number continues to grow. In spite of attempts to federate these states, and despite more limited efforts to develop joint economic planning, there is no likelihood of any reduction in the competition among them for available external assistance. Nor has foreign aid to Africa, probably \$1.4 billion per year, reached a level which nearly satisfies their needs. External aid has become a mark of foreign confidence and domestic prestige, as well as a means to national improvement. Perhaps most important to every African government, aid is the key to domestic political power because economic progress is the prerequisite to this power. As time passes, the need to demonstrate progress grows sharply, especially as the relative success of neighbouring states becomes evident.

5. The expanded number of donor countries and the introduction of new multilateral and bilateral aid programmes are indicative of the growing international interest in Africa generally and of the increasing competition in the aid field among non-African countries. While donors usually emphasize that their aid is disinterested, quite naturally for most international objectives provide an important reason for the increase in the flow of assistance to Africa [sic]. Meanwhile, the greater availability of aid and the greater number of potential donors make it proportionately more difficult, particularly for donor countries of limited resources, to achieve their international objectives.

6. Finally, one of the most important and yet elusive factors involved in the question of aid to Africa is the role of Communist propaganda, and in more general terms the competition in Africa between East and West. The problem of direct competition in specific projects, which it is generally agreed should be avoided by the West as an unworthy and unprofitable game, is less complicated than that of indirect competition. In the latter, Communist propaganda portrays all Western aid as evil and tied with political strings. This propaganda is spread on fertile ground. Any isolated failure by the West is magnified and the whole of Western aid or investment can be discredited, it seems, at a single stroke while the West's accomplishments often are looked at by at least some Africans with scepticism. The Communists have met with some success in their efforts to convince the African people that the present state of underdevelopment in Africa is the fault of colonialism, that Western aid is neo-colonialist inspired, and that such aid should be avoided or only accepted on terms the West cannot agree to. Also effective is the argument that the capitalistic West, dependent upon colonial profits for its success, has no examples worth following in developing a modern, dynamic African economy; and that only Communist techniques provide practical solutions for the under-developed world.

7. Therefore, partly as a result of the distinctive characteristics of the African states and partly as a result of the level of sophistication reached in international competition among donors, the problem of aid to Africa has taken on new and complicated proportions. Aid is not only a political matter of first importance on the African plane but also a political weapon of the Cold War; aid and foreign policy are inter-related and the possibility of isolating the former from the latter becomes more remote every day.

8. The implications of this situation are of utmost importance. The African countries are in a vulnerable economic position and this can be exploited easily by the Communists. These two considerations need to be taken fully into account in order to ensure that an aid policy, no matter how rational from a Western viewpoint, does not fail.

*Types of Aid*

9. African countries gradually are improving their economic planning and development administration. Increasingly, they not only know what they want and need, but also have the specifications worked out. Yet in any event and whether their planning is good or bad, more and more individual projects constitute part of a national policy. For example, railroads or ports, radio stations or airlines, oil refineries or shoe factories will be built even if they are mainly symbols of independence, even if their economic justification in isolation proves difficult, and even if little forethought is given to the problems of operating and maintaining them in an efficient fashion.

10. Without suggesting that tendencies towards prestige or other non-productive spending should be encouraged in the more limited fields to which Canadian aid is usually directed, it is not unreasonable to suggest that some account should be taken in the allocation of Canadian aid of the fact that the pursuit of a national policy is a justifiable and even a necessary objective for African governments. Particularly in the light of the prevailing competitive aid situation, consideration might be warranted of the inclusion under bilateral aid programmes of projects whose main justification is that they form an integral and possibly an important part of a national policy. This is especially true when it is apparent that support of such projects is not and should not be forthcoming from organizations like the World Bank whose purposes would be defeated if their standards were altered to permit such aid.

11. If such a change were introduced it would also be worth examining other ways and means of adding flexibility to Canada's aid programmes, in order to facilitate administration, to increase to the greatest possible extent the advantages accruing to Canada, and to minimize any possible friction arising out of the pride of African governments in displaying their independence, economic and financial as well as political.

*Quantity of Aid*

12. The two hundred and twenty million Africans are grouped within what are likely to emerge as some forty separate states. Together, they will constitute, by far, the biggest group within the United Nations. Yet each will have an average population of only five million and an economy with a national income averaging well under \$1 billion a year. In actuality, the states involved range from Nigeria (with 35 million people) and Congo (15 million) to such states as Gabon (1/2 million) and Togo (1 million). The sheer number of countries makes it virtually impossible to give substantial assistance to all. In selecting those to be helped at any given time, however, we should bear in mind both the relative importance of the country concerned (e.g. Nigeria) and the relative impact of a small amount of aid (which would be greater in Togo than in Nigeria).

13. The most serious quantitative shortcoming in Canada's present aid programme is the imbalance between aid available to four Commonwealth African states (\$3,000,000 per year)\* and that available to eighteen French-speaking states (\$300,000). Finally, six states do not qualify for direct aid under any existing programme. (The twenty-ninth independent African state is South Africa.)

14. Canada has developed its relations with the newly independent states on a pragmatic basis. Canadian policy has been based upon sympathy, goodwill and comprehension towards all these states. Our aid programmes have tended to develop along lines already established before independence. It has been quite natural, therefore, that aid should have been directed primarily to the members of the Commonwealth and that it was to them that large-scale aid was first made available.

15. Both the changing situation in Africa and the growing complexity of the problem of aid to Africa referred to earlier raise the question of whether it is not time to attempt to correct the

imbalance in Canada's existing aid programmes. For a number of reasons it would appear most reasonable to begin by re-examining the programme for French-speaking Africa.

16. The French-speaking states have a natural interest in Canada because of our bilingual facilities and background. The development of close cooperation at the U.N. has been particularly successful with these countries. On the private level, especially in Quebec, there is widespread genuine interest in the establishment of contacts with these countries. Already an organization has been set up to foster these contacts. A Canadian business group is visiting West Africa and the French-speaking representatives at the U.N. have been invited to attend a meeting in Montreal. Cultural and economic relations are developing rapidly and the expansion of Canadian assistance to French-speaking Africa could be of particular benefit and importance to our own country. French-Canadians are going through a period of intense nationalism. In their present mood they are critical of the degree of influence that they have in national affairs and in particular in the field of external affairs. If a scheme of aid for African states were to be developed in such a fashion as to provide an outlet to the French-Canadian interests in French-language states in Africa, the results in terms of national unity might be quite substantial.

17. (In this respect, however, it should be recognized that an increase in the programme of aid to the French-speaking African states would not automatically result in the creation of a French-language version of the Commonwealth Educational Programme. To achieve this result, it would be necessary, as a supplement to expanded aid to Africa, to consider a programme of cultural relations with France; the latter might be very significant and hold great attraction.)

18. A new factor which will have to be taken into account in the near future is the imminent independence of Algeria. Tunisia and Morocco are already to benefit from the present programme of aid to French-speaking Africa and presumably Algeria will also do so. This means that a nineteenth state, and an exceedingly important and large one, will be added to the eighteen among which the sum of \$300,000 must be allocated. The difficulty of reassuring African Governments that Canadian assistance will be made available to them at a future date although impossible immediately will therefore become even greater. Only a substantial increase in the funds available will alleviate this situation.

19. The amount required to bring Canadian aid to the French-speaking African states up to the present level of per-capita aid to independent Commonwealth African states would be in the order of an additional \$3 million per year. To increase Canadian aid to the per-capita level available to countries receiving Canadian assistance under the Colombo Plan would require still more. These yardsticks, while indicative, are not necessarily the right ones. The objective presumably should be to put Canada in a position to be able to respond to a reasonable number of requests more or less on an annual basis from a substantial number of these states.

### *Conclusion*

20. The greatest hindrance to the development of successful relations with the newly emerging states of Africa is their internal political effervescence. All are passing through a social and economic transformation that because of its speed amounts to a revolution.

21. The ideal solution for non-African states is to be sufficiently clairvoyant to aid in this transformation without becoming entangled in it, thereby nullifying the effect of assistance offered out of goodwill or sympathetic understanding of the problems of the African states. The West is not out to shape the African revolution after the image of its own past. Nevertheless, we are anxious to thwart Communist attempts to influence the course the Africans take, and particularly the efforts of the Communists to prevent African leaders from seeking their own independent solutions. In practical terms, Canada, like other Western nations, wishes to avoid a situation in which the African states might consider themselves without reasonable access to Western assistance and forced to rely on the East.

22. This means, in particular, the provision of substantially greater aid to French-speaking Africa. Not simply by chance, a special and mutual affinity exists between this area and Canada which makes it particularly appropriate to concentrate greater Canadian assistance on the French-speaking African countries. In practice it may be necessary to broaden the possible uses to which aid can be put. With additional resources and greater flexibility, however, Canada's programme of aid should be better prepared to withstand the effects of the rapid evolution of Africa.

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\* The remaining \$500,000 of the Special Commonwealth Aid to Africa Programme is allocated to territories which are not yet independent.

CHAPITRE X/CHAPTER X  
DROIT DE LA MER  
LAW OF THE SEA

746.

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. 247-62  
SECRET. CANADIAN EYES ONLY.

[Ottawa], July 17, 1962

LAW OF THE SEA: POSSIBLE COURSES OF ACTION

It will be recalled that there are a number of memoranda under consideration by Cabinet dealing with the separate but related issues of:

- (a) implementation of the straight baseline system for the delineation of the line from which Canada's territorial sea may be measured;
- (b) ratification of the four Law of the Sea Conventions and Optional Protocol signed in Geneva in 1958; and
- (c) extension of Canada's territorial sea and/or exclusive fisheries zone.

2. The purpose of this memorandum is to summarize the various recommendations on these questions contained in the various papers under consideration by Cabinet, and to correlate them with developments which have occurred since their submission to Cabinet.

(A) IMPLEMENTATION OF THE STRAIGHT BASELINE SYSTEM

3. In a memorandum to Cabinet on Arctic Sovereignty dated February 1, 1960 from the then Minister of Northern Affairs and National Resources it was recommended:

- (a) that no claim be made to the waters and ice of the Polar Basin on the basis of the sector theory, but that the sector theory be held in reserve by Canada and not repudiated in case it might prove useful at some future date should it be deemed desirable to claim sovereignty over any permanently fixed or floating ice of the high seas of the "Canadian Sector";
- (b) that a decision be reached in principle to lay claim to sovereignty over the waters of the channels of the Arctic Archipelago, formal announcement to be postponed until after the second (1960) Conference on the Law of the Sea; and
- (c) that appropriate government departments be cautioned against any action which might compromise a Canadian claim not only to the waters of the channels in the Arctic Archipelago but also to the waters of the Arctic ocean and the Gulf of St. Lawrence.

4. At its meeting on March 8, 1960 Cabinet gave preliminary consideration to these memoranda and requested additional information on the legal basis of Canada's claim to sovereignty over the islands of the Arctic Archipelago and on whether Canada had ever made a formal claim to these islands.

5. In a supplementary memorandum dated June 27, 1960 from the then Minister of Northern Affairs and National Resources these questions were discussed in some detail. The conclusion

outlined in the memorandum was that Canada has asserted its claim to sovereignty over the Arctic islands since the 1860s [sic] and published the limits of its claim as early as 1895; no protest by other nations has been received apart from that of Norway in 1930 and that was settled; and that apart from such formal assertions of sovereignty, Canada has made so many displays of the effect of sovereignty in so many respects, and for so long a period, as to establish its title to all of the islands in the Arctic Archipelago upon the doctrine of effective occupation in conformity with international Law. (The paper did not discuss the basis of any Canadian claim to the waters of the Arctic Archipelago.)

### *Subsequent Developments*

6. (1) The 1960 Law of the Sea Conference did not reach agreement on the breadth of the territorial sea and contiguous zone but further efforts by Canada to achieve an agreement on it made it necessary to continue to withhold formal announcement of Canada's claim to the waters of the Arctic Archipelago.

(2) The Antarctic Treaty, which had been signed, on December 1, 1959, after fifteen months [of] negotiation, by Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, the Soviet Union, the U.K. and the U.S.A., entered into force on June 23, 1961. It had been thought that the terms of the treaty or the circumstances under which it was concluded might have had some implications for Canada's claim to the Arctic (should, for instance, the treaty have attempted to lay down principles of general application to polar areas), but this did not occur. The Advisory Committee on Northern Development has therefore been giving consideration to the advisability of Canada acceding to the Antarctic Treaty. The preliminary conclusion of the Committee has been that there would seem to be no compelling reason for acceding to the Treaty, provided the results of the research being carried out in the Antarctic can be obtained by other means. This latter question is being followed up through our missions in Washington, London, Canberra and Wellington.

(3) Since the submission of the two memoranda to Cabinet previously referred to, two requests have been received from the U.S.A. (through service to service channels only), for Canadian concurrence in the passage of U.S.A. nuclear submarines through the waters of the Arctic Archipelago.<sup>1</sup> The nature and circumstances in which these requests have been received would seem to indicate a desire on the part of the U.S.A. to show an awareness of the Canadian interest in these waters, while neither conceding nor disaffirming Canadian sovereignty over them; hence there would seem to be no reason to assume that the U.S.A. attitude has altered from that outlined in the two memoranda to Cabinet.

7. In a memorandum of the Cabinet Committee on Territorial Waters to Cabinet dated February 7, 1961 on "Problems Connected with Implementation of the Straight Baseline System" it was recommended:

(a) that approval be given to the implementation of the straight baseline system for the delineation of the line from which Canada's territorial waters may be measured; and (should this recommendation be accepted),

(b) that instructions be given as to the way in which the straight baseline system should be implemented with respect to the Gulf of St. Lawrence, the Newfoundland Bays and the Bay of Fundy on the East coast, Hudson Bay, Hudson Strait and the Arctic Archipelago in the North and Hecate Strait and Dixon Entrance on the West Coast, and (should it be decided to close off some or all of these areas by means of the straight baseline system),

(c) that informal discussions be held beforehand with the U.S.A., the United Kingdom and France; and

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<sup>1</sup> Voir/See Volume 27, documents 663-665.



(d) that publication of the straight baseline system (and the holding of discussions concerning it with the U.S.A., the United Kingdom and France) be deferred until such time as it is clearly evident that such action would not prejudice the chances of a multilateral convention, but not, without prior Cabinet approval, longer than one year from the date of ratification by Canada of the Geneva Conventions on the Law of the Sea.

#### *Subsequent Developments*

8. (1) From the Spring of 1960 until the Fall of that year Canada had attempted, without success, to persuade the U.S.A. to join in efforts to obtain agreement on a multilateral Convention on the Breadth of the Territorial Sea and a Contiguous Exclusive Fisheries Zone on the basis of the joint Canada-U.S.A. "six-plus-six" Geneva Formula. It was decided, in the light of the failure of these efforts (see memoranda to Cabinet of May 13, August 10 and September 27, 1960), to propose to the British that a joint confidential survey be carried out by Canada and Great Britain to determine the extent of support for the proposed convention, with a view to using the results of such a survey to persuade the U.S.A. to take part in the project. The British agreed to this proposal and in the months of February, March and April of 1961 a confidential survey of eighteen countries was carried out. The results were deemed sufficiently encouraging to warrant an approach to the U.S.A. requesting U.S.A. participation in the second phase of the confidential survey, during which a further number of countries would be approached. The Canadian and British representations to the U.S.A. were made on May 15 and May 16, 1961 respectively. On March 8 of this year our Embassy in Washington was informed that it had been decided by the U.S.A. that our invitation to participate in this project had to be declined due to opposition from the U.S.A. Defence and Fisheries Departments.<sup>2</sup> This decision has since been discussed with the British and they have indicated their concurrence in the Canadian view that it has effectively eliminated the prospects for the proposed multilateral convention. No action has yet been taken, however, to so notify the 18 countries approached during the confidential survey.

#### (B) RATIFICATION OF THE LAW OF THE SEA CONVENTIONS

9. In a memorandum of the Cabinet Committee on Territorial Waters to Cabinet dated February 7, 1961 on "Desirability of Ratifying the Conventions on the Law of the Sea" (and submitted at the same time as the memorandum of the same date on the Straight Baseline System), it was recommended:

(1) that a resolution be introduced in both Houses of Parliament during the then current session approving ratification of the five instruments on the Law of the Sea signed by Canada in Geneva on April 29, 1958, *with a reservation* that such ratifications shall not be construed so as to affect or impair the application of the "abstention principle" as defined in paragraph A 1 of Document A (Conf. 13/6.3/L.69 of the Official Record of Proceedings of the said Conference), and

(2) that the required amendments to existing legislation be prepared and introduced in Parliament when the various instruments are about to come into force.

10. At its meeting of February 14, 1961 Cabinet decided in principle to ratify the Law of the Sea Conventions, but to defer doing so until certain amendments to the Fisheries Act had been made.

<sup>2</sup> Voir/See Volume 28, document 107.

*Subsequent Developments*

11. (1) The relevant amendments to the Fisheries Act have since been passed by Parliament and on April 24, 1961 the Prime Minister notified the House of the Government's intention to ratify the Law of the Sea Conventions.

(2) Subsequent to Cabinet's decision to ratify the Law of the Sea Conventions and the Prime Minister's announcement of the Government's intention to do so, the latent dispute with B.C. over off-shore mineral rights has come again into prominence, and with it the possibility of a reference to the Supreme Court of the questions in issue. Ratification of the Conventions has therefore been withheld pending study of the advisability of proceeding with ratification prior to settlement of the B.C. dispute. Consultations have been held between the Departments of Justice and Northern Affairs and National Resources on this question. The Department of Justice has indicated that while the legal situation is not clear and is one in which there can be differences of opinion, which is why a reference to the Supreme Court is being considered, there seems no necessity for Canada to delay ratifying the Convention on the Continental Shelf and on the Territorial Sea and Contiguous Zone on the ground of doubts as to the position of the Crown in right of Canada in the dispute with British Columbia.

(3) A separate legal question touching on ratification of the Conventions has been raised very recently by the Norwegian Ambassador, in informal discussions, namely, whether the collective provisions of the 1958 Conventions on the Law of the Sea preclude a signatory state from extending its exclusive fisheries zone to 12 miles. The question in issue (to which the Interdepartmental Committee on Territorial Waters is still giving consideration), is whether, bearing in mind that one Convention does not include fisheries amongst the kinds of control which may be exercised in a contiguous zone of the high seas while two other conventions specifically provide for freedom of fishing on the high seas, these provisions taken together preclude a claim to a contiguous exclusive fisheries zone. The preliminary conclusion of the Interdepartmental Committee is that sufficient doubt exists on the question to warrant a reservation being made when the Conventions are ratified which would leave it open to Canada to claim exclusive fishing rights in a contiguous zone similar to those exercisable in the territorial sea.

(4) Of the twenty-two countries required to bring the Conventions into force, twenty have now ratified the Convention on the High Seas, sixteen have ratified the Convention on the Territorial Sea, fifteen have ratified the Convention on the Continental Shelf, eight have ratified the Convention on Fisheries, and one country has ratified the Optional Protocol. (The question of ratification of the Optional Protocol, which provides for compulsory settlement of disputes arising out of the Conventions through submission to the International Court of Justice, would seem to depend in part on whether or not Canada files a new Declaration of Acceptance of Compulsory Jurisdiction of the International Court. While the commitment contained in the Optional Protocol could be accepted whether or not a new and more liberal Declaration is filed, it may be that the possible implications of ratification of the Optional Protocol should, in the light of the possibility of future disputes with the U.S.A. and other countries on law of the sea matters, be brought again to the attention of Cabinet, as suggested below in paragraph 15).

(C) EXTENSION OF CANADA'S TERRITORIAL SEA AND/OR EXCLUSIVE FISHERIES ZONE

12. In a memorandum of the Cabinet Committee on Territorial Waters to Cabinet dated January 4, 1962 various recommendations were made, some of which have since been overtaken by events. In large part, however, the issues discussed in that memorandum are identical to those outlined in the Draft Memorandum to Cabinet of March 9. Both memoranda discuss the advisability of unilateral action, the only difference being that a U.S.A. negative

response has been received since the date of the earlier memorandum, and hence the recommendation that a further approach be made to the U.S.A. after consultation with the U.K. is no longer applicable.

13. At its meeting of February 1, 1962 Cabinet decided to defer consideration of these questions for a period of three months.

#### *Subsequent Developments*

14. (1) As mentioned above, on March 8 the negative reply of the U.S.A. was received to our request for U.S.A. participation in the second phase of the confidential survey. In the light of this development the memorandum to Cabinet dated March 9 was submitted recommending:

(1) that the United Kingdom and the other countries involved in the preliminary survey be told that the multilateral approach had failed due to lack of U.S.A. support and that Canada reserves her freedom of action concerning other possible solutions to the problem; and, simultaneously with this action,

(2) that the U.S.A. be informed of Canada's intention to take unilateral action extending Canada's exclusive fishery zone to 12 miles and implementing the straight baseline system for the delineation of the line from which Canada's territorial sea and exclusive fishery zone may be measured and of Canada's willingness to negotiate related questions prior to the implementation of this decision;

(3) that negotiations on these questions be opened with the U.S.A. as soon as possible thereafter, and simultaneously with the opening of negotiations;

(4) that a public announcement be made of the failure of the multilateral approach and the opening of negotiations with the U.S.A., but no mention [be] made of the intention to take unilateral action;

(5) that the decisions on whether to extend Canada's territorial sea to 6 miles and on which areas should be included in the implementation of the straight baseline system be deferred until an appropriate stage in the negotiations on these questions with the U.S.A.; but in any event,

(6) that the results of the negotiations with the U.S.A. be reviewed by Cabinet three months after their commencement with a view to determining whether unilateral action should be implemented, postponed or abandoned.

#### *Related Developments*

15. Since the date of the memorandum to Cabinet of March 9, some further considerations have arisen which seem to suggest the advisability of adopting a different approach, at least for the time being, on the various Law of the Sea questions under consideration by Cabinet than that recommended in that memorandum. These considerations may be summarized as follows:

(a) the division of public opinion in Canada which recently became apparent on the advisability of making Law of Sea claims which might result in retaliatory action from the U.S.A. affecting Canada's fisheries markets;

(b) It is apparent that Canada will need the close cooperation and support of the United States on a number of vital issues in the future affecting our international commercial and financial relations. In particular these include the Common Market negotiations and the continuing negotiations which we can expect to have in the IMF and in the GATT with respect to our balance of payment corrective programme. Additionally, Canadian oil and lumber exports to the United States, especially in view of the sharpening of competition as a result of the change in our exchange rates, have been under some criticism recently and it would be unwise to take steps which might increase the pressures now existing in the U.S.A. for restrictive measures against these important exports.

*Summary of Conclusions*

16. It can be seen that the questions of (a) ratification of the Law of the Sea Conventions, (b) implementation of the straight baseline system, and (c) the claim to an exclusive fisheries zone are closely related matters, and action on these questions should be co-ordinated. In the light of the considerations outlined in paragraph 15 above it would seem advisable to defer for the time being the opening of negotiations with the U.S.A. on question (b), particularly since, for the most part, Canada would be requesting substantial concessions and offering little in return (except the lessening of the extent of our claims in certain cases).

17. With respect to question (a), ratification of the Law of the Sea Conventions, it would seem inadvisable for a number of reasons to ratify them at this time, firstly, since in so doing we would be obliged to give some indication of our intentions on these other matters through the reservations we might have to make to the conventions; secondly, as pointed out in the memorandum to Cabinet of February 7, 1961, it would be inadvisable to ratify the conventions without being in a position to take action shortly afterwards implementing the straight baseline system, if that course of action is ultimately intended; thirdly, it might be inadvisable to ratify the Optional Protocol providing for compulsory submission of Law of the Sea disputes to the International Courts of Justice without having regard to the possibility of potential law of the sea disputes with the U.S.A., while to refrain from ratifying the Optional Protocol when ratifying the other conventions might be to act inconsistently with the proposal still under consideration by Cabinet to accept the compulsory jurisdiction of the International Court unconditionally. The fact that Canada may not be amongst the 22 countries bringing the conventions into force would seem to be a relatively minor matter when balanced against these other considerations.

*Recommendation*

18. It is recommended:

(1) that Cabinet should defer action on the various Law of the Sea matters at this time. The nature and degree of Canada's economic cooperation with the United States should be kept under continuous review in order to determine to what extent this should be taken into account in determining what action should be recommended with respect to Law of the Sea matters.

(2) that the eighteen countries canvassed in the confidential survey be informed that we have discontinued the operation because in the opinion of some countries approached (which we do not necessarily share) the essential support of a number of countries was not likely to be forthcoming.

(3) that the Cabinet Committee on Territorial Waters keeps the situation under continuous review and that these various Law of the Sea questions be raised again with Cabinet when, in the opinion of the Cabinet Committee on Territorial Waters, the time is propitious for the opening of negotiations with the U.S.A.<sup>3</sup>

H.C. GREEN

Concurred in by:

J. ANGUS MACLEAN  
Minister of Fisheries

WALTER DINSDALE  
Minister of Northern Affairs  
and National Resources

<sup>3</sup> Approuvé par le Cabinet le 23 août 1962./Approved by Cabinet on August 23, 1962.

747.

PCO

*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], January 22, 1963

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

LAW OF THE SEA: PROPOSED COURSE OF ACTION  
 (Previous reference August 23, 1962†)

16. *The Secretary of State for External Affairs* said that Canada should assert jurisdiction over the Bay of Fundy, the Gulf of St. Lawrence, Hudson Bay and Hudson Strait, Hecate Strait and Dixon Entrance. Other matters relating to the law of the sea should be deferred, but negotiations should be held with the United States and with France, seeking cancellation of their treaty rights and a tapering-off of the historic fishing rights claimed by them in these "special areas." Until Newfoundland had become part of Canada, this country could not validly have asserted jurisdiction over the Gulf of St. Lawrence.

Recently, when Soviet trawlers had entered the Bay of Fundy the Canadian government had contended that the Bay was part of Canada's territorial waters. A protest from the United States might have followed, but the U.S. took no action, perhaps because they did not wish to appear to be helping the Russians. The trawlers had withdrawn from the area.

The Cabinet Committee on Territorial Waters considered that eventually Canada should seek implementation of the straight baseline system for the determination of the line from which Canada's territorial waters might be measured. Canada should also assert a formal claim

to the waters of the Arctic Archipelago, extend Canada's territorial sea belt and exclusive fisheries zone, and take various other measures, but all of these proposed actions should be deferred until after the matters of the jurisdiction over the special areas and the treaty and fishing rights of the U.S. and France in those areas had been satisfactorily resolved.

An explanatory memorandum had been circulated (Minister's memorandum, Dec. 14 -Cab. Doc. 418/62<sup>†</sup>).

17. *During the discussion* the following points were raised:

(a) If Canada asserted jurisdiction over the special areas it would be important to state clearly that this assertion did not in any way prejudice any Canadian claim to any other area not specifically designated at that time.

(b) The Cabinet Committee had studied a proposal that Canada should base its claim to Arctic waters upon the "apex" or "sector" theory. This would involve a claim to a sector of the Arctic Ocean extending to the North Pole. The Committee had recommended that no such claim should be made.

(c) Government spokesmen had recently declared that Canada should not act unilaterally in questions relating to the Law of the Sea. An assertion by Canada of jurisdiction over the special areas would therefore expose the government to the accusation that it was violating its own precept.

(d) Before making any public assertion on this subject, the government should consult the U.S. If that country was going to oppose such a step, there would be advantage in knowing this in advance. For many years the U.S. had contended that the Bay of Fundy was part of the high seas. If Canada acted unilaterally, the U.S. might take reprisals.

(e) If Canada delayed in asserting its claim, and if meanwhile the ships of other nations appeared in the special areas, it would become increasingly difficult to assert such a claim. There had been some suggestion, for example, that France might be planning to use St. Pierre and Miquelon as a base for greatly extended fishing operations.

(f) The present proposals did not involve the unilateral widening of Canada's territorial sea or of Canada's exclusive fishing zone, but merely the formal claiming of jurisdiction over areas which Canada had always regarded as her own.

(g) Some said the U.S. might be prepared to support such a claim by Canada because of considerations of defence. Others said that if Canada consulted the U.S. in advance, it might thereafter prove impossible for Canada to assert its formal claim. Canada did not need U.S. approval to take the proposed action.

(h) The Maritime provinces would be seriously affected if the U.S. market for Canadian fish should be lost or interrupted. Furthermore, the Canadian government in recent months had issued various policy statements and taken forms of action (e.g. on oil policy surcharges on imports, magazines, etc.) that had irritated the U.S. government. No further irritants should be added at this time if they could be avoided.

(i) Shortly after the Russian trawlers had left the Bay of Fundy, a Russian trawler had asked for permission to transfer fish to another vessel in the Gulf of St. Lawrence. The Canadian government had replied that such transfers were prohibited "in Canadian territorial waters," and the trawler had apparently accepted this as effectively prohibiting such transfers in the Gulf.

(j) Some said that the waters of the Arctic Archipelago should be included in the proposed declaration. Others said it would be unwise to include too many areas at the one time.

(k) Next week the Fisheries Council would submit a brief on this whole subject to the Cabinet. A final decision should be postponed until after the Brief had been received and studied.

18. *The Cabinet* noted the recommendations of the Secretary of State for External Affairs, concurred in by the Ministers of Fisheries and Northern Affairs and National Resources (Cab. Doc. 418-62 Dec. 14, 1962), on a proposed course of action relating to the Law of the Sea, and agreed:

(a) that the government of Canada should consult with the government of the United States before taking action to assert jurisdiction over any special bodies of water as proposed; and

(b) that the recommendations would be considered further by the Cabinet after the meeting between Ministers and the Fisheries Council to be held on January 28th.

...

748.

J.G.D./MG01/XII/F/293

*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-30

Ottawa, February 26, 1963

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel 731 Mar 8/62.<sup>4</sup>

Repeat for Information: Paris, London (OpImmediate), DND (JAG and DNPO).

LAW OF THE SEA

Please speak to appropriate USA officials at highest level considered appropriate along the following lines: The USA Government is aware of Canada's strenuous efforts to bring about an international agreement on the Law of the Sea before, during and after the 1958 and 1960 Geneva Conferences on the Law of the Sea. The Canadian Government is mindful of the cooperation and assistance of the USA in these efforts. It will be recalled, however, from our discussions on this question at various times in the past three years that it has been the considered opinion of the Canadian Government that in the light of the failure of the last Geneva Conference to reach agreement on the joint Canada-USA "six-plus-six" proposal, the proposed multilateral convention offered the best possibility of removing some of the resultant uncertainty in the Law of the Sea and at the same time arresting the disturbing drift towards wider territorial seas.

It was the earnest hope of the Canadian Government that the Government of the USA would come to share these views. Indeed, with this in mind, the preliminary survey of 18 countries was carried out by Canada and Great Britain from February to April 1961 with the primary purpose of amassing sufficient evidence of support for a multilateral convention to persuade the USA Government to join in the second phase of such a survey. It was the agreed assessment of the Canadian and British governments that the results of the preliminary survey were sufficiently encouraging to warrant proceeding with the second phase, during which a second group of countries were to have been approached.

2. It will be recalled that these views were made known to USA Government in mid May/61, when Canadian and British governments requested that USA Government participate in the second phase of the survey. The response of USA Government to these representations was then awaited, and in the meantime no repeat no further steps were taken in the survey. In these circumstances the decision of USA Government, communicated to Canadian Government on

<sup>4</sup> Voir/See Volume 28, document 107.

March 8/62, not repeat not to participate in the second phase of the confidential survey was received with considerable regret.

4. Canadian Government has given careful consideration to the implications of the decision of the Government of USA not repeat not to join in the confidential survey. Canadian Government had recognized from the outset that the support of USA would be vital to the success of a multilateral convention and has concluded, therefore, that the decision of USA Government not repeat not to take part in the project may be taken as having eliminated the chances for such a convention; and that consequently there would be little purpose in pursuing the project further; and that those countries involved in the survey should be so informed.

5. In the view of Canadian Government the resultant situation is extremely unsatisfactory. The recent operations off Canada's East Coast of the Soviet fishing fleet, whose size has increased tremendously over the past five years, have raised serious security implications for Canada. The probing activities of these trawlers in waters considered by Canada as internal render it imperative that action be taken to prevent further incursions. Moreover, while Canadian Government remains desirous of achieving a rule of law on these important questions, public opinion in Canada strongly favours action to protect the livelihood of Canadian fishermen and future development of Canada's coastal fisheries industry. Ships of a number of other nations have begun to make new encroachments upon Canada's East Coast fisheries, and recent developments indicate also an increasing threat to Canada's West Coast fisheries from Japanese and, perhaps, Soviet fishing fleets. In the light of these circumstances and in the face of the failure of efforts to bring about an agreed rule of law on the territorial sea and contiguous fishing zone, firstly through a universal UN convention and secondly through a multilateral convention, Canadian Government has decided after careful consideration to take the following action in order to protect Canada's security and fisheries interests:

(a) to enclose the waters of the Bay of Fundy, the Gulf of St. Lawrence, Hudson Bay and Hudson Strait, Hecate Strait and Dixon Entrance and Queen Charlotte Sound by the straight baseline or headland to headland system (in accordance with customary international law and the 1958 Geneva Convention on the territorial sea) and to proclaim the straight baseline system as the basis for the delineation of the line from which Canada's territorial sea and exclusive fisheries zone may be measured;

(b) to suggest to USA that it join with Canada in taking the initiative in convening a new international conference on the Law of the Sea under UN auspices for the purpose of bringing about international agreement on a rule of law on a six-mile territorial sea and a further six-mile contiguous exclusive fishing zone, on the basis of the joint Canada-USA Geneva "six-plus-six" formula.

6. Canadian Government intends to make a public announcement shortly of these decisions, and to implement these decisions within a reasonable period thereafter. In deciding on this course of action, however, Canadian Government has been mindful of its possible broader implications, as well as its possible effects on USA fishermen. For these reasons, and in the light of the long and harmonious relations between our two countries in these fields, Canadian Government is prepared to discuss with USA Government such questions which the latter may wish to raise in connection with this action, particularly questions touching on USA treaty and "historic" fishing rights, in the hopes of reaching agreement on mutually satisfactory arrangements. Canadian Government would welcome the holding of such discussions in Ottawa in due course.



Following for Embassy Paris: Please speak to French officials along lines similar to foregoing, except that we are not repeat not at this time requesting France's support for a new UN conference on the Law of the Sea. In paragraph 6 substitute "French fishermen" for "USA fishermen" and "French Government" for "USA Government" etc. as required. Following for London only: Please transmit information to UK officials for their information.

[H.C.] GREEN

749.

J.G.D./MG01/XII/F/293

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

TELEGRAM 672

Washington, March 1, 1963

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 652 Feb 28.†

Repeat for Information: London, Paris (Priority). DND Ottawa (JAG and DNPO) from Ottawa.

LAW OF THE SEA

Alexis Johnson Deputy Under-Secretary of State for Political Affairs asked me to come in this afternoon to receive initial reaction to the Canadian decisions in your telegram L-30 February 26. He had with him Yingling Assistant Legal Adviser for Special Functional Problems (which includes Law of Sea questions), Taylor Deputy to Harrington Special Assistant to the Secretary of State for Fisheries and Wildlife and Hubbard of the Canadian Desk.

2. At the end of our discussions Johnson summed up the State Department reaction by saying that our informing the State Department of the Canadian decisions was appreciated; but that it was earnestly requested that the decisions be reconsidered since they could not repeat not be helpful to our relations at the present time. He also emphasized that USA officials would be more than happy to enter into discussions with Canadian authorities on all aspects of the Canadian position. He and his advisers also raised several specific questions about details of the Canadian position.

3. To start off the discussion Johnson said that as we well knew both USA and Canada were facing increasing pressure from our fisheries interests in respect of the Japanese pressure for opening up halibut fishing areas on the West Coast. If action were taken by Canada at the present time to close off further substantial areas of the sea that were of interest to USA West Coast fishing industries then this would create a very difficult problem for USA Administration. USA fishery interests were influential and would probably suggest retaliation of some kind against Canada in respect of such action. Johnson was unsure of what form of retaliation they might propose although he supposed it might be to restrict Canadian access to markets in USA.

4. Johnson went on to express regret at the Canadian decision when the West Coast fisheries had so long been a model of joint USA-Canadian cooperation in the development of fisheries resources. Furthermore we were both facing the imminent termination of the first period of the Northwest Pacific Fisheries Convention and it was felt that our mutual cooperation and our joint cooperation with the Japanese would be jeopardized by the Canadian decisions.

5. Describing the foregoing as broad considerations Johnson went on to speak of what he thought might be called technical and legal considerations although both aspects were intermixed. On the technical and legal side Johnson said it was felt very strongly that the type of action in contemplation should not repeat not be handled unilaterally by one government. This was especially so because of the national defence interests of both our countries. USA had vigorously protested actions by Soviets and others that were detrimental to the freedom of the seas. Action by an ally which would encourage the further disregard of freedom of the seas would be most unfortunate. USA would find it impossible to acquiesce in the Canadian decision and if proclaimed would have to take a public position against our extension of Canadian internal waters by reference to the straight base line concept. Under this rule very large areas of the sea on both the East and the West Coasts would be closed.

6. I told Johnson that I would of course report these views fully to the Canadian Government. However I said I wished to make several observations. I emphasized the long period of cooperation with USA in seeking to avoid the development of a chaotic situation in the Law of the Territorial Sea. I mentioned again our cooperation in respect of the two Geneva Conferences on the Law of Sea. I emphasized that we were still anxious to go ahead on the same basis of cooperation as our suggestion for a further conference under UN auspices showed. From the point of view of both our security and our fisheries interests we were most anxious to avoid a situation which was becoming increasingly difficult. We were facing tremendously increased incursions into the waters which we sought to enclose. As regards our national resources Canadian fishing interests were extremely concerned. As to our national security interests I wished to point out that Russian trawlers were becoming an increasing source of worry and recited some of the recent activities of Russian fishing vessels which seemed to indicate that USSR regarded waters adjacent to Canada as more or less of a no-man's land in which they could undertake intelligence activities with impunity. On the other hand I noted that on the international level efforts to avoid a chaotic situation in the Law of Sea had apparently ground to a stop. All these developments were a growing source of concern to Canada. Furthermore I thought that USA authorities should be alive to our joint long term interests in relation to both our Eastern and Western coastal waters especially in relation to the pressures that were being applied to us by both the Japanese and the Russians. Johnson pointed out at this juncture that USA Administration had of course been under considerable pressure from the authorities of Alaska to take action to extend USA territorial waters for the particular purpose of excluding Japanese and Soviet trawlers but that the Administration had firmly withstood these pressures.

7. I further pointed out that Canadian authorities were as we had indicated willing to have discussions with USA authorities in regard to both our bilateral and multilateral treaty obligations as well as USA "historic" rights. I emphasized that we wished to work out mutually satisfactory arrangements. Johnson immediately stated willingness of USA authorities to have discussions with us. He pointed out however that the central question of course would be whether these discussions would precede any public announcement by the Canadian Government. He also wished to emphasize that USA very much desired to continue to coordinate and cooperate in respect of our joint interests in the Northwest Pacific fisheries.

8. Johnson, Yingling and Taylor then further commented on the legal basis for our decision the gist of these comments being to doubt the applicability of the straight base line concept to the areas which were designated in the Canadian decision. Yingling in particular contrasted the geographical configuration in Norway which had been at the root of the ICJ decision of 1951 and the geography of the Canadian coast lines East and West. Johnson again said that he hoped USA-Canada discussions could take place in order to provide a full understanding of relevant technical questions. He would for instance be happy to have Yingling go to Ottawa to discuss these questions with Canadian authorities. They also raised the following specific questions:

(a) Was it the Canadian intention to define the limits of its territorial waters as extending beyond the straight base lines by three miles or by six miles?

(b) What was the width of the intended contiguous fishing zone? and

(c) What were the base line points which it was intended to adopt under the straight base line formula?

9. We said that we would ask you to consider whether we could provide precise answers on the foregoing specific questions.

10. I stressed once more as I had yesterday to Tyler Assistant Secretary of State for European Affairs our strong desire that the Canadian decision should not repeat not prematurely become public. Johnson fully agreed upon the desirability of avoiding premature public disclosures and said that certainly every effort should be made to avoid a public controversy over the Canadian decisions which he was sure would be the case if the decisions were made public. He said candidly that this was merely the statement of a fact of life in view of the undoubtedly strong reaction of USA fisheries interests particularly on the West Coast. I said that I could not repeat not of course state officially when it was intended to make the Canadian decisions public although I thought that as an unofficial estimate this would not repeat not take place before two or three weeks and that in any event the implementation of the Canadian decisions would take up to six months or a year. Johnson said that of course it was the announcement of the decisions rather than their implementation which would trigger a public reaction in USA.

11. I also said that I hoped to be able to inform the State Department in advance of a Canadian public announcement. Johnson welcomed this and said of course that USA authorities heartily reciprocated our desire not repeat not to say anything immediately.

12. In further explanation of the Canadian position I reiterated my belief that the government had come to its decisions reluctantly. We had striven at the two Geneva conferences to develop a coherent position on the territorial sea and as he knew had lost by such a narrow margin as one vote. We had come back to USA with proposals for a multilateral convention as he well knew. I thought that USA authorities must be aware of the very difficult prospect which this had placed before the Canadian Government.

13. Johnson once again referred to the determination of the Administration not repeat not to give in to pressures from Alaskan interests although he conceded that perhaps they were not repeat not as important proportionately as the Canadian interests bringing pressure to bear on the Canadian Government. Nevertheless he felt he must reemphasize that unilateral decisions by one of our two governments was not repeat not the way to proceed. He illustrated this by pointing to the disadvantageous position that would develop if USA were to acquiesce in the Canadian decisions. He pointed to the extension of the territorial sea if Indonesia and the Philippines should attempt to apply the straight base line concept in the way which Canada was proposing. He and Yingling drew attention to the fact that USA had already experience of incidents in these waters as well as in purported territorial seas off USSR. Yingling was particularly emphatic in pointing out the capacity of USSR to exploit Canadian decisions in relation to several large bodies of water off the Soviet coast. USA would be in their view in an extremely poor position to protest Soviet expansionism of this kind if USA were to acquiesce in the action contemplated by Canada "as a neighbour, friend and ally."

14. To conclude our discussion we agreed that there was nothing further that either of us could say immediately. I expressed my appreciation for the prompt way in which the State Department had given us their initial reaction. Johnson reiterated his willingness to arrange for further discussions.

15. Johnson and the officials with him at no repeat no time adopted a truculent or threatening attitude. At the same time they made no repeat no effort to hide their concern and agitation at the consequences which they saw flowing from our decision. I believe our efforts should now concentrate on emphasizing our concern on the security aspects of the Soviet incursions into North American waters and our concern for the interests of the Canadian and in the long term American fisheries industries. I would recommend therefore that, before any public announcement is made, we explain as fully as possible to the State Department the broad purposes of our decisions as well as answer the specific questions that were raised (paragraph 8 above).

16. In giving this initial statement of their views neither Johnson nor his colleagues directed any specific comment whatsoever towards the suggestion in your telegram L-30 that USA join with Canada in an initiative for a new international conference on the territorial sea under UN auspices. Their concern seemed to be focused solely on the decision to enclose waters off our coasts.

[C.S.A.] RITCHIE

750.

J.G.D./MG01/XII/F/293

*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], March 2, 1963

LAW OF THE SEA

Mr. Green has not seen the attached telegram 672 of March 1, 1963, from our Embassy in Washington, which outlines the initial United States Administration substantive comments on the recent decision of the Canadian Government to claim certain bodies of water as internal Canadian waters, and to suggest a new international conference to determine the breadth of the territorial sea and fishing rights in the contiguous zone. Mr. Green was, however, given the gist of the message over the telephone, and he directed that departmental comments be sent to you immediately. (A copy of this Memorandum is also being sent to him in Vancouver at his request.)

2. As you will note, the United States reaction has been not only faster, but more vigorous and more negative than had been expected. It has always been recognized that the establishment of these claims is to a very large extent dependent upon United States acquiescence in them. An adverse public United States reaction to an announcement of these claims would not only undermine the whole legal basis of certain of the claims, however, but could have serious repercussions in the financial field. This would almost certainly create a new area of controversy in Canadian-United States relations, which could affect firstly, fisheries exports from Canada to the United States, and could also extend to other important items, such as oil and lumber. It is even possible that the whole basis of our trading relations could be adversely affected, at a time when they are particularly important and sensitive.

3. The United States reaction seems to make clear also that the United States is not willing to acquiesce in the Canadian claims even if substantial fisheries concessions were made, since their main objections are on other and broader grounds. In these circumstances, it may be important to convey to the United States very soon the willingness of the Canadian Government to review the matter in the light of the United States views, in order to head off a deliberate leak by the United States Administration. This could result in an adverse public

reaction in the United States, which would seriously weaken our claims, even if it were decided not to press them at this time. . . .

4. Bearing in mind, therefore, the probable repercussions from a public statement by Canada concerning our claims, I would urge again that the whole matter be reviewed in the light of the United States comments, and I recommend that you authorize us to take the following steps:

(a) to instruct the Embassy in Washington to inform the United States that their reaction will be considered carefully by the Canadian Government before any further steps are taken;

(b) to instruct our Embassy in Washington to stress in discussing the matter with United States officials that action contemplated by the Canadian Government will not disregard United States interests, and that it is proposed to negotiate with the United States with a view to reaching mutually agreed arrangements;

(c) to instruct our Embassy in Washington to say, in respect to the specific questions raised in paragraph 8 of the attached telegram, if you agree, that there is no intention to take action at present extending Canada's territorial sea or fishing zone, but that it is hoped that these matters might be settled by an international conference along the lines of the Canada-United States proposal at Geneva in 1960, and that the question of specific base lines can be discussed in the proposed negotiations.

5. If the Government is prepared to review this matter, and in the event that it should become necessary to make a public statement, the Embassy in Washington should be instructed to request prior United States agreement to say that the two Governments are discussing the whole range of problems in this field with a view to developing mutually satisfactory arrangements. This would be consistent with your last statement on this subject in the House of Commons, and it might avoid divergent and premature public positions being taken.

M. C[ADIEUX]  
for Under-Secretary of State  
for External Affairs

751.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], March 4, 1963

*Present*

The Minister of Justice and Acting Prime Minister (Mr. Fleming),  
The Minister of Transport (Mr. Balcer),  
The Minister of Finance (Mr. Nowlan),  
The Postmaster General (Mrs. Fairclough),  
The Minister of National Health and Welfare (Mr. Monteith),  
The Secretary of State (Mr. Halpenny),  
The Minister of Mines and Technical Surveys (Mr. Martineau),  
The Minister of Citizenship and Immigration (Mr. Bell),  
The Minister of Trade and Commerce (Senator McCutcheon).  
The Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

LAW OF THE SEA  
(Previous reference February 8th†)

22. *The Acting Prime Minister* said that a telegram had been received from the Canadian Embassy in Washington describing the U.S. reaction to the Canadian government's recent decisions to claim certain bodies of water as internal Canadian waters, and to suggest a new international conference to determine the breadth of the territorial sea and fishing rights in the contiguous zone. The U.S. reaction had been "not only faster, but more vigorous and more negative than had been expected."

The Deputy Under-Secretary of State for External Affairs had reported that an adverse public U.S. reaction to an announcement of these claims by Canada would not only undermine the whole legal basis of certain of the claims, but could also have serious repercussions in the financial field. It could affect fisheries exports from Canada to the United States, and possibly also other important items such as oil and lumber. It seemed clear that the U.S. was not willing to acquiesce in the Canadian claims. The Canadian government should take early action to show its willingness to review the subject in the light of the U.S. views in order to head off a possible deliberate leak by the U.S. administration. Certain of Canada's claims had doubtful legal validity and would have little chance of being recognized without U.S. acquiescence.

23. *During the brief discussion* the following points were raised:

(a) Some said that, in view of the U.S. reaction it would now be folly to adhere to the terms of the Cabinet decision of February 9th, or to take the risk of a premature leak in Washington.

(b) The U.S. government should be informed that the Canadian government would give careful consideration to their reaction before any further steps were taken. It would be unnecessary to state, as the Under-Secretary had suggested, that Canada would not disregard U.S. interests and would negotiate with the United States in order to arrive at mutually acceptable arrangements. Canada should offer, however to consult the U.S. before taking any further steps.

24. *The Cabinet* agreed that the Acting Prime Minister should convey to the Prime Minister the recommendation of the Cabinet

(a) that no further action should be taken at this time on the decision of the Cabinet meeting of February 8th on the Law of the Sea; and

(b) that the Canadian Embassy in Washington be instructed to inform the U.S. government that their reaction would be considered carefully by the Canadian government, and that they would be consulted before any further steps on this matter would be taken by the Canadian government.

Note: The Acting Prime Minister informed the Prime Minister and Secretary of State for External Affairs of this decision. They agreed among themselves that it should be modified and pending the preparation and approval by the three of a revised message, the instructions in (b) above would not be given.

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CHAPITRE XI/CHAPTER XI  
SOUVERAINETÉ DANS L'ARCTIQUE  
ARCTIC SOVEREIGNTY

752.

DEA/9057-40

*Extrait d'un télégramme du secrétaire d'État aux Affaires extérieures  
à l'ambassadeur aux États-Unis*

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

TELEGRAM L-136

Ottawa, October 10, 1962

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Your Tel 2429 Aug 29.†

USA NUCLEAR-POWERED SUBMARINES IN ARCTIC WATERS

Consideration was given at the interdepartmental level to this recent exercise with regard to its possible implications for Canadian claims to sovereignty in the Arctic. It was noted that one of the two vessels concerned, the USS *Skate*, had effected passage in both directions through the waters of the Arctic Archipelago, informal notification of such passage having been received through service channels. Compared with the June 1960 voyage of the USS *Sea Dragon*, when Canadian concurrence was requested,<sup>1</sup> notification in this case was merely "for your information." While notification is all that can be required under the agreed clearance procedures between Canada and the US for passage of warships through territorial waters, it was given for the return voyage on August 17 i.e. one day after the trip had actually begun. No reply was sent at the time by the RCN to either message.

2. It was noted further that the subsequent press release reported in your telegram made no mention of prior consultation with Canadian authorities and was thus likely to give the impression that the waters of the Arctic Archipelago are international waters not subject to Canadian jurisdiction or control. You will recall (your telegram 2217 of September 1, 1960) that a similar difficulty arose over the *Sea Dragon* and that we made clear our desire at the time to be consulted at all stages concerning public announcement of such voyages.

3. As a result of this study the Minister has directed that the following reply to the messages from the US Navy should go forward:

"It is noted that in contrast to the passage of USS *Sea Dragon* in August 60, when concurrence was requested six weeks ahead of time, notice of the proposed passage of USS *Skate* was much shorter, and in the case of the return voyage was not received until the day after the voyage had begun, contrary to the agreed clearance procedures, paragraph 5(d) of which provides for a minimum 24 hours' notice.

"Request you point this out to COMSUBLANT and ask that minimum possible notification of future nuclear submarine transits be given in order that the required clearances for such passages may be obtained."

It is understood that this message will be sent today from Naval Headquarters to CANCOMARLANT information CANAIRHED.

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<sup>1</sup> Voir/See Volume 27, documents 663-665.

4. Moreover, the Minister has agreed that you should take up separately with the State Department the matter of the press release. It is preferred that you follow strictly the line which you took in 1960, namely state, as in the case of the USS *Sea Dragon*, that we expect to be consulted concerning such releases. . . .

5. We suggest that you wait about one week before making this démarche in case the RCN message filters up to the State Department. Any initiative taken by latter in raising the subject in the meantime might provide a suitable opening for introducing the matter of the press release.

753.

DEA/9057-40

*Extrait d'un télégramme de l'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 3062

Washington, October 19, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel L-136 Oct 10.

USA NUCLEAR-POWERED SUBMARINES IN ARCTIC WATERS

We conveyed yesterday October 18 to Carlson (OIC Canadian Affairs) the main points contained in paragraph four of your reference telegram emphasizing in particular our wish to be consulted in respect of any future releases concerning such operations in the Arctic.

2. Carlson took note of our position and undertook to take the matter up with USA authorities concerned. He appreciated our desire to be consulted in respect of such releases and observed that possibly the difficulties we experienced last August could be avoided in the future if there were some clearer understanding as to the channels and procedures to be used for clearing any press announcements. You may wish to give some thought to this aspect of the problem in consultation with DND. . . .



CHAPITRE XII/CHAPTER XII  
PÊCHE DU FLÉTAN DU PACIFIQUE  
PACIFIC HALIBUT FISHERY

754.

DEA/12386-2-40

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

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

CONFIDENTIAL

[Ottawa], May 7, 1962

SOVIET FISHING ACTIVITIES IN THE PACIFIC OCEAN

On October 4, 1961, our Ambassador in Moscow delivered a Note to the Soviet Union expressing concern about the possibility of an expansion of Soviet fishing activities in the North Pacific Ocean, in view of the development of the halibut fishery in this area by Canada and the United States through strict conservation measures. The Note concluded:

“The Government of Canada is aware that the Government of the Union of Soviet Socialist Republics 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.”

A similar note was delivered by the United States Ambassador in Moscow.

2. The Japanese abstain from fishing halibut in the same area under the terms of the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed by Japan, Canada and the United States in 1952. The abstention provisions of this Convention have never been popular with the Japanese, who could, under the terms of the Convention, give a one year notice of termination in June, 1962. You will recall that the Japanese sent a trawling fleet into the area this winter to fish for species other than halibut and salmon. They would not agree to postponing this operation until the problems could be discussed within the framework of the International North Pacific Fisheries Commission (Canada, Japan, U.S.A.). This caused considerable concern to Canadian and United States Fisheries officials. We had previously informed the Japanese of our efforts to discourage the expansion of Soviet fishing activities in the same area.

3. The text of the Soviet reply to our Note of October 4, 1961 is given in the attached telegram no. 104 of February 27 from Moscow.†

4. Briefly, the Soviet Government rejected, fairly vigorously, any suggestion that its rights to fish in the High Seas can be affected by a bilateral agreement between Canada and the United States. However, it states that U.S.S.R. “always proceeds from the need for international cooperation between States in the matter of the rational conduct of fisheries ...” and concludes:

“At the present time, Soviet fishing organizations are not conducting large-scale halibut fisheries in northern part of Pacific Ocean. For the time being, these operations are limited to the study of the reserves, the habitat, and the seasonal migration of the halibut. If in

future Soviet Government decides to begin the commercial catching of halibut in the above-mentioned region, it will be ready to cooperate on a just and equal base with Governments of Canada and of United States of America in the protection of halibut reserves and in the regulation of its catch."

5. In March our Ambassador in Tokyo asked whether he could give a copy of the Soviet Note to the Japanese Government Fisheries Agency. After discussion with the Deputy Minister of Fisheries we sent the following reply on April 9:

"Although we appreciate need to encourage cooperative attitude Japanese Fisheries Agency our preliminary reaction is not to show them Soviet reply to our Note on this subject for fear of stiffening Japanese position on the same subject. In any event Clark wishes to discuss with Herrington of State Department before making final decision."

"For your own information Clark hopes to be able to provide Japanese within a few weeks with analysis of special investigation by Canada-U.S. Halibut Commission referred to in ourlet X-132 of Dec. 20, 1961. He would prefer to withhold Soviet Note at least until this material has been given to Japanese. We will follow up when Clark has discussed with Herrington."

6. Mr. Clark telephoned us today to say that the Second Secretary of the Japanese Embassy has requested a copy of the Soviet Note on instructions from Tokyo. Mr. Clark has therefore reconsidered the matter and after discussing it with Mr. Herrington of the U.S. State Department recommends that the text of the Soviet Note be given to the Japanese on a Confidential basis.

7. Mr. Clark pointed out that since April the parties concerned have agreed to hold an interim meeting of the International North Pacific Fisheries Commission in August to discuss the halibut fishing in the light of the results of the special investigation by the Canada-U.S. Halibut Commission and of the results of the Japanese trawling expedition in the area this year, referred to above. He, therefore, considers that on balance the Japanese request for a copy of the Soviet Note should now be met.

8. Incidentally, the fact that we have received a reply from the U.S.S.R. was made public by Mr. Clark at a recent fisheries meeting in Vancouver when he apparently gave the substance of the concluding paragraph of the Soviet Note. A clipping from the *New Canadian* is attached.<sup>1</sup>

9. We have discussed the matter with the desk officers of European, Far Eastern and Legal Divisions. The consensus is that we should accept Mr. Clark's recommendation. If you agree we suggest that Mr. Clark should give a copy to the Second Secretary of the Japanese Embassy and that we should inform our Ambassador in Tokyo so that he may make a copy available to the Japanese Government Fisheries Agency.<sup>2</sup>

J. MURRAY COOK

<sup>1</sup> Voir/See Norman Hacking, "Experts Say Japanese Not Harming Fish Catch," *New Canadian*, April 14, 1962.

<sup>2</sup> Notes marginales :/Marginal notes:

I agree. N.A. R[obertson] 8.5.62

In the circumstances I agree with the consensus in the last para. A.E. R[itchie]

Noted. [J.M. Cook?] May 9

NB Clark to see Yamada May 9 & tel sent to Tokyo same date. J.M. C[ook]

755.

PCO

*Note du président du Conseil du Trésor  
pour le Cabinet*

*Memorandum from Chairman of Treasury Board  
to Cabinet*

CABINET DOCUMENT NO. 188-62  
CONFIDENTIAL

[Ottawa], May 18, 1962

FISHING ACTIVITIES OF FOREIGN NATIONS –  
PROBABLE EFFECT ON PACIFIC HALIBUT FISHERY

*Background*

(1) At its Meeting of March 19, 1962, the Cabinet referred to Treasury Board for report the recommendation of the Minister of Fisheries that his Department be authorized to include in its 1962-63 Estimates an amount of \$200,000 for the continuation of research into the effects of Japanese and Russian fishing activity on the Pacific halibut fishery.

(2) The Board, at its Meeting of April 12th, took the view that, while the conclusive results which this work would provide were desirable, the cost was too great to be borne during the current fiscal year. The Chairman of the Board reported this decision to Cabinet in a document dated April 17th.

(3) At its Meeting of May 12th, the Cabinet referred this report back to the Board for review and further report in light of further information and argument to be submitted to the Board by the Minister of Fisheries.

*Letter to the Minister of Finance by the Minister of Fisheries*

This letter dated May 11, 1962, is as follows:

“The attached Memorandum to Cabinet was considered and referred to Treasury Board since it involved a matter requiring the provision of funds in Supplementary Estimates for the fiscal year 1962-63.

It was not possible because of early preparation and submission of the Main Estimates, in view of the lack of sufficient information at the time, to include an amount for the Canadian share of the important and urgent investigation set out in some detail in my submission to Cabinet. I understand that Treasury Board considered that it could not approve the funds requested. I appreciate, of course, the position faced by Treasury Board when my submission was referred to it by Cabinet. I must point out, however, that my request is an urgent one requiring extraordinary consideration.

I have critically re-examined the situation and I am strongly convinced that the Canadian share of the dividends from the North Pacific fisheries in the future will depend on the state of our knowledge of the quantitative and qualitative distribution of bottom fishes off the coasts of British Columbia and Alaska. This information is required to prepare the Canadian position for international negotiations early in 1963.

The following are some of the urgent and extremely important considerations:

(1) Both the Japanese and USSR fishing fleets have been carrying out exploratory fishing in the Gulf of Alaska for some time and both fleets plan to trawl for many species of bottom fish which are not sought by Canadian or United States fishermen in that area.

(2) Canadian and United States halibut fishermen fish throughout this area but are prohibited from using otter trawl gear under the International Pacific Halibut Commission regulations because of possible damage to small and immature halibut.

(3) The results of the special trawl survey carried out over the last 12 months show large numbers of small, immature halibut are taken in trawling operations.

(4) Other results of the trawl survey indicate that it should be possible to delimit the areas where damage to halibut stocks resulting from trawling operations for other species would be minimized.

(5) The trawl survey in 1961-62 covered the area south of the Alaska Peninsula between 165° West Longitude and 153° West Longitude and from shore to the 250 fathom contour. It is essential that similar data be obtained during 1962-63 to the east of this study area where major halibut spawning and nursery areas are known to occur.

(6) Since the International Convention for the High Seas Fisheries of the North Pacific Ocean may be terminated in 1963, Canada must assemble as much information as possible before that date to strengthen her position in negotiations dealing with the continued abstention by the Japanese fleets from fishing halibut in the Eastern Pacific Ocean and, equally important, in any negotiations which may have to take place with the Soviet Union with regard to the North Pacific fisheries.

As I have pointed out, I am strongly of the view that this matter is a most urgent one and I sincerely hope, in the Canadian interest, that Treasury Board will grant the funds requested. An immediate decision is required because suitable vessels must be chartered and the expedition organized to get under way this month.

Perhaps, because of present circumstances, the required funds could be provided meantime from the Department of Finance Vote Number 50 "Miscellaneous Minor and Unforeseen Expenses."

#### *Board Decision*

At its Meeting of May 17, 1962, the Board approved the proposal subject to the Department delaying other programs so as to effect an offsetting decrease in expenditures. The Board's approval included a commitment of \$200,000 against the Department of Finance – Vote 50, the "Unforeseen Vote," and approval of the inclusion of an item in Supplementary Estimates to recoup this Vote. The Supplementary Estimates item and the "Unforeseen" commitment are required, even though offsetting delays in other programs are to be made, because these delays will affect votes other than the one in question.

If the Cabinet concurs in the Treasury Board decision, and if the Department is still prepared to undertake the work, the Department should submit an amendment to the Classification of Expenditures to reflect the offsetting reductions in programs. Once this is done, allotments from the Unforeseen Vote may be made as required.<sup>3</sup>

DONALD M. FLEMING

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<sup>3</sup> Approuvé par le Cabinet le 28 mai 1962./Approved by Cabinet on May 28, 1962.

CHAPITRE XIII/CHAPTER XIII  
NOUVELLE POLITIQUE D'IMMIGRATION  
NEW IMMIGRATION POLICY

756.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], January 18, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
The Secretary of State for External Affairs (Mr. Green),  
The Minister of Justice (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 Public Works (Mr. Fulton),  
The Minister of Finance (Mr. Nowlan),  
The Minister of National Defence (Mr. Harkness),  
The Postmaster General (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),  
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 of Mines and Technical Surveys (Mr. Flynn).  
The Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

...

IMMIGRATION REGULATIONS  
(Previous reference November 2)

12. *The Minister of Citizenship and Immigration* stated that only one basic change had been made in the proposals which were originally put to the Cabinet and approved in principle in November, 1961. The form, however, was substantially different as the regulations now being submitted for approval were prepared by the Department of Justice. The previous draft had sought to establish equality of treatment for all categories of close relatives from all parts of the world, and to achieve this had proposed somewhat more generous treatment for the less preferred countries, mainly in Asia and Africa, while reducing to some extent the categories of close relatives to be admissible from the traditional sources in Europe. The new sub-paragraph (d) to section 31 restored the provisions by which it had been possible for sponsoring relatives in Canada to apply for adult or married brothers or sisters, sons or daughters, male fiancés or

unmarried minor orphan nephews or nieces, provided the persons applied for were citizens of a country of Europe (including Turkey), the Western Hemisphere, or Egypt, Israel or Lebanon. Moreover, the provision contained in the previous draft regulations relating to a literacy test had now been deleted.

The new sub-section 31 (d) was the only part of the Regulations containing any preferential treatment or discrimination in favour of European and Western Hemisphere countries. This discrimination could have been removed only by introducing restrictions and withdrawing privileges which had been enjoyed for a good many years by close relatives and sponsors from European and Western Hemisphere countries. It was considered preferable to move the less favoured groups forward by progressive steps to a position of complete equality by withdrawing privileges from more favoured groups. In general, the effect of Section 31 was to improve the position of nationals of all countries without worsening the position of any.

An explanatory memorandum had been circulated (Minister's memorandum, Jan. – Cab. Doc. 24-62†).

13. *During the discussion* some said that the change back to a preference for Europeans would perpetuate the discrimination against people from the less preferred countries. These complaints, others said, would be less serious than those which would arise from restricting Europeans. With Canada's many ethnic groups of European extraction, depreciating the rights of Europeans in favour of Asiatics and Africans would engender numerous and bitter complaints within the country. This aspect of the new regulations had been mentioned by the Minister very briefly in Caucus but discussed at some length with Messrs. Maloney, Martini and Kucherepa who favoured the change made by 31(d).

14. *Mrs. Fairclough* drew to the attention of the Cabinet Part II of the Regulations relating to Inquiries and Appeals and said that they did not require the approval of the Governor in Council but could be made on the authority of the Minister under Section 62 of the Immigration Act.

15. *The Cabinet,*

(a) agreed with the recommendation of the Minister of Citizenship and Immigration, pursuant to Sections 49 and 61 of the Immigration Act, that the Immigration Regulations made by Order in Council P.C. 1954-1351 of September 17th, 1954, as amended, be revoked and new Immigration Regulations Part I substituted therefore, effective February 1st, 1962; and,

(b) noted that the Minister would, by separate order under Section 62 of the Act, give effect to Part II of the Regulations bringing into force new regulations with respect to Inquiries and Appeals.

(An order in council in respect of (a) above was passed accordingly; P.C. 1962-82, Jan. 18).

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CHAPITRE XIV/CHAPTER XIV  
OPÉRATIONS DE CHANGE ET  
BALANCE DES PAIEMENTS INTERNATIONAUX  
FOREIGN EXCHANGE AND  
INTERNATIONAL BALANCE OF PAYMENTS

757.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], May 2, 1962

*Present*

The Minister of Agriculture,  
and Acting Prime Minister (Mr. Alvin Hamilton) in the Chair,  
The Minister of Public Works (Mr. Walker),  
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 Secretary to the Cabinet (Mr. Bryce),  
The Assistant Secretary to the Cabinet (Dr. Hodgson).

EXCHANGE RATE AND EXCHANGE RESERVE FUND

1. *The Secretary to the Cabinet* reported that this meeting had been convened to enable Ministers to consider the exchange situation and the action, if any, that should be taken by the government at this time.

At the time of the Budget, in June 1961, the government had decided that the Canadian dollar, which then stood at a premium of about 4 per cent in terms of U.S. dollars, ought to move to a somewhat lower level. During the succeeding months the exchange rate had moved downward, partly as the result of the public statement then made by the Minister of Finance, and it had proved unnecessary to purchase U.S. dollars to force the rate down. Indeed between June and October 1st, 1961, about \$60 million of U.S. dollars had been sold from the Exchange Reserve Fund to prevent too sharp a fall in the rate. During October this trend was reversed, and U.S. dollars were purchased, but since that time the Fund had been selling U.S. dollars. In the month of January 1962 these sales had amounted to \$134 million, in February \$175 million and in March \$38 million. The market had been relatively stable during the first week of April 1962, but, thereafter, it had again been necessary to sell increasing quantities of U.S. dollars from the Fund. On April 27th, the sales for the day had amounted to about \$35 million, on April 30th about \$20 million, and on May 1st about \$36 million.

On April 27th, the Minister of Finance had met with his Deputy and with the Governor of the Bank of Canada to discuss this situation. A further meeting had been held on the following day, the Secretary to the Cabinet being present on this occasion. The Under-Secretary of State for External Affairs had also been consulted. On April 29th the Secretary to the Cabinet had reported orally to the Prime Minister on the situation and on alternative courses of action.

The recent developments in the exchange situation reflected movements in the balance of trade. The balance had improved last year as compared with the previous year; but this year, although exports had risen, imports had been rising more quickly. The international balance on

non-trade items had been worsening by something over \$100 million per annum. On the whole, therefore, it appeared that the deficit this year in the balance of payments would be \$1.2 or \$1.3 billion. The discount on the Canadian dollar had helped the situation to some extent, but not enough.

The inflows of capital from the United States had been shrinking during the past year or so. Foreign investors were buying less Canadian securities in the marketplace than during the earlier period, and municipal and provincial financing was now being done, for the most part, in Canada.

In summary, since October 1961 the Exchange Reserve Fund had lost about half a billion of its exchange reserves, or about one-quarter of its reserves. The subject had not been noted in the press until May 1st when the New York newspapers had referred to a weakening of Canadian exchange.<sup>1</sup>

On May 1st the Prime Minister and the Minister of Finance had discussed the exchange situation, and the Minister had then reviewed the matter with officials. Four alternative courses of action had been given serious consideration.

One possibility would be to continue to support the Canadian dollar at the current rate of 95 cents in terms of U.S. currency. This however, would involve further depletion of exchange reserves and might not produce a real solution.

A second course might be to support the Canadian dollar, and to announce that the government intended to hold it between 93 and 97. The Minister of Finance had at first been inclined to favour this course but later had concluded that, if the rate should fall to 93, it might then be necessary to use up substantial amounts of reserves to prevent a further decline.

A third possibility might be to fix the par value of the Canadian dollar at .95 U.S. dollar, and to seek the agreement of the International Monetary Fund. This however would involve the risk that the government might have difficulty in defending a fixation at this level.

The fourth proposal, favoured by some officials, would be to fix the par value of the Canadian dollar at .90 U.S. dollar. The market would probably regard this valuation as reasonable, but such a drop in the exchange rate would have a more severe effect upon domestic prices than the alternative measures, and the government might be accused of manipulating the exchange rate in order to obtain an advantage in international trade.

After considering the alternatives, the Minister of Finance had proposed, and the Prime Minister had signed, a recommendation that the par value of the Canadian dollar be fixed at .92½ U.S. dollar for the purposes of the Agreement for an International Monetary Fund. There had been no fixed par value of the Canadian dollar since 1950, although the order in council of 1949 was still nominally in effect.<sup>2</sup>

The Minister of Finance had wished to await reports on the exchange market of this day before action was taken on the recommendation. On this day it had again been necessary to sell considerable sums of U.S. dollars. Accordingly, it was proposed that the concurrence of the I.M.F. be now obtained and that an order be passed later on this day to fix the par value of the dollar as recommended. The Minister would make an announcement immediately after the passing of the order.

2. *During the discussion* the following points were raised:

(a) the proposed course was the best alternative available, and its advantages outweighed its disadvantages. The government would be able to capitalize on it by presenting it as a deliberate step to encourage Canadian exports.

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<sup>1</sup> Voir/See "Canada May End Dollar Support," *New York Times*, May 1, 1962, p. 50.

<sup>2</sup> Voir/See Volume 15, document 509.



(b) The position of exporters would be improved as a result of the proposed order, but complaints would probably be received from importers. In a few months' time, the price on imported goods such as automobiles and farm machinery might rise by an amount of up to 5 per cent.

(c) On the whole, the proposed step would be popular in Canadian financial circles, and the I.M.F. would welcome it as being in conformity with normal practice.

(d) The government might be criticized because of the reduced inflow of capital from abroad and on the ground that the lower value of the dollar reflected declining prestige. Such criticism, however, would not be very damaging because the Canadian public favoured a reduction in foreign influence upon the economy.

(e) Any increase in exports would help to strengthen the position of the Canadian dollar in international exchange. All reasonable steps should also be taken to stimulate the tourist industry in Canada.

(f) The Prime Minister and the Minister of Finance had considered this matter in detail, and their recommendation should be supported.

3. *The Cabinet* agreed that the concurrence of the International Monetary Fund should be obtained, and authority be given for the fixing of the par value of the Canadian dollar, for the purposes of the Agreement for an International Monetary Fund, at one Canadian dollar equals 92½ U.S. dollar.

(An order in council was passed accordingly; P.C. 1962-659, May 2).

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758.

DF/7605-07

*Note du sous-ministre adjoint du ministère des Finances  
pour le secrétaire du Cabinet*

*Memorandum from Assistant Deputy Minister of Finance  
to Secretary to Cabinet*

SECRET

[Ottawa], June 10, 1962

At noon yesterday I was able to reach Mr. Fleming by telephone and bring to his attention two very serious developments. He asked that I should make available to the Prime Minister the information and suggestions which follow. (In the matter I am, of course, acting on behalf of the Deputy Minister, Mr. Taylor, who had to be absent from Ottawa this weekend.)

In the first place, as I told Mr. Fleming, the drain of our reserves of gold and foreign exchange in the past few days has, once again, been increasing ominously and sharply as it did late in April and early in May. The loss of reserves required to support the Canadian dollar at its lowest permissible level during the 7 business days since the last public announcement has amounted to \$93 million; last Friday sales of \$35 million were required. This brought the total decline in reserves since January 1st to over \$650 million or about one third of the reserves we held at that time. Our present reserves are approximately \$1,400 million, but this includes \$86 million which represents in effect the short-term borrowings from the market made in April and May through forward sales of foreign exchange and gold for which we received the spot exchange; these will have to be repaid within the next few months. We cannot go on using up reserves at this rate; urgent steps are needed to restore confidence in the Canadian dollar.

It now seems clear that a substantial and increasing part of these sales of reserves has been required as an offset to withdrawal from Canada of foreign capital; this is a most disturbing development. We know that, on Friday, such withdrawals were feeding on rumours in New

York that the Canadian Government could not (or would not) maintain the fixed exchange rate of 92½ cents U.S. or, alternatively, that the Canadian Government was about to impose foreign exchange restrictions in a last-ditch effort to defend that rate. In either eventuality, capital would have a strong incentive to escape from Canada while it was still free to do so at the current exchange rate.

In the second place, I drew to Mr. Fleming's attention a Canadian Press report, carried in yesterday's papers, of an interview with the Minister of Agriculture. It appeared on the front page of the *Globe and Mail* under the following headline: "Dollar at 90 Cents Urged by Hamilton." The report read in part as follows:

Vancouver, June 8 (CP) – Agriculture Minister Alvin Hamilton said today he favors a further devaluation of the dollar to 90 cents in terms of U.S. funds.

Mr. Hamilton told a press conference the present level of 92½ cents is in effect a compromise between Government members. He said some were in favour of 95 cents while others wanted it at 90 cents.

The 90-cent level, he said, is a "natural peg which is defensible with our negative trade balance."

Even before this report was published, growing demands on the exchange fund had raised the possibility that if a serious outward movement of capital developed the Fund might not be able to meet all the demands made upon it in defence of the fixed exchange rate. In other words, it was not inconceivable that we would be faced, before June 18th, with a major financial crisis involving the possibility of a breakdown of the policy decided upon by Government and announced on May 2nd or the need to go asking for emergency financial help abroad wherever this could be obtained. The danger of such developments is, of course, much increased by a newspaper report indicating a serious cleavage within the Cabinet regarding the basic exchange rate policy.

A clarification of the Government's position will inevitably be sought. Such clarification can now only come from the Prime Minister. Moreover, a firm statement by him may help to avert a flight of capital, and the breakdown of policy that it might precipitate. Mr. Fleming requested that we should draft a statement for consideration by the Prime Minister. Following his request we have produced the following draft:

*Draft Statement by the Prime Minister*

I have been asked whether the exchange rate for the Canadian dollar, which was fixed at 92½ cents in U.S. funds on May 3, is to be regarded as definitive.

I wish to make it clear beyond question that the rate of 92½ cents in U.S. funds is definitive. We chose this rate after careful consideration of our balance of payments outlook. It has been legally established by the Government with the concurrence of the International Monetary Fund. No other rate and no other exchange system is being considered or will be considered by the Government.

We are determined to maintain the 92½ cent rate against pressures of any sort. The very extensive financial resources available to the Government will be used to defend it. The Government is fully aware that its financial and economic policies basically determine the value of the Canadian dollar and the Canadian people can be assured that these policies will be of a character which involves no further reduction in the exchange value of the Canadian currency.

If any such statement is to be issued, it should be issued today (Sunday) – i.e. it should be available to the public, at home and abroad, before foreign exchange markets and security markets open for business tomorrow (Monday).<sup>3</sup>

While such an announcement seems very desirable, indeed necessary, it can at best postpone the time at which events may invite, indeed require, action in addition to announcements. In the very nervous and apprehensive atmosphere which now surrounds the Canadian dollar, a constructive statement by the Prime Minister may help to prevent a serious outflow of capital during the coming week. However, in the weeks ahead, both Canadians and foreigners with funds that can be transferred into or out of the country, will no doubt be seeking some firm basis, in the realm of Government action, relating to the future of the Canadian dollar. It seems clear that the regular announcement of our reserve position at the end of June will again show a very substantial fall in reserves; indeed the decline may well be the largest on record. This would be a blow to confidence. I know that there have been discussions between Mr. Fleming and Mr. Taylor and Mr. Rasminsky of steps affecting Canada's balance of payments and financial position which might be urgently required in such a situation but I do not know whether it has as yet been possible to convey the gist of this discussion to the Prime Minister.

759.

J.G.D./XIV/D/17

*Note du secrétaire du Cabinet  
pour le premier ministre*

*Memorandum from Secretary to Cabinet  
to Prime Minister*

PERSONAL

[Ottawa], June 18, 1962

I am sending you enclosed a note on the Exchange Crisis.

I need not point out to you the political implications and difficulties of all this, on which I have of course been brooding. Naturally you will be vilified for this abrupt change of course, necessarily made without any warning during the campaign. Yet it seems inescapable.

In the circumstances I think the best approach would be to act promptly, decisively, and without compromise; to be clearly dealing strongly with a serious emergency which necessarily transcends normal priorities and policies.

R.B. B[RYCE]

[PIÈCE JOINTE/ENCLOSURE]

*Note du secrétaire du Cabinet  
pour le premier ministre*

*Memorandum from Secretary to Cabinet  
to Prime Minister*

[Ottawa], June 18, 1962

POLICY RE EXCHANGE CRISIS

You asked this morning to have a memorandum on the action to be taken on the exchange crisis and I shall see what I can get for you tomorrow. Rasminsky and Finance are still working

<sup>3</sup> Voir/See "Steady Dollar Rate Pledged by Fleming," *Globe and Mail*, June 11, 1962, p. 1.

on their proposals. In the meantime I shall give you in outline the essentials of what we officials have been proposing to put forward. I have participated in the discussions over the past fortnight.

The essence of the problem is that we need a large inflow of capital to Canada, nearly a billion dollars a year, to meet our large international deficit on current (i.e. income and expenditure) account, and we also need to keep the capital we have in Canada that can move out, both foreign and domestic. Our current balance can be and should be reduced as time goes on, but to do it quickly would take very severe measures and cause serious shortages of imported goods. Our "exposure" to the danger of outward movement of capital is enormous – there are billions of dollars of foreign capital invested here and billions in Canadian-owned investments that could try to get into foreign investments. To set up exchange control quickly would be impractical – and very undesirable from a long-term viewpoint. Our exchange reserves are very modest by comparison – now, I suppose, just a bit over \$1200 million. We have thought that \$1000 million was the minimum to which they should be allowed to fall before we took emergency action (things can always get worse!). They are apt to be below that level by the end of this week – and could be much lower. They could vanish within a month or two, leaving us at the mercy of the market from day to day.

The essence of the problem is to regain the confidence in the Canadian dollar of foreign and Canadian investors. It now seems evident that they have lost confidence in us – in our economy in some measure – and in our governmental behaviour particularly. They feel we are not paying enough attention – any of the parties – to "sound" financial policies of various kinds. Whether they are right or wrong is no longer the point – they are the ones whose opinion is important now and if we are to regain their confidence we have to demonstrate convincingly our intention to balance our budget within a reasonable time and to improve the balance of our international income and expenditure, so that we are not so dependent on imports of capital.

Consequently what officials are proposing consists essentially of three elements. The first is to demonstrate our ability and will to move toward a balanced "respectable" budget, now that our unemployment situation is substantially better and improving. The second is to demonstrate our intention to correct our balance of payments by taking emergency action to reduce imports while the slower more desirable measures take effect. The third is to get some temporary loans – or promises of loans – to get us over the low point and convince the market that we can see the business through. (I have emphasized to the others that we should make our own strong decisions on the first two aspects before seeking loans, so there will be no question of others imposing terms on us.)

To move toward a balanced budget we propose action both on expenditures and taxes. Expenditures should be reduced moderately – perhaps about \$175 million over a full year – about \$60 or \$70 million this fiscal year. Much of this can be accomplished by deferring construction and purchases – a bit can be done by cutting out or down on some subsidies, etc. – for example the gold mining assistance. On the revenue side, we should act strongly enough to be convincing – and dramatically. After much discussion we have reached the conclusion the main effort – for reasons of equity and economics – should take the form of a temporary surtax on income tax – an addition of 1/6 to everyone's tax which would yield about \$300 million a year. (The prospective budget deficit this year is now somewhat over \$800 million.)

There are other tax reforms which Finance has in mind but I have urged them to be simple and obviously fair in what they put forward to meet this emergency.

On the balance of payments side, we propose temporary taxes on a wide range of imports, rather than quotas. It is proposed that some imports be taxed at 5% (in addition to present tariffs) and others, less essential, at 15%, while those that enter importantly into costs of

production be free from this emergency tax. We think other countries with whom we have trade agreements (e.g. members of GATT) will accept these emergency limitations on our imports as required for balance of payments reasons – few countries have had so dramatic a case and such action is provided for in the GATT Agreement. Finance officials have found legal devices by which these can be introduced by Order in Council, pending consideration of them by Parliament, so that we can avoid budgeting by radio, as in 1947.<sup>4</sup> In addition we propose that Parliament be asked to suspend, during the emergency, the tourist exemptions of \$100 worth of purchases every four months.

In the third field – borrowing – we propose that we seek about \$300 million from the International Monetary Fund. Of this about \$170 million should be easy – it is just borrowing back the gold we contributed. The next slice – say \$130 million – should not give rise to much difficulty or delay if we are acting to correct the situation. Beyond that, the Directors of the Fund (representatives of other countries) would want more time and convincing argument. In addition Rasminsky hopes he could borrow \$100 million from the Federal Reserve Bank of New York, and perhaps \$250 million from insurance companies, etc., in New York by a privately placed bond issue. If possible this should all be arranged and announced by the end of the week along with the various budgetary decisions. As you can see this will take prompt and decisive action if we are to accomplish it all before our reserves get so low as to imperil the whole effort to regain confidence.

We feel that these emergency plans should be put before the new Parliament at the very first opportunity – which will be July 25th, the date on which it has been summoned on a *pro forma* basis. This prompt summoning of Parliament for what would be in effect an emergency mid-summer session (presumably short – to be adjourned until October) would be part of the effort to show the seriousness with which we are tackling our emergency. We propose the measures be incorporated in a single Emergency Financial Measures Act.

R.B. B[RYCE]

760.

J.G.D./XIV/D/17

*Note du secrétaire du Cabinet  
pour le premier ministre*

*Memorandum from Secretary to Cabinet  
to Prime Minister*

SECRET

[Ottawa], June 19, 1962

EXCHANGE CRISIS

1. In accordance with your request to Mr. Rasminsky and myself, we have met this afternoon with the other officials who have been working on the dollar crisis (with the exception of Mr. Roberts who has to be in Montreal today). We have looked at our proposals in the light of the election results and the problems which confront you.

2. We feel we should start from the memorandum which we prepared yesterday<sup>5</sup> and which I attach hereto, as it gives you the background and the essential principles which he feel it is necessary to have in mind in approaching the problem.

<sup>4</sup> Voir/See R.D. Cuff and J.L. Granatstein, *American Dollars—Canadian Prosperity: Canadian-American Economic Relations, 1945-1950* (Toronto: Samuel-Stevens, 1978), pp. 54-62.

<sup>5</sup> Peut-être le document précédent./Possibly the preceding document.

3. We feel that, in accordance with your desire, it would be possible to defer Parliamentary action on this programme until late September or October (when you will have to meet to get supply) if an adequate programme is announced promptly within the next few days.

4. We believe that a positive programme along the general lines which we have described, with some kind of endorsement by Parliament, either through support or abstention on the part of other parties, will be necessary to meet our emergency dollar problem over the next six to nine months.

5. It would be possible to make some changes in emphasis in the programme suggested as long as the general effect on confidence in the financial markets at home and abroad is retained. It must be recognized, however, that confidence of the financial markets cannot be secured under present conditions with a programme that is an easy and comfortable one or one that is confined solely to import measures.

6. We feel that we should not try to borrow abroad whether from the International Monetary Fund or public authorities in other countries or from the market without having an adequate programme to announce along with the announcement of such borrowing.

7. If it is not going to be possible to have an adequate programme that will restore confidence we believe it would be pointless and imprudent to dissipate our reserves in defence of a fixed exchange rate which we would be forced to abandon very shortly.

8. I should again emphasize the extreme urgency of action on this matter.

R.B. B[RYCE]

761.

PCO

*Conclusions du Cabinet*

*Cabinet Conclusions*

SECRET

[Ottawa], June 20-24, 1962

Eight meetings of the Cabinet were held between noon on Wednesday, June 20th, 1962, and noon on Sunday, June 24th, without Secretaries in attendance. With the exception of the meeting on the Sunday at the Prime Minister's official residence, 24 Sussex Street, the meetings were held in the Privy Council Chamber.

*Present*

1. At the meeting held at 2:30 p.m. on Wednesday, June 20th:

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 Minister of Mines and Technical Surveys (Mr. Flynn).

2. At the meeting held at 9:30 a.m. on Thursday, June 21st:

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 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 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).

3. At the meeting held at 3:30 p.m. on Thursday, June 21st:

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 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 Minister of Forestry (Mr. Flemming),  
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).

## 4. At the meeting held at 9:30 a.m. on Friday, June 22nd:

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 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 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).

## 5. At the meeting held at 3:00 p.m. on Friday, June 22nd:

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 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 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).

## 6. At the meeting held at 9:30 p.m. on Saturday, June 23rd:

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 Agriculture (Mr. Alvin Hamilton).



## 7. At the meeting held at 3:00 p.m. on Saturday, June 23rd:

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 Agriculture (Mr. Alvin Hamilton).

## 8. At the meeting held at 9:30 a.m. on Sunday, June 24th:

No official record was kept of the attendance at this meeting.

## FOREIGN EXCHANGE

1. *The Minister of Finance*, on behalf of the Cabinet, informed the Secretary that the matters under discussion at these meetings were related to the measures to be taken to deal with the foreign exchange situation, and that the principal decisions of these meetings were embodied in the statement issued by the Prime Minister on Sunday, June 24th.<sup>6</sup> The measures agreed upon were the following:

(a) "A temporary, graduated surcharge on certain classes of imports ... Approximately one-half of all imports will be exempted from any surcharge," and other imports will be classified in three categories subject to surcharges of 5, 10 or 15 per cent.

(b) "A second temporary measure designed to conserve foreign exchange relates to the tourist exemption under which Canadians travelling abroad are allowed to bring into Canada, duty-free, one hundred dollars' worth of goods once every twelve months .... Under the temporary order, returning tourists will be allowed to bring back to Canada, duty free, \$25 worth of goods three times a year or, in the case of overseas visitors, \$100 once a year."

(c) "The Government had decided on a programme involving reductions in expenditures amounting to \$250 million in a full fiscal year."

(d) "The Minister of Finance will earmark Canadian dollar cash balances equivalent to the sales of exchange reserves during this fiscal year, to be used only for the purpose of financing increases in our reserves."

(e) "Canada is exercising its borrowing rights with the International Monetary Fund and is drawing \$300 million in foreign exchange. The Government has arranged a line of credit of \$400 million from the Export-Import Bank in Washington. The Bank of Canada has entered into a reciprocal currency arrangement with the Federal Reserve System of the United States in the amount of \$250 million, and has made a comparable arrangement with the United Kingdom in the amount of \$100 million."

<sup>6</sup> Voir/See "Text of Prime Minister Diefenbaker's Announcement on Tariff Surcharges and Financial Measures," *Globe and Mail*, June 25, 1962, p. 8.

(Orders in council were passed to give effect to (a) and (b) above: P.C. 1962-902, and 903, June 24, respectively.)

R.B. BRYCE

762.

DF/7605-07

*L'ambassadeur aux États-Unis  
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 1911

Washington, June 25, 1962

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 1893 Jun 24.†

Repeat for Information: CONGEN New York, London, Paris, Brussels, Bonn, Hague, Geneva, T&C Ottawa, Berne from Ottawa, Finance Ottawa, Bank of Canada Ottawa, PCO Ottawa from Ottawa.

#### FINANCIAL SITUATION

The State Department called us in early this morning to discuss the actions announced June 24 by the Prime Minister. We spoke first to Weiss, Director Office of International Trade and Finance and later to Griffith Johnson, Assistant Secretary for Economic Affairs. Weiss had with him Goldstein, Chief of the International Finance Division; Lewis, Chief of the Commercial Policy and Treaties Division; Hays of the Canadian Desk and Hollis, Deputy Assistant Legal Adviser for Economic Affairs. Johnson and Weiss showed a clear and sympathetic understanding of Canada's financial and exchange rate problems, but they were concerned about the effect the measures announced were likely to have on USA Trade Expansion Bill<sup>7</sup> which is due to be debated in the House of Representatives Tuesday and Wednesday of this week. We were told that Under-Secretary Ball had spoken on Sunday to Representative Mills, Chairman of the Ways and Means Committee, and that Johnson had spoken today to Representative Byrnes, the leading Republican on the same Committee, in an attempt to explain the Canadian government's actions and to damp down the expected reaction on Capitol Hill. We gathered that neither Mills nor Byrnes have been too difficult, but Johnson was careful to point out that it was still early to judge how severe the reaction in Congress and the business community might be. Johnson said that in his conversation with representative Byrnes he had sought to explain that the Canadian measures were temporary only, even though no repeat no terminal date had been mentioned in the Prime Minister's announcement. Johnson was concerned that protectionist interest might well suggest that USA should adopt similar restrictive measures to improve its balance of payments.

2. Weiss expressed surprise that Canada had chosen to impose variable import surcharges; he and Johnson agreed that from the point of view of the GATT and USA trade program, import licensing and QRs would have been preferable. Weiss thought the GATT aspect of the question was bound to raise difficulties with congressmen who were likely to adopt the usual

<sup>7</sup> Voir/See documents 269, 270; Trade Expansion Act of 1962, Public Law No. 87-794, 76 Stat. 872 (1962).

line about foreign countries failing to meet their international commitments. He thought this line of criticism would be very difficult to answer.

3. Weiss told us that John Evans, USA Representative in Geneva, had reported the Canadian government's intention to seek an Article 25 waiver at the next session of GATT Contracting Parties. Weiss said that presentationally this was unfortunate since it implied that the Canadian temporary measures would remain in force at least until October and probably later. He suggested that it would be helpful if Canada could reemphasize the temporary and emergency nature of the measures.

4. Weiss said that Evans in Geneva had been asked by Wyndman White to seek urgently USA Government's reaction to the suggestion that a meeting of the GATT Council should be called to discuss the emergency measures announced yesterday. Weiss reminded us that even for actions consistent with the GATT, the Council normally would be convened ten days after the action took effect. He thought it would be appropriate to apply the same timing with respect to actions which were not repeat not consistent with the GATT. Weiss was convinced that it would be useful to USA (particularly to the prospects of their trade bill) internationally and to Canada if we were to take the initiative in calling a meeting of the GATT Council as soon as possible, allowing time, however, for the IMF to arrange to have a representative attend the meeting. Johnson added that the result of the Council meeting was almost certain to be an endorsement of the Canadian Government's action; such an endorsement could be expected to contribute to the restoration of confidence which the Canadian Government was seeking.

5. The State Department would like to know not repeat not later than June 26, tomorrow, your reaction to the suggestion that Canada convene a meeting of GATT Council.

6. Other points that emerged from this morning's conversations were:

(a) At the press conference held June 24 by USA Treasury, the question had arisen whether USA would seek compensation from Canada, but the point apparently was not repeat not pursued. USA officials are apprehensive that this possibility may be raised from other quarters.<sup>8</sup>

(b) USA officials are concerned about the reference in the Prime Minister's statement to surplus capacity in Canada and alternative products produced in Canada which might be used to meet demands previously supplied by imports.

(c) It was made clear that in GATT USA would seek to obtain firm commitments about the temporary character of the import measures and would explore the possibility of alternative measures such as internal taxes applicable to domestic as well as imported goods.

7. In response to Weiss and Johnson we based ourselves on the Prime Minister's statement, the information provided in G-100 June 24† and the background briefing provided by Plumtre on Sunday. We emphasized the overall objectives of the emergency program and the legislative limitations which made it necessary for the government to use the authority in existing legislation. We urged that in any public reactions the broad issues should be emphasized.

<sup>8</sup> Note marginale :/Marginal note:

No comp for B[alance] of P[ayment] measures. What about their measures. [Auteur inconnu/Author unknown]

763.

DEA/14500-3-1-40

*La délégation auprès de l'OCED  
au secrétaire d'État aux Affaires extérieures*

*Delegation to the OECD  
to Secretary of State for External Affairs*

DESPATCH NO. O-156

Paris, July 19, 1962

CONFIDENTIAL

CANADIAN ECONOMIC EMERGENCY MEASURES:  
STATEMENTS BY THE CANADIAN DELEGATION TO WORKING PARTY 3  
OF THE ECONOMIC POLICY COMMITTEE

The following is a record of the statements made by the Canadian Delegation at the outset of the discussion of the Canadian situation in Working Party 3 of the Economic Policy Committee on July 17. Mr. Plumptre and Mr. Lawson have approved this record. They will be preparing a report† on the discussion which followed.

2. Mr. Plumptre expressed appreciation to those countries and persons who had collaborated in providing emergency support for Canada in June. He included those who had offered help which in the end had not been needed, as well as those whose help had been used. The latter group included the IMF, which had extended a credit of \$300 million, the Federal Reserve System with a credit of \$250 million and the Bank of England with a credit of \$100 million. These credits totalling \$650 million had actually been added to the Canadian reserves. In addition, a stand-by credit of \$400 million had been arranged with the Export-Import Bank, making a grand total of \$1,050 million. The emergency had arisen suddenly in a period of great political uncertainty; the Canadian authorities appreciated not only the help provided but also the fact that it had been provided so quickly.

3. The way in which it had been possible to take quick action to meet the emergency illustrated the usefulness of Working Party 3. It had been fortunate that officials of Treasuries and central banks in all of the important countries concerned had been well informed of the Canadian background through previous meetings of the Working Party, since there would have been no time for detailed discussion and briefing. The Secretariat's familiarity with the background was also well illustrated by the paper which was put forward as a basis of discussion (CPE/WP3/62.24). The patterns of assistance which had been the subject of previous discussions in the Working Party had proven their usefulness in the emergency. The Canadian Government appreciated in particular the initiative which the French Government had taken in making an accelerated [war loan] debt repayment of \$67 million early in July.

4. As to the actual reserve movements and balance of payments developments in 1962, the level of the reserves had fallen from \$2,050 million at the beginning of the year to \$1,100 million on June 22. This loss of \$950 million had occurred in three stages. In the first quarter of 1962, there had been a fall in the reserves of \$350 million; in April and up to May 2 (when the fixed exchange rate was announced), there had been a further loss of \$220 million; and in June, a loss of \$380 million which had begun just at the time of the last meeting of Working Party 3 and very rapidly increased shortly before June 24. In the first quarter, there had been a deficit of \$14 million on merchandise trade account and a deficit of \$349 on non-merchandise account. On capital account, instead of the normal inflow, there had been an actual loss of \$1 million. Thus the total exchange loss in the first quarter was \$364 million. For the second quarter, statistics were most incomplete. The merchandise account had probably shown another small deficit. Together with "invisibles," the current account deficit was probably about \$350

million. Thus, in view of the loss of reserves (\$600 million to June 22), the net capital outflow had probably been \$250 million. However, from the announcement of the emergency programme on June 24 to the end of June, there had been an improvement of some \$50 million in the reserves over and above the \$650 million borrowed. The Canadian authorities hoped and believed that the July figures would show a continued improvement over and above the \$67 million of advance debt repayment by the French Government.

5. As for the emergency programme, its fundamental purpose was to restore confidence at home and abroad, and in particular to maintain and defend the newly-established parity at 92.5¢ U.S. In order to restore confidence, it was necessary to determine what had been in the minds of those who had moved money out of Canada. Contacts with traders and investors at home and abroad made it clear that they had two preoccupations, the continuing deficit of \$1 billion a year on international current account and the continuing deficits of \$3/4 billion to \$1 billion on budgetary and fiscal account. It followed, that if confidence was to be restored, both these elements had to be dealt with as effectively and expeditiously as circumstances would allow. These were the two main features of the programme, to which a third was added: it was natural and appropriate in the circumstances that there should be an increase in interest rates.

6. Meeting on June 20, two days after the general elections, the Cabinet decided that, in view of the indecisive election results, and the extent and immediacy of the emergency, an emergency programme should be introduced immediately and it should not in any way depend upon new legislation. In any case, Parliament could not legally be called together for a full month. This had implications in two fields: (a) in regard to the balance of payments, the use of existing powers resulted in action that had many anomalies and inconsistencies (thus increasing the likelihood of domestic pressures to get rid of the measures as soon as possible); and (b) in regard to fiscal affairs, only those increases in revenues and economies in expenditures were possible which were under government control; fiscal economies could not be considered in respect of payments made on a statutory basis – for example, social security payments – and no new tax legislation was possible.

7. As to measures affecting the balance of payments, the only “invisible” item which could be immediately reduced was the tourist exemption, which had been very liberal by international standards. The exemption of \$100 every three months, which applied largely to Canadian visitors to the United States, was reduced to \$25. This was expected to have the effect of reducing the incentive which had previously existed for Canadian tourists to make buying trips in the United States. The exemption of \$300 which applied only to Canadians making overseas visits had been reduced to \$100.

8. The introduction of a system of graduated surcharges on imports had the double purpose of generating additional revenue and conserving foreign exchange. The system was correctly outlined in the Secretariat note, which had been based on the Prime Minister’s statement, but the impossibility, in the circumstances, of introducing a system which was altogether neat and consistent deserved emphasis. (Mr. Plumptre then explained how the surcharges were built up, item by item, from the differences – if any – between the “general tariff” rates and the rates for most-favoured-nation countries and for British preferential countries.)

9. Several other important features of the surcharges deserved to be stressed. Existing margins of tariff preference had been retained unchanged. No change in commercial policy was involved; as the Minister of Finance had stated on June 29, “the temporary application of these surcharges should not be interpreted as signifying any change whatsoever in the long-term commercial policy of the Canadian Government. The Government will continue to seek the reduction of trade barriers of all kinds, enlarged opportunities for Canadian exports and the

expansion of world trade on a multilateral and non-discriminatory basis.”<sup>9</sup> The surcharges were known to contain anomalies and to create difficulties both at home and abroad; the Canadian authorities considered that the system be eliminated as soon as appropriate improvements in the balance of payments situation justified such a course.

10. So far as fiscal measures were concerned, the revenue increases from the import surcharges would amount to \$200 million on an annual basis and proposed reductions in government expenditures would amount to \$250 million on an annual basis. The total of these changes, which could amount to something like \$450 million, had to be compared with the announced budget deficit of \$750 million, which on the basis of more recent estimates might have been somewhat larger. In any event, the effect of the fiscal measures should be to cut the budget deficit by at least half.

11. There were also measures affecting the Bank rate and the use of cash balances from exchange sales, dealt with separately by Mr. Lawson (see below).

12. In commenting on the general background and outlook, Mr. Plumtre said that Canada’s basic problem, from the international point of view, had been for the past three or four years, and continued to be, the heavy current account deficit in a situation in which the economy was not stretched and in which it could be argued that Canada ought not to be drawing on the world pool of scarce capital to cover its international deficit. The problem was aggravated by the exceptionally rapid growth of the labour force which was relatively a greater problem in Canada than in perhaps any other developed country. Despite these difficulties, the Canadian authorities had reason to believe that progress was being made.

13. The question whether the level of Canadian reserves was steady or fluctuating (which was raised in paragraph 3 of the Secretariat paper) was in fact a secondary and relatively superficial matter. With the move to a fixed exchange rate, the level of the reserves could not be expected to show the same stability it had in the previous decade. While these fluctuations might represent a more dramatic expression of Canadian problems, the underlying difficulties were the same as they had been for some years. Canada’s economic position and balance had properly been the concern of other countries even in a period when the reserves were steady; the combination of substantial underemployment of Canadian resources with unnecessarily large inflows of capital was a matter of continuing concern to the free world generally.

14. He said that some continuing capital inflow would be desirable, referring to paragraph 7 of the Secretariat note, and that the Canadian authorities would maintain a “hospitable climate” for foreign capital. In the short run, there were problems of interest rate policy which would be dealt with in detail by Mr. Lawson; how much inflow (and corresponding current account deficit) would be appropriate in the longer run depended on many factors at home and abroad. If a new “resource boom” like that of 1955-57 developed, substantial capital imports and corresponding current account deficits would be appropriate and in the general interest of the free world. However, the Canadian authorities did not consider developments of this sort likely in the near future. They were anticipating a period in which there would be a substantial lessening of imported capital requirements and corresponding current account deficits, representing a continuation and an acceleration of trends already evident in recent years. Theoretical studies which had been done in connection with the work of Working Party 2 on economic growth indicated that, on certain hypotheses, there was likely to be a persistent improvement, when cyclical and special factors were eliminated. Indeed, it would be remarkable if this were not the case. Canada was basically a very rich country and the variety of exploited resources had been greatly improved over the past 10 or 15 years. The efforts of the Government and others concerned would be to work with this basic improvement and to

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<sup>9</sup> Voir/See “Policy Still Expansionist,” *Ottawa Citizen*, June 30, 1962, p. 39.

accelerate it. The new stable exchange rate would play a very important role; at the same time, prices and costs would have to be kept under control in order to take the fullest possible advantage of the new exchange rate. So far as the Government's long-term programme was concerned, appropriate measures were being given urgent consideration. However, these measures had not been considered by Ministers. It would therefore be premature to discuss them.

15. In the meantime, it was clear that the interim measures, especially the graduated surcharges on imports, should be supplanted as soon as possible by constructive measures to improve the balance of payments. In judging how soon this would be, it was necessary to take account of the inter-related problems of improving the current account and restoring confidence to the point where a more or less permanent restoration of the level of the reserves to an appropriate level had been achieved. The danger was that, under internal and external pressures, the interim measures would be dismantled too soon, with adverse effects on confidence. At the same time, the new exchange rate ought to represent a sufficiently large advantage to the Canadian business community that "protectionist" pressures in favour of a permanent retention of the additional advantage conferred by the surcharges should be minimized.

16. Dealing with recent financial developments, Mr. Lawson drew attention to the considerable change in interest rates which had taken place in the period since the end of April. At the end of April the yield curve for Government of Canada securities rose from about 3% on 91-day Treasury Bills to 4.85% on long-term bonds. This pattern was only a little different from the pattern at the end of 1961. By contrast, the present curve was almost horizontal at about 5½% with a slight bump at the short end.

17. Through 1961 and in early 1962, the Government of Canada has conducted its debt management in a manner designed to contribute to relatively easy credit conditions. The Government had had substantial cash requirements, both to cover its cash deficit and for refunding purposes, but its borrowing had been confined almost entirely to the short end of the market. There had been only two relatively unimportant exceptions to this, the occasional small mid-term issue and the normal annual issue of Canada Savings Bonds. Since January of 1962, the Government had not gone to the market for any new money. New money requirements had been financed from the Canadian dollar proceeds of sales of foreign exchange reserves, which under Canadian law were held by the Minister of Finance.

18. Since the development of the foreign exchange emergency, there were two important changes in the Government's financing practices to report. The Minister of Finance had earmarked the Canadian dollar balances from the sales of foreign exchange reserves since March 31 for the purpose of financing increases in the reserves, and these funds would not be used to meet ordinary Government expenditures. Second, the Government had ceased to confine its financing largely to the short end of the market. The Minister of Finance had announced on July 16 a new issue of Government bonds totalling \$200 million, open as to maturity between:

- (1) 7 year 2 month 5½% non-callable bonds due October 1, 1969 at a price of 99% to yield about 5.67% to maturity, and
- (2) 18 year 5½% non-callable bonds due August 1, 1980 at a price of 98% to yield about 5.68% to maturity.

In addition, \$85 million in 366-day Treasury Bills were to be sold by competitive tender on July 30.

19. In the field of banking, the outstanding feature of the past year had been a strong demand for bank loans. Bank loans had been rising at an annual rate of 10% in the second half of 1961, and this trend had been accelerating during 1962. In 1961, monetary policy had been such as to allow the banks to accommodate the increase in loans and to add at the same time to their liquidity; since January 1962 the policy had been to allow the increase in the demand for loans to lead to progressive tightening in the banking system. This trend had proceeded very rapidly in recent weeks, with the banks making heavy sales of Government of Canada securities in order to meet the loan demand. By June 24 the floating bank rate had risen to 5.17% – and on that date the bank rate was fixed at 6%. The Bank of Canada continued, however, to stand ready to provide credit to money market dealers who had lines of credit with the central bank on the former basis of the current Treasury Bill rate plus  $\frac{1}{4}$  per cent.

20. At present, monetary policy was directed primarily towards achieving and maintaining a level of interest rates sufficiently high to permit the current account deficit to be financed and the foreign exchange reserves to be restored, as a result of capital imports. Within this framework, the monetary authorities wanted to do what they could to maintain credit conditions conducive to the internal economic adjustments which were required in order to produce a basic improvement in the current account balance. It was not possible to say what this policy was likely to involve in terms of monetary expansion; it might mean that there would be no monetary expansion for a time. It was almost certain to mean that the banks would not be able to accommodate increases in their loans at anything like the recent rates. The restraints which the banks were finding necessary to moderate the rate of loan expansion were being undertaken. At the same time, there were reasons to be hopeful that the banks were tackling the problem in a way designed to maintain the availability of credit throughout the Canadian economy. Apart from some speculative activity, there was not much economic activity in Canada which one would wish to see reduced; on the contrary, an increase in economic activity was desirable, particularly in export-oriented and import-competing industries.

21. In the present circumstances, one of the most useful things the banks could do would be to push larger borrowers into the new-issue market. Activity in the new issue market had in fact been somewhat lower than normal; to a degree this was the counterpart of the increase in demands for bank loans. One source of difficulty in this connection was the statutory 6% maximum on bank lending rates, which was tending to make bank loans one of the cheapest sources of credit. Although this provision was under examination by the Royal Commission on Banking and Finance, no early action could be expected. Therefore, deliberate and conscious efforts would be required if the diversion of borrowers to the new issue market was to be achieved. More use of the security market would help the market to do its job of finding the terms on which residents and non-residents were prepared to hold the flow of new securities necessary to finance the economy.

J.C. LANGLEY



764.

DF/7605-07

*Notes sur les discussions avec les hauts fonctionnaires  
du département du Trésor américain  
et la Réserve fédérale à Washington*

*Notes on Discussions with Treasury  
and Federal Reserve Officials in Washington*

CONFIDENTIAL

Washington, July 23, 1962

*Those present:*United States

## Treasury

R. Roosa  
J.D. Daane  
G. Willis  
A. Holmes  
R. Hirschtritt

## Federal Reserve

Wm. McC. Martin  
A. Hayes  
C.A. Coombs

## I.M.F.

F.A. Southard

Canada

L. Rasminsky  
A.F.W. Plumptre  
R.W. Lawson  
D. Hudon

The discussions were held in Mr. Roosa's office and ran from 9:30 a.m. (through lunch in the Treasury) to 2:30 p.m. Mr. Dillon joined the group for 20 minutes or so before lunch. (Messrs. Dillon, Martin and Rasminsky had previously had a talk together at a dinner given by Mr. Martin on July 21. There had also been discussion between Mr. Roosa and the Canadians at dinner at his home on July 22.)

The meeting began with a review of Canadian developments by Mr. Rasminsky, supplemented later by Mr. Plumptre. The principal points that emerged in discussion were the following:

1. On the Canadian emergency program Mr. Roosa commented that there were "two schools of thought in every government" and he attributed the opposition to the Canadian import surtaxes in the U.S. administration to concern about the passage of the U.S. administration's trade legislation and to concern in principle that a "leading member of GATT" had had recourse to measures of this character. He noted the advantages that would flow from the early formulation and announcement of longer-term measures of a non-protectionist character. Mr. Plumptre commented on some of the factors which will influence the timing and the nature of the longer-term program.

2. On the underlying Canadian balance of payments position there was general agreement with the Canadian view that our current account deficit should over time be greatly reduced. Mr. Roosa seemed to feel that there must be much more to come from the change that has occurred in our exchange rate and he recognized that the increases required in U.S. exports would have to be achieved in other areas. He said that U.S. opinion was to some extent sensitive to the way in which the case for reducing the Canadian current account deficit is put and hoped that statements with a protectionist flavour could be avoided.

3. On the flow of capital from the United States to Canada, the U.S. officials confirmed that there were no official reservations of any kind about access by Canadian borrowers to the New York capital market. Mr. Roosa said that the efforts of the administration to increase the

awareness of the public of the U.S. balance of payments situation may be a factor contributing to some of the views one encountered, and that there was a practical limit to how far U.S. government people could go in explaining the need for free movement of capital to Canada without creating confusion about other balance of payments matters. When people came to him he tried to make the administration's position clear. Mr. Hayes said that when people had come to him he had told them that he was aware of no official reservations about exports of capital to Canada.

4. On the Canadian foreign exchange rate there appeared to be full agreement with the view expressed by Mr. Rasminsky that the defence of the present rate is clearly in the interests of both Canada and other countries.

5. On the Bank of Canada – Federal Reserve swap both Messrs. Hayes and Martin made it clear that the swap was renewable and that they were happy that it should remain outstanding as long as it increased our comfort to have it. There are no plans on either side to use the proceeds of the swap. Mr. Coombs reported that there is some tendency to shift Federal Reserve swaps to a standby basis – the Dutch swap and part of the Swiss swap were now on this basis. It was made clear that the relevance of this to the swap with us was that when the time came that we felt we could relax and were ready to retire the swap in whole or in part we might wish to consider a standby arrangement.

6. On Canada's drawing from the I.M.F., Mr. Rasminsky said that we were not thinking of asking for a larger drawing either to repay other credits or for other purposes, and this position was not questioned. There was some discussion of the form of repayments to the Fund but it was recognized that any Canadian repayment was too far off to make any discussion of its form useful at this time.

7. On the adequacy of Canadian foreign exchange reserves there was agreement with the view expressed by Mr. Rasminsky that with a fixed exchange rate the Canadian target ought to be a level of reserves higher than the \$1,800-\$2,000 millions that we had kept with a floating exchange rate. The movements in our gold holdings were reviewed, and Mr. Roosa welcomed Mr. Rasminsky's observation that one important reason that we had been happy to sell gold to the Federal Reserve in June at \$35, rather than elsewhere for a slightly higher price, was that we knew that we could buy gold from the Fed at \$35 whenever we wanted. Mr. Rasminsky repeated what he had told the Americans when we started selling gold to them that we would have no inhibitions about buying gold from them to maintain a normal gold proportion in reserves and this statement was well received on the U.S. side. He said that he believed that Canada would not for the time being be selling any more gold.

765.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], November 8, 1962

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (Mr. Fleming),  
 The Minister of Transport (Mr. Balcer),  
 The Minister of Veterans Affairs (Mr. Churchill),  
 The Minister of Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),

The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny)  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

SURCHARGES ON IMPORTS; FURTHER REVISIONS  
 (Previous reference November 6†)

16. *The Minister of Finance* re-affirmed that he was prepared to recommend a second step toward the removal of surcharges on imports. Canada's foreign exchange reserves had continued to improve, and representations on the surcharges had been received from Canadian producers and consumers as well as from other countries.

Most foods and agricultural and fisheries products should now be freed of surcharges. The exceptions were wines, beers, spirits, cigars and cigarettes and a short list of luxury goods. The loss of revenue would be about \$10 million in a full year, or about \$4 million in this fiscal year.

The surcharges on refrigerators and carpets should be reduced to 10 per cent. The surcharges on certain items of printing machinery and equipment, and on ambulances and hearses, should be removed.

An explanatory memorandum was circulated (Minister's memorandum, Oct. 29 – Cab. Doc. 350-62†).

17. *During the brief discussion* some said that few undertakers in Canada were likely to be in urgent need of hearses, and that the inclusion of this item at this time would invite ridicule.

18. *The Cabinet* agreed with the recommendations of the Minister of Finance that Treasury Board approval be sought, and an order in council be issued,

(a) to remove the import surcharge on all agricultural, fisheries and food products, except those specified in the Minister's memorandum (Cab. Doc. 350-62 of October 29th), and amend tariff item 23a to remove the surcharge on cocoa presscake;

(b) to reduce the surcharge on refrigerators (tariff item 415a) and carpets (tariff item 572) from 15 to 10 per cent; and,

(c) to remove the surcharge on printing machinery and equipment covered by tariff items 412b and 412d.

19. *The Cabinet* also agreed that the surcharge on ambulances and hearses should not be changed at this time.

...

766.

DF/7605-07

*Note du ministère des Finances  
pour le ministre des Finances*  
*Memorandum from Department of Finance  
to Minister of Finance*

[Ottawa], December 18, 1962

EXCHANGE FUND – FURTHER DEMOBILIZATION  
OF EMERGENCY SUPPORT

The following proposals are put forward after consultation with Mr. Rasminsky and with his concurrence.

We suggest that the time has come to take two further steps towards the demobilization of the emergency support for our Exchange Fund as announced by the Prime Minister on June 24th.

You will recall that the emergency support was made up as follows:

	<u>\$ million (U.S.)</u>
(1) Drawing from the International Monetary Fund	300
(2) Reciprocal deposit arrangement with the Federal Reserve Bank of New York	250
(3) Similar arrangement with the Bank of England	100
(4) Standby with the Ex-Im Bank	<u>400</u>
	<u>1,050</u>

When these arrangements were made, it was understood that if the Government was forced actually to use any of these emergency funds it would have recourse first to the monies supplied by the International Monetary Fund, second to the monies supplied by the two Central Banks and, third, as a last resort, to actual borrowings from the Ex-Im Bank. Due account has been taken of these priorities in the demobilization which has taken place so far.

The present position of the four items is, accordingly, as follows:

	<u>\$ million (U.S.)</u>
(1) Drawing from the International Monetary Fund	300 (Unchanged)
(2) Reciprocal deposit arrangement with the Federal Reserve Bank of New York	75 (The amount paid off, \$175M, has been replaced by a stand-by arrangement.)
(3) Similar arrangement with the Bank of England	25 (No stand-by has been arranged with the Bank of England.)
(4) Standby with the Ex-Im Bank	150 (\$250M of this stand-by was released in September in connection with the successful placement of a Canadian Government loan for that amount with New York insurance companies.)

We believe that the time has now come when we should demobilize the remainder of items (2), (3) and (4), leaving only item (1) – the IMF drawing as a contribution to our Exchange Fund.

In detail our proposals are as follows.

The stand-by with the Ex-Im runs for quarterly periods and the present period ends on December 24th. We pay a commitment fee of  $\frac{1}{4}$  of 1% per annum on the outstanding amount. We propose that arrangements should now be made for the complete cancellation of the stand-by on December 24th. However, no announcement would be made until January 3rd (see below).

The present reciprocal deposit arrangement with the Federal Reserve Bank of New York and the similar arrangement with the Bank of England run until December 26th. Mr. Rasminsky intends to allow them to terminate on that date. As before, he would arrange for a stand-by with the Federal Reserve Bank of New York equal to the amount of the reciprocal arrangement that is terminating, i.e. \$75 million (U.S.).

December 26th falls on a Wednesday and the Bank of Canada publishes its weekly figures on that day. Hence, Mr. Rasminsky would announce that day the termination of the reciprocal currency arrangements and an additional stand-by with the Federal Reserve Bank of New York.

We would suggest that on January 3rd you should issue an announcement covering the following points:

- (a) the official holdings of gold and foreign exchange as at the end of December,
- (b) the fact that the remaining stand-by with Ex-Im Bank had been cancelled, and
- (c) the fact that on that day the Exchange Fund was receiving \$125 million (U.S., this being the second half of the bond issue placed with the New York insurance companies which is payable to us on that day).<sup>10</sup>

It is of course not possible to forecast as of today what the month-end total for our official reserves will be. The latter part of December is normally a time of some outflow of dividends; on the other hand, there are indications that the capital inflow is still being maintained and the Exchange Fund made substantial purchases today. All in all, one can be reasonably confident that the showing will be satisfactory, particularly if the month-end figure is announced in conjunction with the receipt of an additional \$125 million (U.S.) on January 3rd.

You will note that the proposals that we are making would mean that by the end of the year the Exchange Fund would have paid off all of its emergency support except that which had been obtained from the International Monetary Fund. This would, I believe, suggest a firm and confident posture with which to enter the new year.

May we have your concurrence or otherwise at latest by lunch time on Thursday (December 20th)?

K.W. TAYLOR

<sup>10</sup> Il n'a pas été déterminé si le ministre des Finances a fait une déclaration du type recommandé ici au début de janvier. Pour les articles contenant une partie de l'information trouvée dans cette note, voir Bruce Macdonald, "IMF Loan Not Repaid, Ottawa Officials Say," *Globe and Mail*, 3 janvier 1963, p. 24, et "Reserves of Foreign Exchange Build Up to Record \$2,662,500,000," *Globe and Mail*, 5 février 1963, p. B6.

It has not been determined whether the Minister of Finance made any statement in early January of the type recommended here. For articles that provided some of the information found in this memo, see Bruce Macdonald, "IMF Loan Not Repaid, Ottawa Officials Say," *Globe and Mail*, January 3, 1963, p. 24, and "Reserves of Foreign Exchange Build Up to Record \$2,662,500,000," *Globe and Mail*, February 5, 1963, p. B6.

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