

50069-D-40

Pt. 1

RED REGISTRY

Department of External Affairs

File No. 50069-D-40

Volume ONE (1)

From 2 DEC. 1950

To Mar 6/51

[illegible]

THIS VOLUME CONTAINS APPARENT
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File No. 50069-D-4D Vol. One

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Defence Liaison/R.A. MacKay/elb

Ottawa, March 6, 1951

TOP SECRET

MEMORANDUM FOR MR. REID

Your Memorandum of January 13
Emergency Defence Planning

I have mulled over your memorandum for a considerable time and still find myself in the dark as to what could be done about the points you raise.

2. With regard to your paragraph 2 (1), presumably the United States and the United Kingdom Chiefs are generally agreed as to the emergency plans they would follow if war should break out this year. We have had very brief reports from Earncliffe about the highly secret discussion held in Washington at the time of the NATO meetings last autumn. These discussions were so secret that they wished to keep from the French any information that they were being held. Under the circumstances, I doubt very much whether our Chiefs could obtain much further information about the discussions. If they tried to find out, I should think the obvious question would be, "What is Canada prepared to contribute under an emergency plan?" -- a question which the Chiefs could not answer without Government approval.

3. With regard to your paragraph 2(3) -- whether a "scorched earth" policy should be followed in Western Europe in the event of withdrawal -- I am doubtful whether we could exercise any influence one way or another. Under NATO planning, regional plans for defence are initially the responsibility of the governments in the region, subject to over-all super-

vision . . .

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vision, but scarcely direction, of the Standing Group. I should think that the Planners of Western European NATO members have already had something to say about a possible "scorched earth" policy in the event of withdrawal, and that in any event the tactics which General Eisenhower might follow are hardly likely to be decided by himself alone, or even by General Eisenhower and the Standing Group so long as NATO governments of Western European members are in existence.

4. A consideration on the other side is, of course, that by agreement of NATO powers strategic air operations are the responsibility of the United States. It may well be that the United States has not fully revealed its plans for strategic air operations even to the Standing Group, but I should think that the first targets would be behind the present location of the Iron Curtain.

5. With regard to your paragraph 2 (2) -- that our present Canadian policy might not be suitable if war occurs this year -- I quite agree. I am not sure, however, that we could profitably plan on this eventuality since we could not predict accurately the course of operations. If Western Europe were overrun quickly, the important question would be how soon liberation would be attempted. The answer to this question would depend upon such factors as the success of strategic air operations, the extent of the submarine menace (at present largely an unknown quantity), the date on which "the balloon went up", whether in the spring or in the autumn -- if the latter, there would be a great deal more trained manpower available for an early return to Europe. Under all these circumstances, I am inclined to think that our present policy, which is a combination of moderate industrial and defence buildup, is about as practical as can be expected.

In the event . . .

- 3 -

In the event that war does occur we are not so heavily committed in any direction that we could not shift the emphasis as the situation might demand.

6. If you would like to discuss the whole matter further, I suggest that we might have a meeting; say, Mr. Ritchie, Mr. Glazebrook, Mr. Leger, and any others you might wish to bring in.

Defence Liaison Division.

Ext. 1

OTTAWA FILE

No. 57069-D-1

CCP 50

SECURITY CLASSIFICATION

SECRET

Letter No. 83

Date... February 3rd 1951

File
See attached
note
J4

FROM: THE CANADIAN AMBASSADOR, ATHENS, GREECE

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference..... Your Form Despatch No.D.30 of January 18th 1951

Subject: INTERNATIONAL CRISIS ARISING OUT OF THE DEFEAT OF THE
U.N. FORCES IN KOREA

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13 FEB 1951

Copies Referred
To.....
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No. of Enclosures
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Post File

811

No.....

1. I have read with interest Mr. Désy's letter No. 2 of January 4th 1951 on this subject, which was attached to your form despatch under reference. In Mr. Désy's despatch he refers to Mr. Reid's reflections on current events, which was contained in your letter No. 45-1191 of December 11th 1950 to the Canadian Embassy in Rome. I should be very interested in reading this letter, and would be grateful if a copy could be sent to me.

Chinnagany

D

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1951 FEB 12 PM 4:25

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Defence Liaison T. Lem Carter/pmb
January 27, 1951.

TOP SECRET

MEMORANDUM FOR MR. REID:

I am sorry there has been some delay in sending you comments on paragraphs 5 and 6 of letter No. 43 of January 4, 1951, from the High Commissioner in London. In paragraph 5 some views of Mr. Reilly on the imminence of war are set out. I attach a copy of "A Note on Soviet Capabilities and Intentions" which was prepared in this Division. This note sets out the United States and United Kingdom views on the imminence of war, and you will see that there is quite a divergence between them. We are now preparing a Canadian commentary on these views in the J.I.C.

There has not been a new ^{Canadian} estimate of the probable course of Soviet campaigns in Europe and the Middle East since September 1949. I attach a copy of a map which was annexed to a joint U.S.-U.K.-Canadian appreciation of that date. This map shows the estimated speed of the Soviet advance, and the change in the disposition of forces in Europe since September 1949 would not cause substantial revision of these estimates. The most recent statement on probable Chinese advances in south-east Asia was given in a paper approved early this month by the U.K. J.I.C. This paper said that following a communist victory in Indo-China, Siam and Burma would probably fall quickly, and that the United Kingdom chances of holding Malaya would become slender. This conflicts with Mr. Reilly's remarks reported in paragraph 6.

CM.
Defence Liaison (2).

COPY NO.....OF 25 COPIES

FROM THE HIGH COMMISSIONER FOR CANADA, NEW DELHI, INDIA
TO THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S

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50069-D-100
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TOP SECRET

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CYPHER - O.T.P.

NO. 29

Referred to

- Mr. Ritchie #2
- Mr. Le Pan #7
- Mr. Pick #8
- Mr. Holmes #9
- Mr. Norman #10
- A-2 #11

NEW DELHI, January 25, 1951.
(Rec'd. January 26, 1951.)

Done/Jan 30/BW.

Top Secret. My telegram Air No. 5 of January 17th.

Herewith requested repetition:

Paragraph 3 "United States origin and may prejudice
here the necessary business"

Paragraph 4 "observed in connection with that
paragraph, that if a Korean settlement"

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HIGH COMMISSIONER

29 JAN 1951

27. L. 8/05

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COMMUNICATIONS
EXTERNAL AFFAIRS

1951 JAN 27 AM 9:44

January 23, 1951.

TOP SECRET

Department of External Affairs
Memorandum on Soviet Capabilities
and Intentions

A paper on "The Imminence of War" was approved by the Chiefs of Staff Committee on November 21, 1950. The last two paragraphs were as follows:

"We conclude

- (d) that the Soviet Union already possesses the capability to wage a major war at any time, and that such a war may commence without strategic warning; and
- (e) that there is an increased danger of the Soviet Union precipitating a major war during the next twelve months in order to take advantage of the passing weakness of the Western Powers. This might take place either (i) through armed action on the part of the Soviet Union, or (ii) through a willingness on the part of the Soviet Union to take increased risks in the knowledge that a major war might well result, or (iii) through large-scale clashes between United Nations and Chinese troops as a result of Chinese intervention in Korea."

We have recently received information on the views of the United States and United Kingdom intelligence authorities on this subject, and points of agreement as well as some divergencies between the two views, are set out below.

There is agreement on the following conclusion on Soviet capabilities: "From the point of view of military forces and economic potential the Soviet Union is in a position to conduct a general war of limited duration now". By a general war of limited duration is meant concurrent campaigns in continental Europe and the Middle East together with minor attacks against United States and Canada. Two factors which limit Soviet capabilities are the weaknesses in the Soviet economy and the susceptibility of that economy to strategic bombing. In the United Kingdom view a third possible weakness is the lack of sufficient long range bombers to deliver the atomic bomb.

While there is agreement, therefore, that the Soviet Union has certain deficiencies in its capacity for making war, and that the Western Powers are very weak in forces in being

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and will take some time to achieve the planned mobilization of manpower and resources. There are two views on the consequent intentions of the Soviet leaders. The United Kingdom authorities think "that it is not to the best interest of the Soviet rulers nor is it their probable present intention deliberately to resort to war..... The Soviet rulers will not be prepared to take serious risks of a major war of indefinite duration by reason of the insufficient state of readiness of their air forces, anti-aircraft defences and economy before the beginning of 1955". The United Kingdom view is that the Soviet leaders will adopt a cautious attitude and will be concerned more with the possibility of a long war and its effects on their potential strength than with the prizes to be gained by a rapid campaign in Europe.

The United States view is that the Soviet leaders are less defensive in their thinking and more willing to take risks. The Soviet stocks of war material are greater than Western stocks and Soviet output will remain greater than Western output until 1953. The Soviet air force, while not adequate to defend the Soviet economy against strategic bombing, is still relatively stronger vis-a-vis the Western air forces than it will be in 1953 or 1954. The NATO forces in Europe will be strong enough to stand the initial shock of a surprise attack only in 1954 (the current speeding up of defence plans may permit the fixing of an earlier date for this objective). It is, therefore, concluded that the Soviet leaders, while realizing that their economy is not absolutely secure for a prolonged war, may well consider themselves in a better relative position for war now than they will be in 1953 or later.

Despite these different views there is agreement that the risk of general war exists from now on. The main risk will arise from Soviet or Soviet inspired operations which are not intended to lead to general war. There is also a risk, particularly in the United States view, that the Soviet Union may deliberately resort to war because of its temporary superiority in strength.

There has been a recent Canadian study on the season of the year which would be most suitable for Soviet attack. It was concluded that the Soviet Union could conduct campaigns against Western Europe and the Middle East at any season of the year. There are certain logistic difficulties in the Middle East between November and April, and atomic bombing is more effective in winter than in summer. These two factors point to the spring as the time for attack. Nevertheless, it is probable that the Soviet leaders would not be guided by such purely military factors either in planning a general war or in planning or instigating lesser operations, but would seize their best political opportunity and take into account such things as the engagement of allied forces elsewhere.

- 3 -

Whether we adopt the United Kingdom or the United States view as to the intentions of the Soviet leaders, it is plain that they are increasingly willing to conduct or instigate operations which contain the risk of war. That is one clear lesson from the Communist Chinese intervention in Korea. The vigorous Soviet reaction to the adoption of the plan for the rearmament of Germany by the North Atlantic Powers suggests that Germany is the most likely theatre for new operations in Europe. Although they are part of the general plans for the building up of the North Atlantic forces, the German rearmament proposals assume special significance for the Soviet Union. The Russians, like the French, are no doubt genuinely apprehensive of the revival of German power. German rearmament lends itself readily to Soviet diplomatic, political and propaganda tactics and these are being fully employed.

We must also expect the employment of military operations to further Soviet policy in Germany. It is estimated that the East German police forces will be capable by the spring of 1951 of overcoming the Western forces in Berlin (provided that these are not reinforced). It is expected that this operation could be carried out without the direct participation of any Soviet forces, and that it would not be necessary to give much warning. It is quite likely that the Soviet Union, as a result of the experience in Korea, is more willing to undertake this type of operation now than it would have been a year ago.

The armies of Hungary, Roumania and Bulgaria are being considerably increased and equipped with a good deal of Soviet material. Bulgaria, specifically, has received a large number of tanks in recent months. In the event of war between these three countries and Yugoslavia in the spring of 1951 it is estimated that their forces would be able to over-run the Yugoslavia plains and main cities and drive the Yugoslav forces into the mountains, provided that the Yugoslav forces are not meanwhile supplied with appropriate quantities of tanks and artillery. This operation could also be undertaken without direct Soviet participation.

The Soviet Union will no doubt seek further concessions from Iran by threats and intimidation. If the Soviet Union wishes to employ more direct methods it will probably be necessary to use Soviet troops. There is no indication that the Soviet Union has such an intention in the near future.

There is a likelihood of Chinese operations in various parts of South East Asia. These might take the form of direct attack or of assistance in material and "volunteers" to the local communist parties, and it is difficult to foresee effective opposition either from the Asiatic peoples concerned or from the Western Powers. There are a number of Chinese mobilization

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and military preparations which would confirm that the intention of the communist Chinese is expansionist.

The invasion forces which were previously assembled opposite Formosa have apparently been dispersed and there is no indication of Chinese preparation to attack Formosa in the near future. As the economic value of Hong Kong decreases an attack must be considered more likely although there is no evidence of Chinese preparations. Hong Kong could not be held against communist Chinese attack. The Chinese operations in Tibet are obscure. The mountains and the lack of roads, however, make Tibet unimportant as a base for operations against India.

Communist China is continuing the supply of arms and equipment to the Viet Minh forces and is giving them training facilities in China. Communications between China and Indo-China are being rapidly developed and air fields are being constructed in South China. These activities suggest the continued strong support of the Viet Minh forces by the communist Chinese. It is unlikely that the United States' supplies will arrive in Indo-China sufficiently rapidly to affect the present battle in the Tonkin area. It is quite likely that the Viet Minh forces will drive the French out of this area in 1951 and the fall of the rest of Indo-China would then be almost inevitable. Following a communist victory in Indo-China it is expected that Siam and Burma would fall quickly and that the United Kingdom would have great difficulty in holding Malaya. In this way communist Chinese expansionism might come into direct conflict with the vital interests of India and Pakistan.

Defence Liaison

TOP SECRET

Ext. 140

"FILE COPY ONLY"

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

January 18 1951

No.

Sir,

I enclose the document (s) listed below.

London D-294
Washington D-262
Paris D-95
The Hague, D-37
Oslo D-30
Brussels D-32
Copenhagen D-25
Bonn D-54
Athens D-30 Ankara D-25

I have the honour to be,

Sir,

Your obedient servant,

for the JAMES GEORGE
Secretary of State for External Affairs.

DESCRIPTION OF DOCUMENT

SUBJECT

Copy of let or No. 2 of January 4,
from Rome, Italy.

The international crisis arising out
of the defeat of the U.S. forces in
Korea.

AIR MESSAGE

ORIGINAL

COPY NO. 1 OF 25 COPIES

FROM: THE HIGH COMMISSIONER FOR CANADA, NEW DELHI, INDIA
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

TOP SECRET

CYPHER - O.T.P.

AIR NO. 5

NEW DELHI, January 17, 1951.
(Rec'd: January 23, 1951).

43 MINISTER
#4 DR/SEC
#5 UNDR/SEC
#6 UNDR/SEC'S
#25 Comm

Done
Jan 27/51
T.R.

Referred to
Mr. Ritchie
Mr. DePan
Mr. Rick
Mr. Holmes
Mr. Norman
D-1
D-2

50069-D-40
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Top Secret. Your letter U.S.-907 dated December 11th, 1950. The international crisis arising out of the defeat of United Nations forces in Korea.

My main comments upon the two documents attached to your letter are as follows:

I. While the first document, entitled "The International Crisis", rightly says that "the new response must be based on global considerations, - political, economic, military and moral", the approach strikes one here as too western. The hand is the hand of collective security for all, but the voice is the voice of the Atlantic Treaty, and the interests of the so-called Western World seem to take first place.

II. I wonder if we are not making a mistake in over-using the words "Communist" and "Cominform". It is true that two aggressive powers today are Communist; that Communist States as we know them are totalitarian states; and that totalitarian states have a propensity to be aggressive. But Russia was aggressive before she was Communist, and Chinese aggressiveness can have explanation, historic and national, independent of Communism. Apart from the need to avoid language that, without explanation, would include Yugoslavia, it would seem unwise in our thinking to use adjectives not necessarily indicative of policy

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26 JAN 1951

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and perhaps attributing more unity than may really exist between the two aggressive powers. The enemy is aggression. Collective defence is the only foundation for any security against it.

III. It might be well to eschew such phrases as "cold" "warm" and "hot war". In this part of world they have unfortunate connotations by reasons of their United States origin and may (group corrupt) here the necessary business of rethinking.

IV. I doubt if we will "increase the number of our Allies and our 'alliance' potential" if in any way we suggest that defence of Asiatic countries is a secondary matter. The interest at stake is common interest in collective defence against aggression anywhere. Any policy that seems to set up a western interest as the main one, and to invite alliances that will mainly subserve that western interest, cannot make a broad appeal. Asian countries should not be allowed to suppose that aggression in Asia is a secondary matter to aggression in Europe; though they can be made to understand that collective security will fail everywhere if it fails at centre of its economic strength and where aggressive threats is strongest. These considerations strike one especially when reading paragraph 5 of second document. It may also be observed (words corrupt - repetition requested) that if a Korean settlement could be arranged on basis of five-point plan put forward by Mr. Pearson in United Nations political committee on January 11th, it would not necessarily mean a compromise with principles. The basis of that plan is perfectly sound and certainly consistent with views of a number of the important nations that have supported the United Nations action in Korea. If China will listen, settlements could be arrived at that would not seem to be

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a policy of scuttling in Asia in order to buy time for
defence elsewhere.

V. Except for these points of emphasis and expressions,
I thoroughly agree with the two documents.

VI. I would prefer "reverse" to "defeat" in heading.

HIGH COMMISSIONER

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EXTERNAL AFFAIRS

1951 JAN 23 PM 4:53

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

TOP SECRET

January 11, 19 51.

No. D-181

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Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

The High Commissioner for Canada
in the United Kingdom,
London, England.

Your obedient servant,

[Signature]
Secretary of State for External Affairs.

SUBJECT

Copy of Letter No. 691 of
December 27, 1950, from
The Canadian Ambassador,
The Hague, The Netherlands.

Copy No.8

Re: International crisis arising
out of the defeat of United
Nations forces in Korea.

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA

TOP SECRET

No. D-161

January 11, 1951.

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Sir,

I enclose the document (s) listed below.

I have the honour to be,

Sir,

The Canadian Ambassador,
Washington, D.C.

Your obedient servant,

JAMES GEORGE

Secretary of State for External Affairs.

File No.	50069-D-40
Sub.	58
Serial	50
Filed	...

DESCRIPTION OF DOCUMENT

Copy of Letter No. 691 of
December 27, 1950, from
The Canadian Ambassador,
The Hague, The Netherlands.

Copy No. 7

SUBJECT

Re: International crisis arising
out of the defeat of United
Nations forces in Korea.

Ext. 180

OTTAWA FILE

No. 50069-D-4/a

Letter No. 43

Date. 4th January, 1951.

SECURITY CLASSIFICATION

TOP SECRET.

FROM: OFFICE OF THE HIGH COMMISSIONER FOR CANADA, LONDON.

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.....External letter U.S.3845 of December 11th, 1950.....

Subject:.....The International crisis..

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I am sorry not to have had an earlier opportunity of replying to your letter U.S.3845 of December 11th, with which you sent us copies of two Departmental memoranda dealing with "The International Crisis - Some Basic Considerations" and "The Defeat in Korea". The draft memorandum for Cabinet, contained in your telegram No. 1971 of December 18th, on which I commented in my telegram No. 2531 of December 23rd appeared to me to be based upon these earlier papers forwarded with your letter under reference.

2. I should like, however, to add one or two comments which, even at this date, may be of some value in any subsequent revisions of these papers.

3. With respect to the first paper dealing with the international crisis, our comments are as follows:

Paragraph 3: You would probably wish to include a reference to the Brussels Treaty as part of the response to the first challenge.

Paragraph 4: It might be more accurate to refer to the Communist seizure of power in Czechoslovakia as demonstrating not solely the inadequacy of the Marshall Plan, but also the inadequacy of the military strength of the Western Powers.

Paragraph 5: If I am correct in assuming that paragraph 5 applies to the North Atlantic Treaty Organization during 1949, I doubt if the North Atlantic Treaty Powers increased their military strength between August and December, 1949, sufficiently to be noted. The real increase in strength, of course, dates from the Communist aggression in Korea.

Paragraph 18: While it is true that it is important to increase the number of our allies, and our alliance potential, additional commitments should not be undertaken until we are in a position to implement them.

4. With respect to the second memorandum, we have had an opportunity of a recent discussion on a wholly informal basis with D.P. Reilly, Foreign Office Chairman of the Joint Intelligence Committee, and his comments will be of interest to you.

Copies Referred To.....

No. of Enclosures

Post File

No. AR.434/19.

EXTERNAL AFFAIRS
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1951 JAN 8 PM 3:39

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OTTAWA FILE
No. 50069-D-10

SECURITY CLASSIFICATION
TOP SECRET

Letter No.

Date..... January 4, 1951.....

FROM: Canadian ambassador, Rome, Italy.....

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference.... Your Letter No. 45-1191, dated Dec. 11, 1950.....

Subject..... The international crisis arising out of the defeat of....

the U.N. forces in Korea.

I have read with great interest Mr. Reid's reflections on current events, and I am grateful for the invitation of commenting personally upon this thought-provoking exposé of the situation.

2. Although I find myself in sympathy with most of the ideas expounded in these papers with respect to our long-term policy, I feel that we should envisage more realistically what steps must be taken if the days of grace are counted. The memorandum, while recognizing that "time is of the essence", fails to suggest a clear course of action for the immediate and the more distant future.

3. Reduced to its simplest expression, the problem can be stated in a few words: How to foil those who menace war. If the threat is remote, it is likely that the peace-loving nations will succeed, over a period of years and provided they start preparing now, in building sufficient strength to discourage would-be aggressors. However, if the Soviet take advantage of our present weakness and begin hostilities before we are ready to meet their onslaught, we shall have to choose between two courses: last-ditch resistance or strategic withdrawal coupled with astute diplomacy. To sacrifice our trumps in a doomed stand would be playing into the adversary's hands; to retreat temporarily might prevent useless destruction and force the attacker to disperse his armies on vast, almost indefensible fronts, while holding precarious sway over restless populations who will be prone to oppose Communist occupation by underground movements. We should not accept to wage a new World War until we have a fair chance of winning.

4. There is a growing awareness among the peoples of Western Europe and of the Western hemisphere that they are members of each other. They have assumed definite obligations to come to the rescue should any part of the Atlantic community be in peril. They must all feel confident that these promises, made in good faith although without the proper means to back them up at the time, shall be fulfilled. Still I do not think that any Russian trespass on Western European territory should automatically start a general conflict.

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* This memo was not given as wide circulation as his dispatch and should not be. In rather doubtful about giving wide circulation to replies coming on defaulting memo.

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5. With regard to the first paragraph, Reilly thought that the second sentence reading: "It is possible that these two Powers have now decided to precipitate that war during the next twelve months" was too pessimistic an estimate. The last United Kingdom appreciation was that the deliberate precipitation of a world war by the Soviet Union in 1951 was unlikely. Reilly agreed, however, that recent events in Korea and the recent decision to re-arm Western Germany considerably increased the possible dangers in the immediate future. Another danger, he thought, lay in the fact that the Soviet Union might be tempted to act on the assumption that the Western Powers would not use the atomic bomb. His view was that our supremacy in this weapon is still the major deterrent to Soviet aggression, and that we should not deprive ourselves of the deterrent power of this weapon by suggesting that it would not, under any circumstances, be used.

6. With reference to paragraph 2, Reilly said that he doubted whether United Kingdom Service authorities would accept the estimate that in the event of Soviet aggression all of South East Asia would fall within three months, and the whole of the Middle East within six months. With reference to South East Asia, he stressed the great importance of our present sea and air supremacy, and thought that the defence of Malaya was a practical task. On the question of the defence of the Middle East, he said that it was hoped at the forthcoming meeting of Prime Ministers to develop plans for participation of Commonwealth countries in this area. He stated that the United States regarded the defence of the Middle East area as a United Kingdom and Commonwealth responsibility, although adding that he believed there was a possibility that the United States view might gradually be modified.


CANADA HOUSE

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I realize, however, that we could not afford to let the match go by default, even though our first parry might be but a parade. We may have to face yet another "repli stratégique" and re-grouping of forces, but since we must accept such an eventuality as a consequence of our solemn undertakings, it would appear wise for our allies and ourselves to nip in the bud any fifth-column activity liable to provoke uprisings behind us while we yield to the pressure of superior numbers.

5. The interests at stake are too great for the West to play a nonchalant game. Perhaps it would appear less candid to the Russians if it did not lay all its cards on the table. It might be advisable to revert to closed-doors diplomacy. There is no need to discuss affairs of state in the open, or to advertise intentions and plans in the press. As much harm has been done in recent months by irresponsible declarations and communiqués as by military errors of judgment and diplomatic faux-pas.

6. While gaining a respite, let us and our allies increase our armies. In the meantime, however, political leaders should keep a tight hand over the military elements, and seek provisional solutions at the conference table. Until the United Nations Organization can implement its decisions, it may serve a useful purpose by providing a talking place. Far from opposing the admission of any of our avowed or potential enemies to this assembly, we should facilitate it. Nothing would be gained by nursing feelings of isolation and resentment, whereas the airing of grievances might lead to discussion and negotiation.

7. During this period of bargaining, although it may become necessary for us to bluff, we should cease declaiming about principles we are unable to uphold. Up to now, the Western world has been content with playing knights-errant en pantoufles, promising assistance to all and sundry, but doing little in a practical way to secure the means of carrying out its engagements in case of need. It is not easy to ride a mount which is half Pegasus and half draught-horse. We should now try at least to keep pace with developments and get into our stride. When we have assembled enough troops and material to command respect, we may indulge in the luxury of making new commitments. While we Canadians should continue to set an example of morality in our outside dealings, it does not follow that we should allow ourselves to be drawn blindly in a crusade. It is elementary prudence not to plunge headlong in profitless or fatal adventures.

8. Meanwhile, let us search our conscience for positive reasons of defending democracy. In the last conflict, it was thought preferable not to define our war aims. Appeals to patriotism were effective against such an inexportable theory as German national socialism. We are now faced with a more pervasive and dynamic doctrine, which aims to destroy the very foundations of our way of life. To its dramatic battle cry "Arise, ye damned of the earth", we ought to oppose a more appealing watchword than "What we have, we hold". It is not by spreading sentimental delusions about the possibility of living in amity with the Cominform that we will inspire determination to our people, but by persuading them that there can be no permanent compromise with Stalinism, except under the guarantee of military power and diplomatic vigilance.

000344

- 3 -

Law-abiding citizens cannot hope to share the world amicably with bandits, whose admitted objective is to rule alone. To foresee any friendly cohabitation with the Soviet is wishful thinking. We ought to adopt immediately the measures necessary to assure our survival and to contain Soviet imperialism. Our only hope is "armed peace".

9. I am not advocating "preventive war", but preventive preparation for war. If we are satisfied that nothing, save a show of force, will deter the Cominform from marching against us, the only logical step is to mobilize men and resources immediately, and as rapidly as our economies will permit.

10. I am sure the Western peoples will not enter the coming struggle for the love of better refrigerators or better plumbing. The only slogans that can inspire them with a will to conquer have been inherited from Christianity: liberty and the dignity of the human person. As a Christian country, Canada would be remiss in giving in to the areligious and atheistic attitude prevailing in some international circles, such as UNESCO and the Human Rights Commission, where appeals are made, not to men's souls, but to vague and cold ideologies.

11. It does not matter that our slogans have not the same rallying power for Arabs, Hindus, Shintoists and Brahmins. So long as the West is united by the ideals that made it great, it can conclude alliances on different planes with those who fear the same enemies.

12. It behoves democratic statesmen to convince their constituents that to protect their freedoms, they will have to give some of them up for a time. Our people must be told that if they do not sacrifice part of their liberty willingly now, they will lose it completely sooner or later, together with their own personal welfare.

Jean D'Is

THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS

~~DECLASSIFIED TO SECRET~~
JAN 4 1951

~~REDUIT A SECRET~~

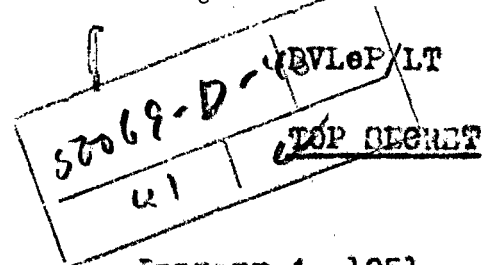
to Mr. [redacted] Agency:

FOR INFORMATION
Defence of the Middle East

Attached is a memorandum on this subject which I should like to send to Mr. Pearson in the bag tomorrow unless you think that this would be presumptuous or exceeding my mandate.

I hope you did so
Jan 7

D.V. LePan 000346



January 4, 1951.

DOWNGRADED TO SECRET

MEMORANDUM FOR MR. FLARCON:

REPEAT A SECRET

Defence of the Middle East

Since you may be in London for the discussion of the defence of the Middle East, I thought you might find a brief note on this subject helpful.

2. In doing some preparatory work for the recent memorandum to Cabinet on the international situation, I was much struck by the fact that political and diplomatic planning for the defence of the Middle East has not kept pace with the most recent military appreciations of Soviet intentions and capabilities. In the memorandum to Cabinet to which I have referred, it was stated that Western Europe is the area "where the initial Soviet attack would probably be made in the event of general war". In order not to blur the argument, I deliberately omitted to add that our intelligence people believe that concurrently a large-scale attack would be made by Soviet forces against the Middle East. There are at least three reasons why it is considered that the Kremlin would launch a drive on the Middle East at the same time as it was attacking Western Europe.

(a) They would want to protect their own oil supplies from Baku in the Caucasus.

(b) They would want to deny to the West the oil which now comes from the Persian Gulf.

(c) They would want to protect themselves against air attacks launched from bases in the Middle East.

The last reason is probably the most important.

3. What...2

3. What we have to envisage, therefore, in the event of a general war is not one major Soviet attack but two - an attack across the German plain and an attack on the Middle East. Both offensives could be made in great strength. Although we have shown awareness of the danger to Western Europe by organizing collective defence among the North Atlantic Treaty countries, we have not been equally alive, I think, to the danger in the Middle East. Indeed, virtually no diplomatic or political initiatives have been taken, so far as I am aware, in an attempt to stiffen the resistance of Middle Eastern countries should they be attacked by the Soviet Union. This would seem to be an obvious gap to which attention should be directed.

4. I am not, of course, suggesting that Canada should assume any responsibility for the defence of the Middle East. My uninstructed opinion is that such a course would be quite mistaken. On the other hand, we have a general interest in seeing that our friends and allies are taking into account in their diplomatic calculations the dangers which have been revealed by military intelligence. It would, therefore, seem that a discussion of the defence of the Middle East at the meeting of Commonwealth Prime Ministers might prove valuable. It is conceivable, for example, that Australia, New Zealand and South Africa, whose troops have fought in the Middle East in two world wars, and even India and Pakistan might in some way or other be formally associated with the United Kingdom, the United States and Middle Eastern countries in the defence of that area. It is also worth considering, I think, whether, if such arrangements for the defence of the Middle East could be worked out, there might not be developed some form of association between countries primarily interested in the defence of the Middle East and countries primarily interested in the defence of Western Europe. Since in a general war a Soviet two-pronged attack would be directed from a single centre and as part of a unified strategic plan, the problems of defending the two areas should also be considered in conjunction.

To-day's telegram
shows this is
on the agenda
W.M.W.
5 Jan.

5. You will...3

You will find, I know, that New Zealand at least, and possibly Australia as well, will be interested in exploring whether or not they can be associated in some way with the North Atlantic Treaty Organization. The desire springs fundamentally from the feeling that they are an integral part of the Western world; for that reason they would like to be included in some way in plans for its defence. I know, for example, that this view is held strongly by McIntosh, the New Zealand Under-Secretary of State for External Affairs. You no doubt know him far better than I do; but I have always found him very good value, and I think that you would find it useful to discuss this point with him. You might even want to suggest that, if New Zealand and Australia could assume some precise responsibilities in the Middle East, it might be easier to work out for them some mode of association with the North Atlantic Treaty Organization.

D. V. LePan

Mr. [unclear]
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Letter No. 599
Date December 28, 1950.

FROM: The High Commissioner for Canada, Pretoria, South Africa.
TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
Reference: Your despatch US-336 of December 11, 1950
Subject:

DOWNGRADED TO SECRET
REDUIT A SECRET

I enclose a few lines by way of immediate comment or reflection prompted by the two papers of December 8 prepared by the Deputy Under-Secretary. At this distance and away from the activist realism of the East Block, I do not expect to be able to add anything very useful to what is being thought and written there: hence I have not put this in despatch form. What I have written is more by way of satisfying my own local sense of urgency than as a contribution of any great moment.

Thomas [unclear]
High Commissioner

Copies Referred To.....
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<i>[Handwritten signature]</i>

5.1.34/051

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THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS

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Notes on US.336 of December 11
enclosing two papers presented to the Minister on December 9

These two memoranda state the terms of the world crisis in very stark - not to say Toynbeeian - terms. They also call for an immediate semi-mobilization of the entire resources of the anti-Russian world as the only way of preventing the recurrence of one more, and perhaps the last, failure to produce a response to the challenge on time.

2. It seems to me that a disproportionate emphasis is laid on the inadequacy of the Marshall Plan, the North Atlantic Union, the Colombo Plan and the united action in Korea. It is true that the first could not stop the Czechoslovakian coup, the second is still preoccupied with blueprints and plans, the third is still hatching and the fourth has met defeat because of a bad guess. But it is in the nature of policies which are based on co-operation between autonomous sovereignties and designed to inspire democratic allegiances as well as to resolve immense, deeply rooted and excessively complex social and economic problems, that they take months to elaborate and years to mature. We may appear to have lagged behind Communist enterprise at each step. At the same time we may have gained more than our present strategic and reconstruction position on the surface shows. Economic recovery in Europe is well under way. The constructive intentions of the West for the Far East and for undeveloped areas are now established; and so far as it can be done, the will of the western world to refrain from large-scale war is already explicit, even if it is not yet universally convincing.

3. I would suggest that we have now reached a new phase in the post war world revolution. It is a phase that moves at a quicker pace and therefore requires a radical re-organization of western authority to cope with a Communist strategy which looks as though it was being pushed rather faster than it had expected to be.

4. In these circumstances, as the memoranda point out, the slow-moving but massive operations of the past three or four years can no longer be our model. The machinery of Committees, Councils, Assemblies and Governments must somehow be augmented by a more centralized and expeditious medium of decision, and equipped with material, co-ordinated transportation, manpower and armament, and pooled intelligence which can respond with the utmost celerity to the tactical and strategic moves of the enemy. In short, alliances must become answerable to a Supreme Headquarters and commit themselves to carrying out its demands. As described in the second memoranda, they are too brittle and amorphous to divert the centrally controlled missiles of the Kremlin.

5. Some such outline might emerge from the meetings of N.A.T.O., the Prime Ministers' Conference, the proposed conference of the Organization of American States, and the Assembly meeting in March. Its purpose should be made transparently clear, namely, the closing of the ranks of all those who reject the Communist order of things and in consequence have united their strength to repel its attacks wherever they may fall. In some way, too, such an organization must clear itself of any possible imputation that it is dominated by any one Great Power. This, I realize, will be a delicate and difficult affair, especially when the bulk of the load will be borne by that Power. But while we cannot and would not wish to have the monolithic consolidation of authority enjoyed by Moscow, we should strive for the utmost unity of purpose, and the basis for that is the principle of real collaboration.

6. In the same context it has occurred to me, while reading the long range exchanges of view between East and West during the past few months, that while there is truculence, bigotry and inflexible hostility in the utterances of Vishinsky, Wu and the rest, there is on our side an unrealistic kind of superiority, an assumption of rightness and righteousness which I cannot help feeling sets up a very difficult barrier. We seem to have failed to realize, for example, how the invasion of North Korea would appear to China - though Britain went to war in 1914 for almost the same reason, when Belgium was invaded. We also seem to think there is virtue and force in announcing our objectives before our plans are fully formulated, perhaps in the belief that we are dealing with opponents who reason as we do. The latest example of this is the announcement by a ranking American General of the three headed attack or reply which the western

world will make to a Russian invasion of Western Europe.

7. This is another variation of the deliberate planning technique of the cold war, whereas as I have tried to suggest, we have passed into the more executive necessities of a warm war.

8. There is one aspect of combined western action which is omitted in the memorandum, and that is the employment of the armoury of persuasion, explanation and conversion to carry to all that can be reached the civilized and co-operative intentions and aims of the free world. If the objective named - that is, a modus vivendi for the two opposed groups - is to be realized, the defensive operations of the West must be supported with their own message of good will, reconstruction and peaceful intent, and for this, a "College of Propaganda" in its original sense, equipped as fully as the echelons and formations of defence, will be necessary. Its function will be equally to win support and to re-assure the enemy that we can occupy the same planet contemporaneously even if uneasily.

Therese M. Smith
High Commissioner

SEEN

L. B. PEARSON

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TOP SECRET

MEMORANDUM TO THE CABINET:

Dec 18, 1950

The International Situation

In North Atlantic planning the period of greatest danger was, until a few months ago, assumed to begin in late 1953 or 1954. Now, the only safe assumption is that the period of greatest danger has already begun.

2. By their support of the Chinese intervention in Korea, the Soviet Government have shown that they are willing to run the risk of a third world war. In such a war the Soviet Union would have, initially, and probably over the next two years, a preponderance of land and air forces in the conventional methods of warfare. Also they would probably have a small stockpile of atomic weapons.

3. In addition, the events of the last few weeks have sharply revealed the danger that, even if a third world war can be avoided for the time being, the forces of Soviet imperialism throughout the world may be able to seize so many additional areas in Asia and Europe that the position of North America will eventually become very serious indeed.

4. Although we have differed with the United States on a number of issues on Far Eastern policy, there is agreement between the Canadian and United States Governments that:

- (a) peace is now in jeopardy;
- (b) the expansion of Soviet imperialism must be opposed;
- (c) the principle of collective resistance to aggression must be maintained; and,
- (d) the main front which must be defended is Western Europe.

Our disagreements arise only in deciding how our agreement on these basic points should be translated into immediate policy and action, taking into account the present military strength of the Soviet Union and their friends and satellites and the present military weakness of the free world.

5. This relative weakness is most dangerous in Western Europe. This is where the initial Soviet attack would probably be made in the event of a general war. Europe is open to Soviet attack whenever the U.S.S.R. is prepared to run the risk of atomic bombardment of its cities and industries. It is estimated that under present conditions the Red Army could occupy Western Europe to the Pyrenees within three months.

6. The present military weakness of Western Europe is one of the basic reasons why we have contended that all possible steps should be taken to avoid becoming embroiled in a war with Communist China. In such a war a decision would be almost impossible to secure. Even the atomic bomb would probably not be decisive since suitable targets are few, life is cheap and manpower virtually inexhaustible. Meanwhile, every day such a war lasted would be wasting inadequate Western resources of trained manpower and military equipment.

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- 2 -

TOP SECRET

7. Assuming that a major war with China can be avoided, it must, nevertheless, be recognized that the defeat which the United Nations have suffered in Korea makes more likely Communist attacks on other parts of Asia, the Middle East and Eastern Europe. A full-scale attack on Indo-China, in particular, must be regarded as an early possibility. And, if Indo-China is lost, the whole of South-East Asia, including Burma, Malaya and Indonesia with their important natural resources, might well fall under Communist control. The position of India and Pakistan, in these events, would become precarious. This, incidentally, is an aspect of the situation which emphasizes the political importance of outside financial assistance for the economic development of these countries to strengthen their will and capacity to assist in the struggle against Communist imperialism.
8. Persia and the Middle East are also vulnerable. The governments of these countries and the rivalries between them are such that there is little ground for hoping that, with the exception of Turkey, they would offer much effective opposition to armed aggression. Another potential ally of substantial strength which is immediately threatened is Yugoslavia whose power to resist has been seriously weakened by present economic difficulties.
9. In short, recent Communist successes disclose the stark possibility that, either in the course of a general war or as a result of piece-meal attrition, the whole of Asia and Europe, apart from the United Kingdom, Spain and Portugal, might fall rapidly under Soviet domination. The position of North America would then be worse than in 1940. If the Soviet Union were in control of all the productive resources of Europe and Asia, it would have at its disposal steel and oil production comparable to that of North America. Its supplies of raw materials and skilled manpower would be greater and more varied.
10. Because of their lack of forces in being the North Atlantic Treaty countries are obliged to go as far as they can to gain time. That is one of the purposes of the present negotiations for a cease-fire in Korea. It must not be lost sight of, however, that action by Communist China or by the Soviet Union may at any time precipitate a general war.
11. The employment by the Western countries of their present great economic superiority and resources of skilled manpower in such a way that the prospect of eventual victory over them is slender remains the greatest deterrent to war. This has been their purpose especially since the North Atlantic Treaty came into effect. But the danger has increased more rapidly than our combined efforts to meet it.
12. The new defence programmes which the North Atlantic Treaty countries undertook in August of this year have not yet brought about any substantial and immediately effective net increase in their military strength. A substantial part of the defensive strength which has been added has been diverted to Korea.
13. Last week the North Atlantic Council appointed a Supreme Commander for Western Europe and agreed upon a scheme for the establishment of an "integrated force". The representatives of the NATO countries pledged themselves to step up their defence programmes. They also agreed upon proposals for the participation of Western Germany in the joint defence.

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- 3 -

TOP SECRET

14. The gravity of the situation has been recognized in all the North Atlantic Treaty Nations, but none more than in the United States.

On December 16, President Truman adopted the unprecedented course of declaring a national emergency in peacetime. In this he said: "Recent events in Korea and elsewhere constitute a grave threat to the peace of the world ... world conquest by Communist imperialism is the goal of the forces of aggression that have been loosed upon the world ... the increasing menace of the forces of Communist aggression requires that the national defence of the United States be strengthened as speedily as possible."

Since the attack on Korea on June 25, the United States has sharply increased its defence appropriations and preparations. Both directly and through NATO the United States has urged the other free nations to adopt similar action. The action taken in other countries has naturally been referred to in Congress and comparisons have been made both there and in the various agencies of NATO between the defence expenditures of various countries.

15. The defence of the West depends on continued and increased participation and assistance by the United States and this will be more likely to be forthcoming if Congress and the American people believe that their effort is being matched by a comparable effort in other countries.

Further, increased fear of Russia will combine with any trend towards isolation on this continent to focus more attention on home defence against direct attack. Only if the home front is felt to be secure will public opinion support the employment of the forces in Europe on the scale necessary to deter aggression.

16. The U.S.S.R. may be tempted to wage war in the near future in order to prevent the free world attaining the position where it could check Soviet imperialism by the threat of effective force. Also the action taken by NATO at Brussels with respect to Western Germany involves some immediate risk of Russian reaction.

17. It seems essential that, in common with other countries of the North Atlantic, we should re-examine our defence programme in the light of these sombre developments. We will all require to press forward at a much accelerated speed if we are to attain the goal of security which is set by the North Atlantic Treaty.

18. The position of the Canadian Government, in the new emergency, was referred to in instructions sent to the Canadian representative at the Brussels meeting and then made the subject of a statement by him. Copies of this statement have been circulated to Ministers.

(sgd) Brooke Claxton
Minister of National Defence

(sgd) L.B. Pearson
Secretary of State for External
Affairs

Ottawa,
December 28, 1950.



B.F.R. 15/57.
Jan

OFFICE OF THE

HIGH COMMISSIONER FOR CANADA

File
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28 JAN 1957.

Personal & Confidential

Dear Sir:

I know you don't allow letters addressed to you as 'Personal' to be treated as such, but I am covering the brief essay in comments on your recent handiwork (which in view of this letter's grading I shall not specify further) with this letter nevertheless.

There was either nothing bad, or there was much more to say than I have done in the memorandum and although my ideas, such as they are, rear their little heads quickly & in profusion enough, I still have judgment left to realize that they are either insignificant or too crumbled for practical use.

And there was no other notion that I would have liked to develop & I won't say that it has not been reinforced a little by the sociological climate here today.



OFFICE OF THE

HIGH COMMISSIONER FOR CANADA

the white man, that means really, the Anglo-Saxon must take the
Romans of the first three-four centuries A.D. face the fact that
they are not only in a minority, (they were always that) but that the
or a majority are now equipped with physical resources,
a conscious fire of inspiration, and some remarkable organiz-
ation which at the very least gives them equality and en-
dows them with the subtlest asset of all, namely, leader-
ship.

To these people, however arrogantly upstart they may
be, the spectacle of scores, hundreds, even a few thousand whites
insisting on areas of influence and possession like S.E. Asia, Africa,
the Pacific Ocean including Japan must be incomprehensible
and itself a perfect picture of arrogance. It is not appeasement to
recognize this, surely. Nor need it be surrender; it must be that
it could be a very salutary enlightenment. For if the lion the lamb
are to lie down together, it might be just as well to accept for the
latter only what is his legitimate (and that means fully defensible)
place - from which in due time I am sure his pacific propen-
sities would infect the lion!

The advent of the documents 'under review' was
like opening the door suddenly to a 'twister' cyclone. Here at the
moment life is almost at a standstill. I can find no government. I must



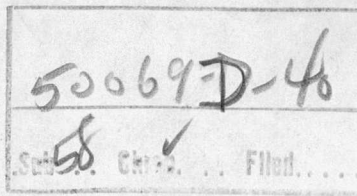
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in Town - except Mr. Th. The Cabinet are branding their cattle or
smoothing the golden fleece of their sheep, or reading their Book
of Judges. Everyone else, e.g. the diplomatic corps, is tearing a-
part their filing systems, packing part of it for Cape Town, &
rendering themselves useless for two weeks. The feeling of
crisis exudes only from between the lines of the papers. So
the voice from outside if startling is very stimulating. I wish
I could have responded to your challenge a little
more adequately. A little more thought might have helped
but I shall be in Basuto Land next Tuesday (bag day) &
the office will be in the turmoil next Thursday so I thought
I would get something off today.

Queenie I was sorry to hear Ruth's headache
had returned. Hope they go soon. Give her our love -

Love

Fanny



TOP SECRET

VIEWS OF UNITED KINGDOM CHIEFS OF STAFF

ON

ARRANGEMENTS FOR A CEASE-FIRE IN KOREA

1. The general military requirement for a cease-fire is that the arrangements should be such as to enable the U.N. to maintain their selected line intact.
2. Since this requirement must cover the eventuality of a resumption of hostilities, it is essential that as little military advantage as possible should be allowed to accrue to the communists under a cease-fire.
3. We give below our views on the points raised in the American cease-fire proposals. Details will ultimately have to be worked out by the Cease-Fire Commission with the U.N. and Communist commands in Korea.

COMMENT ON AMERICAN CEASE-FIRE PROPOSALS

Appointment of a Cease-Fire Commission

4. The appointment and national composition of the Cease-Fire Commission are political matters. The military requirements are that:-

- (a) U.N. military views should be adequately represented.
- (b) All Communist forces in Korea should fully recognise the authority of the Commission.

5. Supervision. The ability of the Commission to supervise the arrangements for the cease-fire will be its most important qualification. Supervision might be effected either:

- (a) By armed forces, i.e. using neutral troops, or
- (b) By observation, using observers mutually acceptable to both sides.

Since the U.N. is an interested party, and its member nations cannot therefore strictly be neutral, and owing to the inaccessibility of Korea, (a) above would be impracticable. We therefore regard it as essential that adequate numbers of observers, of nationalities acceptable to both sides, should be appointed by the Commission to direct and report on the cease-fire arrangements. These observers must be given complete freedom of access throughout the whole of Korea and provided with adequate means of communication so that any infringements may be immediately known to the Cease Fire Commission, who should take the matter up with the Commander concerned and the United Nations.

Prohibition of Reinforcement

6. Prohibition of reinforcement, both into Korea and tactically, is clearly most desirable, but routine replacements would have to be permitted.

7. Since the major allies have no present intention to reinforce Korea this restriction will in fact operate

- 2 -

almost exclusively against the communists who might otherwise use the opportunity to build up their forces for a resumption of the offensive. It is therefore most important that supervision under the Cease-Fire Commission should be capable of giving timely warning of any such infringement.

Maintenance of Essential Administrative Services

8. The distribution of food and medical stores, and normal replenishment of supplies and POL should be allowed. All movement of ammunition should be prohibited except as specifically allowed for in operations to maintain internal security, vide para. 13 below.

Establishment of the Demilitarised Zone

X 9. The Chiefs of Staff have already recommended that the southern boundary of a demilitarised zone should run along the "southern waist" line. Details must be agreed between the opposing Commanders and the Cease-Fire Commission.

10. Depth of Zone. The main considerations affecting the depth of the demilitarised zone are:-

- (a) It should be deep enough to avoid the possibility of incidents between the opposing forces during the cease-fire, and to enable reasonable warning to be received of any attempt to resume hostilities.
- (b) It should be small enough to enable it to be simply administered under the Cease-Fire Commission.

We consider that these requirements would be met by a zone about 20 miles deep.

11. Administration. The administration of the demilitarised zone will have to be the responsibility of the Cease-Fire Commission. The Commission will have to use such local administrative personnel as may exist in the area, supplemented where necessary by personnel made available by the U.N., who would have to be acceptable to both sides.

All movement of personnel and stores into and out of the zone will have to be directly controlled by the Cease-Fire Commission and agreed to by the Commander whose frontier is affected.

Control of Naval and Air Activity

12. Restrictions on naval and air activity will operate almost exclusively against the U.N. It is obvious that the Communists will press for controls; we give below the maximum restrictions which we consider the U.N. should accept.

13. Naval Restrictions. Movement of warships should be prohibited within the territorial waters of the demilitarised zone and of the territory occupied by the opposing sides.

X Note by Commonwealth Relations Office.
This means the narrow bit of Korea just south of the 38th Parallel.

- 3 -

14. Air Restrictions. Neither side should be allowed to operate any kind of aircraft over:-

- (a) the demilitarised zone;
- (b) territory occupied by the opposing side and their territorial waters.

The Cease-Fire Commission should have free use of the air both for observation and intercommunication.

If the Communists press strongly for restrictions on airfields, we should agree to surrender the right to develop the military characteristics of the airfields in the territory occupied by the United Nations.

Exchange of Prisoners

15. The full exchange of prisoners of war could probably only be achieved as part of a more permanent settlement than a cease-fire. We consider, however, that the opportunity provided by a cease-fire should be taken to effect exchange of prisoners as set out below, but that non-acceptance by the Communists of these arrangements should not be allowed to prejudice negotiations for a cease-fire.

16. Sick and wounded. It would be in the U.N. interest, and in accordance with the Geneva prisoner of war Convention 1949, to return all seriously sick and wounded prisoners of war. The more broadly this was interpreted the better would U.N. interests be served, since Chinese and North Korean medical facilities are notoriously inadequate.

17. Able-Bodied. Arrangements should if possible be made for the exchange of able-bodied prisoners of war. Militarily, this should be restricted to a head for head exchange.

Control of Refugees

18. Militarily it would be an advantage to the U.N. if all movements of refugees were prohibited. This could be carried out as part of the movement control operated by the Cease-Fire Commission as described in paragraph 11 above. If refugee control does not form part of the cease-fire agreement, normal military security precautions should be taken concerning it.

ADDITIONAL ARRANGEMENTS REQUIRED

Communist Forces Operating in Rear Area of United Nations Forces

19. It is essential for the U.N. forces to have protection against Communist forces operating in their rear areas. We therefore consider that a condition of the cease-fire should be that both sides are permitted under the supervision of the Commission's observers, to use military forces to maintain internal security.

20. The Communists should be informed that their forces operating in Southern Korea would be expected to obey the cease-fire order. Such forces should be instructed by the Communists to make contact with the representatives of the Cease-Fire Commission with the U.N. forces, when they would be given safe conduct to the Communist lines; where communications did not exist the United Nations Commander would give safe conduct to Communist emissaries to carry cease-fire orders. The Communists should be further informed that disregard of these terms, or of direct U.N. requests to cease fire, would result in operations being undertaken against such forces.

EXT. 97.

MESSAGE FORM

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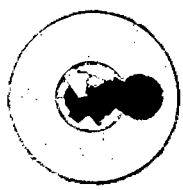
FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN AMBASSADOR, WASHINGTON, D.C.

File No. 50669-D-40
Sub. Section 50 Filed...

Message To Be Sent EN CLAIR CODE CYPHER <i>init</i> <input checked="" type="checkbox"/>	No. EX-2712	Date December 26, 1950.	For Communications Office Use Only SENT -- DEC 27 1950
Degree of Priority	Following is text of top secret teletype No. 2531 of December 23, from London: QUOTE: (Communications Section: Please quote here the text of the above-mentioned teletype.) UNQUOTE.		
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SECRETARY OF STATE
FOR EXTERNAL AFFAIRS.



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Letter No. 691

Date 27th December, 1950

OTTAWA FILE

No. 50069-D. 40

SECURITY CLASSIFICATION

TOP SECRET

FROM: The Canadian Ambassador, The Hague.

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

Reference....Your Letter No. US-662.....

Subject: ...International crisis arising out of the defeat of United Nations forces in Korea.

1. I have read with great interest the two memoranda which you were kind enough to send me and agree with your general line of thinking.
2. However, I would prefer, instead of commenting on each point, to write on the possibilities of the international situation as seen from The Hague and after discussion with my Canadian associates here.
3. I therefore include a memorandum which could be entitled: "The Soviet Menace as seen from The Hague", hoping these comments might be useful in assessing the present international crisis.
4. This report has no ambition of being comprehensive but is meant to convey the substance of our reactions here.

Ambassador.

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EXTERNAL AFFAIRS
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The Soviet Menace as seen from
The Hague

1. The Western countries are now paying the price of their mistake in demobilizing their forces at the end of the war. The balance of military power being on the Soviet side at the present time, there is no decision that can be made by the western coalition that could adequately meet any Communist initiative, at least until the equilibrium is restored to a fair extent.
2. Being weak at every point of the Communist periphery, we can only improve our situation by concentrating our limited strength on a few or on a single point that is more essential or vital for our survival. This point, in my opinion, is Western Europe.
3. I would not wish to under-estimate the importance of protecting our interests and positions in Asia, but the core of Soviet power is almost out of reach if attacked from any Asiatic base, while it is under serious menace from Western Europe and the Middle East. Therefore, the principal effort of the Western coalition should be directed (a) towards Western Europe and (b) towards the Middle East, notwithstanding all the sacrifices we may have to accept in the Far East for a certain period. There is surely no need to elaborate the view that Western Europe must appear to the Soviets by far the most attractive area available for aggression aimed at total control. No other area would yield, for a comparable effort, anything approaching the prize which Western Europe represents in industrial plants, economic resources, technical skill and as a base for future operations against North America. Any Soviet provocation in Asia should be considered as a diversion. The present Chinese uncompromising attitude should be treated as such a diversion and a tactical retreat from Korea, shameful as it may appear at first, would prove in the long run more useful than further military complications with the Chinese hordes.
4. If Western Europe is accepted by the Western countries as their battlefield, with or without bloodshed, what are the chances at the present moment and for the next few months to come, of protecting it against Soviet occupation? I would like, without mentioning any names, to venture an analysis of two possible alternatives, basing my reasoning on information gathered through personal contacts with military authorities, colleagues who have been accredited to satellite countries and refugees from the same countries, including Eastern Germany.
5. The questioning of refugees of varying origins who have reached Scandinavian or other western countries shows that until last summer the Soviet authorities had done very little to improve their road and railway network from East to West. They are now replacing emergency bridges with permanent ones, rebuilding roads and duplicating their railway lines, but this programme should not be completed before one or two years' time. As they presently exist, the communication and transport facilities are quite inadequate on the ground to supply important fighting forces

- 2 -

in operation for any length of time. This is one of the reasons why a few Western Governments, like the Netherlands, have been less than hasty in their re-armament policy.

6. If the fact is accepted that war, according to the classical pattern, is unlikely before 1952 or 1953, is there any possibility of a "coup" along less orthodox conceptions? United States military publications have often mentioned the fact that the number of Soviet airborne divisions is out of proportion with the normal defence of their territory. Assuming that this information is partly correct, one can easily imagine that these divisions could be moved at short notice to satellite airfields and from there be sprayed over Western Europe in a matter of hours. There would be no adequate Western organization to cope with them on landing and they could be helped by the local Communist parties. No heavy equipment would be required and most strategic positions could be occupied after minor skirmishes with the local police. In order to facilitate the task, Soviet parachutists might well use Western uniforms.

7. I have been struck by the information coming from Poland that high-ranking local Communist officials have expressed their conviction that the occupation of Western Europe could be achieved so rapidly that the United Kingdom and United States would be presented with a fait accompli. Peace would then be offered to them with such guarantees that their populations would be opposed to the destruction of "European civilization" through atomic bombing, under the pretext of saving it!

8. Personally, I do not believe that things could go as simply as that. Soviet strategic and industrial centres would soon receive their load of atom bombs, but would this counter-attack restore the position in Western Europe and prevent a long period of preparations before the Western coalition could switch to the offensive on land? The Kremlin may well consider that the West will not be ready to pay the price for liberating working classes that were already partly Communist and a bourgeois class and intelligentsia that were already ripe for domination. In the circumstances, it is not what we Westerners believe that matters, but what the Politburo believes. This is the first alternative that I wanted to examine and my conclusion is that unorthodox war within the next year is a fair possibility.

9. The second alternative is a little more encouraging. I suppose that the Soviet leaders wish before starting hostilities: (1) to increase their stock of atom bombs; (2) to consolidate their position in the satellite countries; (3) to stockpile strategic raw materials, including petrol; (4) to improve their transportation system; then a postponement until 1952, that is, before Western strength can normally match their own, is more likely. This however, would mean a war of attrition with all the uncertainties that it involves for the Communist system. This is a longer-term possibility which could be more easily met if there were an element of surprise in the speed of Western mobilization.

- 3 -

10. It is difficult for anyone outside the inner Communist circle to know how well the Soviet leaders are informed about conditions in the rest of the world. With the exception of Molotov and Vishinsky, very few have personal knowledge of foreign countries. They remind us of Hitler and his clique who were informed by men who did not dare to tell the truth if it were in contradiction with the Master Plan. Therefore the risk of Soviet miscalculation and blundering into war is not to be ruled out.

11. I have inquired from Dutch security sources whether they had any indication that the Netherlands Communist Party were preparing for clandestine activities in case of international complications. It seems that up to now their only plan is for going underground at short notice. No trace has yet been found of any sabotage programme, although the fact that most Dutch Communists are connected with the Amsterdam or Rotterdam ports leads one to believe that they would try to prevent the military from using these ports for bringing reinforcements and supplies.

12. I also asked whether the top Dutch Communist leaders were expressing the same views as their Polish colleagues as mentioned in Paragraph 7. The answer was in the negative but it was added that if such a plan exists the Dutch Communists are not important enough to be let in on the secret. They would only receive orders in due course.

13. What measures could the Atlantic coalition take at this stage to cope with alternative No. 1? First of all, radio broadcast from the Atlantic Pact nations towards the Eastern Bloc should constantly insist on the impossibility of a limited war in Western Europe. No doubt should be left that by moving west, the Soviet forces, even if successful in reaching the Channel, would start a long and decisive war with the West. Reference should often be made to Hitler's disappointment at not reaching an agreement with the United Kingdom after the French collapse in 1940.

14. The second precautionary measure would be to organize in all the Western European countries a home guard comparable to the United Kingdom model in 1940. Special attention should be given to the protection of airfields and other strategic points. This partial mobilization of manpower would bring home to the Western populations the danger confronting them and lead them to accept greater sacrifices for their defence. It would correspond to a state of emergency.

15. With regard to the second alternative, the plans set up by the Atlantic organization are meant to cope with this possibility but the time factor cannot be over-estimated. Everything should be done to reduce the time limit already fixed. More particularly, a special effort should be made in the immediate future to increase U.S. forces in Germany up to a strength that will convince both Germany and the other continental countries that their own national contribution will not be useless.

- 4 -

16. Finally there is the important question of war aims. The starting point of our reasoning could be that Europe cannot be reorganized and recover a normal life if the Soviet remain on the Elbe and if they control Eastern Europe. A day might come when Western strength may be so overwhelming that the Soviet will accept the necessity of retreating without fighting. But one could not be too optimistic about this possibility. It is much more likely that they will have to be accompanied home, volens nolens. This should be the first war aim of the Atlantic coalition.

17. The second aim would be the over-throwing of the present regime in Moscow. This could only be done with the support of the Russian people, and this support could only be enlisted if the Western countries started now to explain that they have no territorial ambition, that they want the Russian people to organize their life as they wish but that the continuation of a policy which condemns the whole world to the endless, sterile anxieties of war, cold or hot, will not be permitted.

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The Hague

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L. B. PEARSON

DEC 27 1950

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MEMORANDUM

The present negotiations looking toward a cease-fire in Korea, important though they are, must not be allowed to obscure the extreme danger in which the free world now stands and in which it will continue to stand until it has greatly increased its forces in being and until the present differences that divide the two worlds are narrowed. The danger will be particularly acute throughout 1951 and, indeed, until the North Atlantic medium term plan has been fulfilled.

2. By its support of the Chinese intervention in Korea, the Soviet Union has shown that it is willing to run the risk of a Third World War. In such a war the Soviet Union would have, initially and probably over the next two years, a preponderance of land and air force in the conventional methods of warfare and might also have a considerable stockpile of atomic weapons. In addition, the events of the last few weeks have sharply revealed the danger that, even if a Third World War can be avoided for the time being, the forces of Soviet Communism throughout the world may be able to seize so many additional areas in Asia and Europe that the position of North America would eventually become desperate.

3. Nor should the danger be obscured by the differences which still separate the policies of the United Kingdom, Canada, and other free countries from the United States, even after the visit of Mr. Attlee to

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Washington. We have urged that, if possible, there should be negotiations with Communist China in order to explore the possibility of a settlement. The United States, on the other hand, has been reluctant to agree to such negotiations because it is doubtful whether the Chinese Communists will negotiate on anything but their own terms. We think that the admission of the Chinese Communists to the United Nations would facilitate the task of negotiations and that is one reason we think that such admission should be considered if and when the Chinese cease their intervention in Korea. The United States, which has borne the heaviest burden of the United Nations action in Korea, has not been ready to accept into the United Nations a government which has attacked United Nations troops. We have urged that the status of Formosa should be included among the subjects to be discussed with Peking because we believe that all Chinese, of whatever party they may be, regard Formosa as an integral part of China. The United States has insisted that Formosa must not fall into Communist hands because of strategic reasons. And beyond these present differences lie a number of occasions in the past five months when our views have varied from those of the United States administration and when we have counselled that great caution should be shown in approaching the boundaries of Manchuria and Siberia.

4. Nevertheless, in spite of these differences, there is agreement between Canadian and United States governments on at least four fundamentals:

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- (a) Peace is now in jeopardy;
- (b) The expansion of Soviet imperialism must be stopped;
- (c) The principle of collective resistance to aggression must be maintained;
- (d) The main front which must be defended is Western Europe.

5. Our disagreements arise only when it is a question of deciding how these fundamental doctrines should be translated into immediate policy and action, taking into account the present military strength of the Soviet Union and its friends and satellites and the present weakness of the free world.

6. This relative weakness is most striking in Western Europe, which is the area where the initial Soviet attack would probably be made in the event of a general war. According to the best information available, the Soviet Union could at any moment throw 124 divisions into an attack across the Northern German Plain through the low countries and France to the Atlantic. To oppose these forces, the countries associated in the North Atlantic Treaty now have only 30 divisions in Europe. Moreover, there are only 4 additional divisions in North America. The disparity between Soviet air power and that of the North Atlantic Treaty countries is equally disturbing. For an attack on Western Europe, the Soviet Union could call on 7,900 planes. The North Atlantic Treaty countries, on the other hand, have only 3,500 planes at their disposal. The West is, of course, still superior in atomic weapons, and apparently in the rate of their production; but even this superiority

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is by now probably not nearly so overwhelming as it was only a year ago since the Soviet Union may now have a considerable stockpile of atomic bombs. Western Europe, therefore, is wide open to Soviet attack when ever the Soviet Union is prepared to run the risk of atomic bombardment of its cities and industries. It is estimated that under present conditions the Red Army could occupy Western Europe up to the Pyrenees within three months.

7. These facts are widely known, at least in outline, to the people of Western Europe and have naturally created great anxiety. If the countries of the free world were to suffer further reverses, there is a risk that governments might be found in Western Europe willing to enter into deals with the Soviet Union. In this way Western Europe could be conquered by a creeping, rather than a blitzkrieg campaign. The result, however, would be equally disastrous. Within a year the Soviet Union might well be in firm control of new satellite governments and also in full possession of the undamaged productive capacity of Western Europe.

8. The present military weakness of Western Europe is one of the basic reasons why we have contended that all possible steps should be taken to avoid becoming embroiled in a war with Communist China. In such a war, a decision would be almost impossible to secure. Even the atomic bomb would probably not be decisive since suitable targets are few, life is cheap and manpower virtually inexhaustible. Meanwhile, every day

- 5 -

that such a war lasted it would be bleeding white the inadequate resources in the West of trained manpower and military equipment.

9. Assuming that a major war with China can be avoided, it must, however, be recognized that the defeat which the United Nations have suffered in Korea makes more likely Communist attacks on other parts of Asia, the Middle East and Eastern Europe. A full-scale attack on Indo-China, in particular, must be regarded as an early possibility; and if Indo-China were lost the whole of Southeast Asia, including Burma, Malaya and Indonesia with their important natural resources of rubber and tin, might fall under Communist control. In those circumstances the position of India and Pakistan would be highly precarious, especially if a start had not been made with outside financial assistance in the process of economic development, which would have the effect of partially immunizing the poor and underfed masses of the sub-continent against the appeals of Communist propaganda.

10. Persia and the Middle East are also highly vulnerable. The governments of middle eastern countries and the rivalries between them are such that there is little ground for hoping that, with the exception of Turkey, they would offer much effective opposition to armed aggression. Moreover, at the present time the Soviet Union is believed to have deployed facing the middle eastern area no fewer than 3,400 aircraft (in addition to the 7,900 aircraft mentioned above as being available for an attack on Western Europe). It is estimated that under present conditions the Soviet Union could occupy the whole of the Middle East within six months.

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11. Another country immediately threatened is Yugoslavia. Marshal Tito's government is facing acute economic difficulties partly as a result of the serious drought and partly as the result of the economic blockade which is being waged against Yugoslavia by the surrounding cominform states. These difficulties provide a good opportunity for propaganda and infiltration by cominform agents. In addition, Roumania, Hungary, Bulgaria and Albania have between them 32 divisions which could be used for an attack on Yugoslavia without committing any Soviet forces.

12. The dire contingency which has been brought clearly into view by recent Communist successes is a situation in which, either in the course of a general war or as the result of piecemeal attrition, the whole of Asia and Europe would have fallen under Soviet domination with the exception of a few islands and peninsulas such as the United Kingdom and Spain. The position of North America would then be more desperate than it was in 1940.

13. Because of their lack of forces in being, the North Atlantic Treaty countries are obliged to go as far as they honourably can in playing for time. That is one of the purposes of the present negotiation for a cease-fire in Korea. It must not be lost sight of, however, that action by Communist China or by the Soviet Union might at any time precipitate a general war.

14. The future diplomatic tactics of the United States may also be such as to increase the risk of a general war. We have not always

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agreed with United States tactics in the past and have brought our views forcibly to the attention of United States authorities. It should not be assumed that such mistakes as we believe the United States has made in the past few months account to any significant degree for the present critical situation. The danger arises from the aggressive intentions of the Soviet Union and its allies and satellites. In such a delicate situation, however, any diplomatic ineptitude is costly and might be enough to touch off a general war. We will continue to make our views known in Washington in the hope that we may have some influence, along with other North Atlantic and Commonwealth countries, in urging the United States to avoid any further moves which might be regarded as provocative. It must be realized, however,

- (a) that our influence in Washington will be in direct ratio with our willingness to do our full share in strengthening the military power of the free world; and
- (b) that in spite of efforts which we and other countries may make, the policy of the United States may be such as to narrow the margin between peace and war.

15. If a general war is forced upon us by the Soviet Union, we will, of course, be committed to full participation alongside the United States and our other allies. For that reason and because of the dangers outlined in this memorandum, it would seem clear that the first responsibility of the Canadian Government, as well as of the governments of other free countries, must be to increase as rapidly as possible our

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own military strength and that of our allies, while at the same time neglecting no opportunity of reaching an honourable settlement with the Soviet Union and China. If war came, increased military strength would make us better prepared to meet it. If, on the other hand, the Soviet Union is not immediately bent on war, increased military strength in the North Atlantic area, if accompanied by wise and unprovocative diplomacy, alone could provide the deterrent which might prevent war later. In either event, a programme of rapid rearmament would seem to be an indispensable corollary of the diplomatic policy which we are now pursuing.

L. E. PEARSON

DEC 27 1950

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MEMORANDUM

1. In North Atlantic planning the period of greatest danger was, until a few months ago, assumed to begin in late 1953 or 1954, and 1954 was the date set for the achievement of the medium-term plan. The reason for selecting this date was that the Soviet Union was unlikely to possess an adequate stock of atomic weapons until then. Thus the basic assumption was that the great U.S. superiority in atomic weapons and in the means for their delivery would deter the Soviet Union from open warfare so long as it lasted.
2. It may be that the estimate that it would take the Soviet Union about three years longer to build up its atomic armament was a false one, and that the Soviet Union may now, or in the near future, have a large enough stock of bombs to feel confident of their capacity gravely to damage the United States and other Western countries. On the other hand, Soviet fears of atomic warfare may have declined, the atomic bomb may not be considered capable of destroying Soviet strength, and they also may have a new confidence in their capacity to intercept strategic bombers carrying atomic weapons; we know that the Soviet authorities have been working energetically on their radar network and other measures of air defence.
3. Whatever the causes, we must now advance our estimate of the period of maximum danger, expand our targets in defence production and military manpower, and increase our capabilities to engage in war,

- 2 -

without counting on any period at all in which we shall be free from the imminent possibility of war.

4. The only safe assumption is that the period of greatest danger has already begun. The new defence efforts which have been undertaken by the United States and many other Western countries since June have not yet brought about much increase in the defences actually in readiness, and certainly not enough increase to compensate for the men and equipment tied down in Korea. It will not be before the middle of 1951 that a substantial enlargement of available forces in being and equipment will be achieved. By that time the democratic countries should be stronger in the West than they would have been if there had been no Korean war, even if considerable forces are still tied down in the Far East.

5. The Russians may, therefore, have decided that they are now relatively in a better position for war than they will be six months hence or thereafter. Furthermore, the behaviour of the Russians towards the plans to include German forces in the defences of Western Europe supports the view that they may be manufacturing a casus belli which would have considerable popular appeal among the satellites, and which they could use or refrain from using at their discretion.

6. War is, of course, not inevitable. The greatest deterrent is still for the Western countries to meet the threat by employing their great economic superiority and their resources of skilled manpower in

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L. B. PEARSON
DEC 28 1950

December 27, 1950

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MEMORANDUM FOR THE MINISTER

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Attached are three copies of a memorandum we revised this morning on the deterioration of the international situation.

I thought perhaps you might wish to give one to the Prime Minister and one to Mr. Claxton when you and Mr. Claxton see Mr. St. Laurent to-morrow morning.

Copies will be distributed to other Ministers at the Defence Committee meeting at 11:00 a.m. to-morrow, and to the remainder of the Cabinet during the course of the morning in advance of the Cabinet meeting.

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Dr.

A. D. P. H.

5 JAN 1951

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- 3 -

such a way that the prospect is slender of eventual victory over them. This has been their purpose, at any rate since the North Atlantic Treaty came into effect, but the accomplishments have not matched the surge of increased danger.

7. The sense of acute urgency is greater in the United States than in the other North Atlantic countries. If they and their stout-hearted associates, such as Turkey and Australia, are to get on with the job and avoid unpleasant recrimination between friendly countries, and especially with the United States, agreement is essential by the governments concerned on the assumptions on which their defence planning is based and on the general grounds on which to appeal to their peoples for greater efforts and sacrifices.

COPY NO. 1 OF 32 COPIES

FROM: THE HIGH COMMISSIONER FOR CANADA, LONDON, ENGLAND
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

CYPHER - AUTO

NO. 2531

TOP SECRET

MINISTER #3

UNDR/SEC #4

D/UNDR/SEC #5

A/UNDR/SEC'S

Top Secret. Your telegrams No. 1970 and No. 1971 of

December 18th reached me on return from Council sessions in Brussels, and Mr. Claxton and Mr. Heeney will have reported fully on the atmosphere and proceedings at these sessions.

2. I fully agree that an appreciation of our present situation and prospects should be made at this time, and I would have little to add from this end to the general lines of the draft memorandum given in your telegram No. 1971. It seems to me to provide a comprehensive and accurate picture, and points to the need for building up, as a matter of the greatest urgency, increased military strength in the North Atlantic area. You will no doubt wish to bring the memorandum up to date in the light of the Brussels discussions. This might be done towards the end of the memorandum and would again highlight the increased danger of war and indicate clearly the need for a more rapid build-up of economic and military strength, in order to deter aggression or to prevent defeat in war. Something along the following lines might be appropriate:

The new defence efforts which the North Atlantic countries undertook to make in August this year have not yet brought about a very large increase in the military strength of the North Atlantic Treaty countries. The greater part of the increases in defence of strength has been diverted to Korea

- 2 -

and in Western Europe there has been no significant increase in our ability to resist aggression. The action of the North Atlantic Council in appointing a Supreme Commander for Western Europe and the decision to include German forces in the integrated force under the Supreme Commander could be considered as a *casus belli* by the Soviet bloc. Whether this is so or not, it is possible that the USSR may well believe that the North Atlantic Treaty Powers are determined to build up sufficient forces quickly to deter Soviet Imperialism, and as such it might be tempted to wage war in the near future in order to prevent the free world attaining the position where it could check Soviet Imperialism by the threat of effective force.

Events of the last few months indicate the Soviet Union is willing to run the risk of a third world war, and we must now advance our estimate of the period of maximum danger from the previous planning ^{figure?} ~~figure~~ of 1953-54 to 1951-52, and the North Atlantic Treaty countries must take immediate action to expand defence production and build up their military forces, particularly in Western Europe.

3. I realize you will be checking with the Chiefs of Staff Committee the military strengths shown in your paper. In addition, I think it might be advisable to ask them to estimate the effective value of the number of formations. I doubt if the 30 divisions mentioned in para 6 of your telegram have anything like the strength of 30 divisions of one nationality under the control of a single commander. Of the 30 divisions, some 15 are Italian of questionable morale and fighting quality, and of these some are low establishment divisions and are located far from the North German plain. The one Norwegian and one Danish division are not fully organized, equipped, trained, and are not in a suitable geographic position effectively to intervene in resisting an

- 3 -

attack on Western Europe. One and one-third Belgian and one and two-thirds Netherlands divisions are not yet equipped and trained. The present position was probably fairly accurately given by Field Marshal Montgomery in August when he stated that of the 10 divisions available for the defence of Western Europe, only two were fit to fight.

4. On the other aspects in view of the character of your appreciation it may be that in paragraph 3 too great emphasis has been given to the particular position of Canada in considering the differences which separate us from the United States, and that in a general appreciation of this kind, it might be preferable to make it clear that the views attributed to Canada in this paragraph are shared by a great many other countries. As a matter of presentation, perhaps it would be advisable to extract the specific references in the general memorandum referring to the implications for Canadian Government policy, and to include these references in a supplementary memorandum assessing the Canadian position from the point of view of: (1) Our contribution to date to the defence of the North Atlantic area and to maintaining stability in the other critical areas in which we are concerned; and (2) The further steps which Canada should now take to increase the effectiveness of our contribution to North Atlantic security and to participate in concerted measures affecting the stability of the other critical areas referred to in your memorandum. In such a paper, while the emphasis on the need and urgency of re-armament measures should be paramount, due weight should also be given to the importance of economic assistance to the peripheral areas (which is recognized in paragraphs 9 and 11 of the draft memorandum).

5. It might reasonably be questioned whether an increase in the military effort which reduced the economic assistance available to such countries as India, Pakistan and Yugoslavia would be advantageous even from the military point of view.

- 4 -

Within limits, the expansion in defence effort should presumably be at the expense of restricted standards of consumption and investment in the western countries themselves. To the extent, however, that rearmament and economic aid to the critical areas are competitive, thought should be given to the most effective balance between the two. The modest Colombo Plan, which was designed for a situation rather less dynamic than the present, may prove insufficient even if it is implemented in full. In any event, it would seem essential from all points of view to get ahead with aid along the lines of that plan. Similarly, the possibility of Canadian aid to Yugoslavia (particularly in the form of bread grains and other basic supplies available from Canada) should be re-examined in the new and more dangerous situation in which we now find ourselves.

6. A point which might well be emphasized in any current consideration of the relative importance of rearmament and economic aid is that no matter how energetically we may exert ourselves, it is going to take time for any increased defence effort to make itself felt. (We note in this connection that para 4 of Washington teletype WA-3315 of December 19th does not anticipate substantial progress in any event before mid-1951). It will take time to convert plants to war production and to mobilize and train manpower for the new tasks. Even if the highest priority is given to re-armament and military aid, there is bound to be an interval during which our resources will be better adapted to the contribution of civilian types of aid. It would seem desirable to take advantage of this transitional period to provide a high proportion of our help to other countries in the form of civilian supplies. Later when a larger part of our economy has been turned over to

- 5 -

defence preparations, we may not be in as good a position to make our economic weight felt in such places as Yugoslavia and Asia. While it is probably desirable to concentrate attention at this stage on the need for increased defence preparations, there would seem to be much merit in recognizing that for the immediate future at least a fairly high proportion of our contribution to the strengthening of friendly countries can probably best take the form of economic aid.

7. Although the importance of the "impact" and "capacity" analysis to be undertaken by the Paris Working Group of NATO should not be exaggerated, it would seem desirable, from the point of view of effective timing, to make our plans sufficiently early to avoid giving comfort to those European countries which may be rather inclined to drag their feet in that exercise. If we intend to match our efforts with the needs of the present situation - and with the impressive effort of the United States - it might be well for us to make our intentions clear in our submission to the Paris Working Group. In that way we may be able to provide a useful stimulus to the NATO countries in Europe.

HIGH COMMISSIONER.

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1950 DEC 25 PM 3 : 38

EXT. 97.

MESSAGE FORM

OUTGOING
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FILE REF.

SECURITY CLASSIFICATION

TOP SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CANADIAN HIGH COMMISSIONER, LONDON, S.W.I., ENGLAND.

File No.

50069-D-40

Message To Be Sent

EN CLAIR

CODE

CYPHER AUTO X

Degree of Priority

ORIGINATOR

R.A.C. MacKay

Typed: pmc

Div. Def. Liaison

Local Tel. 3795

APPROVED BY

Sig.

Typed:

Is This Message
Likely To Be Published

Yes () No ()

Internal Distribution:

No. 1986

Date

December 21, 1950.

For Communications Office Use Only

SENT -- DEC 21 1950

Following is text of teletype No. WA-3315
of December 19, from Washington:

QUOTE:

(Communications Section: Please repeat
here the text of teletype No. WA-3315 of December 19
from Washington.)

UNQUOTE.

SECRETARY OF STATE
FOR EXTERNAL AFFAIRS.

U.S.S. H. #2

Done

Date

Copies Referred To:

Done

Date

49-P-274-100M

000393

TOP SECRET

December 20, 1950.

DOWNGRADED TO ⁵⁰⁰ SECRET
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MEMORANDUM FOR THE MINISTER

Korea

-- You will recall that on Sunday, December 10, just before you left Ottawa, the United States Ambassador showed you the text of a circular telegram on Korea which the State Department had sent to its missions in all countries which are members of the United Nations excluding, of course, the Soviet bloc. The next day Mr. Bliss of the United States Embassy showed me the circular telegram and on December 12 he sent me the text. This was repeated to you in New York as teletype No. 410 of December 13. A copy is attached.

2. The significant part of the State Department circular telegram is the last three paragraphs where the State Department said that, if the Chinese Communists press their attack below the 38th Parallel in an effort to drive the U.N. forces into the sea, the United States would seek U.N. approval of a resolution to brand the Chinese Communist Government as aggressors. The State Department added that they were still considering what other U.N. action should be called for in such a resolution.

3. You will have noted from telegram No. 2495 of December 17 from London, which was transmitted to you in New York, that the Foreign Office officials who were consulted consider that the strong line reflected in this telegram must be resisted. You will also have seen the reply of the New Zealand Government which reads in part as follows:

"As they see it, the course of action proposed would almost inevitably lead to full-scale war with China in the Far East. In this context, note has

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- 2 -

been taken of the view expressed in penultimate paragraph of the memorandum that a condemnatory resolution would call for further United Nations action but that no decision ^{on} that point is possible now in view of the uncertain military situation. The New Zealand Government finds difficulty in accepting this standpoint. It seems to them rather that, because of these very uncertainties, the enormous responsibilities for all United Nations members that would arise if a full-scale war with China developed and because of overall strategic requirements of the free world, there is urgent need to consider in advance and decide on necessary steps which must be taken as a consequence of decisive move proposed by the American Government."

-- 4. In the light of these considerations we have prepared for your consideration a draft aide memoire which might be given to the United States Embassy here, commenting on the views expressed in the circular telegram of a week ago. This draft aide memoire is attached.

-- 5. The draft aide memoire refers in paragraph 6 to our memorandum on Korea of December 2 which was communicated to the State Department on December 3 and was later communicated to some twenty friendly governments. For your convenience a copy of the aide memoire of December 2 is attached.

6. In preparing the attached aide memoire, of today's date, we have taken into account the possibility that you might wish to have the text of this aide memoire given to NATO and Commonwealth governments.

7. Should you think well of the idea of giving an aide memoire of this kind to the United States, you might wish to bring the aide memoire before Cabinet, after Cabinet has had some discussion of the present international situation and of the implications for Canada. The reason I suggest this is that the aide memoire is drafted on the assumption that the Canadian

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- 3 -

Government agrees on the necessity of Canada playing its appropriate part in a rapid mobilization of the free world.

8. In paragraph 4 of the draft aide memoire, there is a reference to the work of the cease-fire committee. It may be necessary to revise this reference in the light of the latest developments.

9. I have given a copy of this memorandum and of the draft aide memoire to Mr. Pickersgill and Mr. N.A. Robertson and will bring a copy to Mr. Heeney's attention tomorrow morning.



E. R.

December 20, 1950.

DOWNGRADED TO SECRET
REDUIT A SECRETTOP SECRETDRAFT AIDE MEMOIRE ON KOREA IN REPLY TO THE
UNITED STATES CIRCULAR COMMUNICATION OF DECEMBER 10, 1950

1. The Canadian Government appreciates the action of the United States Government in letting it know on December 10 the views of the United States on the action which the United Nations might take in respect of the Chinese intervention in Korea. The Canadian Government is glad to accept the invitation of the United States Government to express its views.
2. The Canadian Government agrees that there can be no thought of appeasement, that aggression must be resisted and that the peoples of the world, acting through the United Nations, must decide how the principles of the Charter can best be maintained.
3. The Canadian Government notes with approval the statement of the United States Government that the action in the United Nations which the United States Government will seek, and the tempo of that action, will, to a large extent, depend on the possibility of mobilizing and maintaining the unity of the free world and of preserving the determination of the free world to stand firmly against aggression; and that the leadership which the United States will provide towards this end will be such as to carry the judgment of a willing and resolute community of nations.
4. Events have moved fast since the United States communication of December 10 was prepared. The military situation in Korea appears to be becoming somewhat stabilized and it would seem as if there is now a good

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chance that a position in Southern Korea can be held more or less indefinitely. The General Assembly has suspended action on the six-power resolution and has appointed a committee to discuss the possibility of a cease-fire in Korea. It has been generally agreed that this Committee must be given ample time to try to accomplish its purpose. The United States, by embarking on a massive programme of mobilization, has once again demonstrated its capacity to give wise and courageous leadership to the free world.

5. Because events have already moved so fast and because of the continued speed of developments, any views which any government might express at this time can be no more than tentative and provisional. The present tentative and provisional views of the Canadian Government can be summarized as follows.

6. The Canadian Government reaffirms the general position which it took in its memorandum on Korea of December 2, which was communicated to the State Department on December 3. In particular, the Canadian Government would like to take this opportunity to emphasize again the following points which it made in that memorandum. The situation in Korea must be looked at in the light of global strategy and of the present balance of armed forces between the Soviet world and the democratic world. Given determination by the democratic world, time is on our side and we should, therefore, play for time so long as we can do so without denying our obligations under the United Nations Charter. If, despite all our efforts, China and the Soviet Union

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should precipitate a war, it is essential that the democratic nations should be united in their resistance to aggression and this end would be more difficult to achieve unless there had been sustained common efforts to avert a catastrophe. The door should therefore be left open until the last possible moment for a settlement with the Chinese Communists by negotiation, and every opportunity for discussion of the issues with Communist China should be explored.

7. The principles of the United Nations Charter must be maintained, but any action taken by the United Nations to cope with the aggression in the Far East must be decided in the light of the threat to these principles in other parts of the world.

8. The events of the past few months have demonstrated that the leaders of the Soviet Union are prepared to embark on policies which involve a grave risk of precipitating a general war. They may well have been encouraged to take these risks by their estimate of the present relative weakness of the forces which might be arrayed against them.

9. In these circumstances, the only course of salvation for the free world is to increase its forces in being as rapidly as possible. An acceleration of rearmament will shorten the period of acute danger. It will, however, make the danger more acute in the short run. With China on the march and all of Asia striking out on new paths, the mobilization of the free world which is now taking place may provoke the leaders of the Soviet Union to strike within the next twelve months, before our defences reach the point where the

...4

Soviet leaders can no longer believe in the possibility of an easy victory in Europe and Asia.

10. It would therefore appear to the Canadian Government that the paramount consideration which the free nations of the world must take into account in determining their policy during the next twelve months' period of rapid mobilization is the necessity of doing nothing which might increase the danger of the Soviet Union precipitating a general war while we are mobilizing. This means that our diplomacy must be wise and unprovocative, and that, in playing for time in which to get stronger, we must be prepared to be conciliatory. We shall have to make up our minds which positions are, in terms of our global strategy, essential and on which we stand firm, and where, on the other hand, we may have to accept rebuffs and local reverses.

11. Applying these general considerations to the situation in Korea, the Canadian Government is of the opinion that it would be unwise to decide now at what point it might become necessary for the United Nations to name Communist China as an aggressor. Communist China has been an aggressor ever since it first intervened in Korea. The United Nations has so far deliberately and, in the opinion of the Canadian Government, wisely, refrained from naming Communist China an aggressor in order to leave the door open for negotiations. It may well be wise for the United Nations to continue to refrain from naming Communist China an aggressor.

12. The Canadian Government does not rule out the possibility that it may ultimately become impossible

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- 5 -

for the United Nations not to name Communist China an aggressor. However, before the United Nations is asked to make such a decision, the Canadian Government considers that the nations principally concerned should first agree on the proposals for action which they would wish to put before the United Nations after a resolution branding Communist China as an aggressor had been adopted.

13. The Canadian Government continues to believe that a war with the Soviet Union is even now not inevitable. The risks of war during the next twelve or eighteen months will be considerable. By the end of that period, the strength of the free world, although still less than that of the Soviet Union, should be sufficient to deter the leaders of the Soviet Union from precipitating war. The uneasy equilibrium thus established may make possible the working out of a modus vivendi with the Soviet Union.

Copy No. 1 of 23 copies.

FROM: THE CANADIAN AMBASSADOR TO THE UNITED STATES

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

SECRETARY OF STATE FOR EXTERNAL AFFAIRS
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TOP SECRET

MINISTER
UNDR/SEC
D/UNDR/SEC
A/UNDR/SEC'S

CYPHER - AUTO.

WASHINGTON, December 19, 1950.

WA - 3315

WA - 3315

Repeat Gordon

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Dec 21/50
Pub.

Mr. Beckwith #2
Mr. Robertson #6
Mr. Moran #7
Mr. Plummer #8
Mr. Tupper #9
Mr. Holmes #10

Mr. Nelson
Mrs. Nelson

File No. 50069-D-40

Top Secret. Addressed External WFO 3150

Candel New York No. 99.

Following for Mr. Reid and Mr. Pearson, Begins:

Your messages EX-2592 and 2593 reached me just after I had completed a note on the same general subject as your draft memorandum for the Cabinet on the danger of war. My product is briefer and covers less ground than yours, and while it takes the same general line, the emphasis is somewhat different. It was prompted particularly by my impression that it is very important that the Governments which can make a substantial material contribution to defence against the Soviet Union should seek to reach agreement on the urgency to be attached to their effort, and that most, if not all of them are now attaching a lower degree of urgency than the United States. The memorandum reads as follows. Text begins:

1. In North Atlantic planning the period of greatest danger was, until a few months ago, assumed to begin in late 1953 or 1954, and 1954 was the date set for the achievement of the medium-term plan. The reason for selecting this date was that the Soviet Union was unlikely to possess an adequate stock of atomic weapons until then. Thus the basic assumption was that the great United States superiority in atomic weapons and in the means for their delivery would deter the Soviet Union from open warfare so long as it lasted.

2. It may be that the estimate that it would take the

- 2 -

Soviet Union about three years longer to build up its atomic armament was a false one, and that the Soviet Union may now, or in the near future, have a large enough stock of bombs to feel confident of their capacity gravely to damage the² United States and other western countries. On the other hand, Soviet fears of atomic warfare may have declined, the~~the~~ atomic bomb may not be considered capable of destroying Soviet strength, and they also may have a new confidence in their capacity to intercept strategic bombers carrying atomic weapons; we know that the Soviet authorities have been working energetically on their radar network and other measures of air defence.

3. Whatever the causes, we must now advance our estimate of the period of maximum danger, expand our targets in defence production and military manpower, and increase our capabilities to engage in war, without counting on any period at all in which we shall be free from the imminent possibility of war.

4. The only safe assumption is that the period of greatest danger has already begun. The new defence efforts which have been undertaken by the United States and many other western countries since June have not yet brought about much increase in the defences actually in readiness, and certainly not enough increase to compensate for the men and equipment tied down in Korea. It will not be before the middle of 1951 that a substantial enlargement of available forces-in being and equipment will be achieved. By that time the democratic countries should be stronger in the west than they would have been if there had been no Korean war, even if considerable forces are still tied down in the Far East.

5. The Russians may, therefore, have decided that they are now relatively in a better position for war than they will

- 3 -

be six months hence or thereafter. Furthermore, the behaviour of the Russians towards the plans to include German forces in the defences of Western Europe supports the view that they may be manufacturing a casus belli which would have considerable popular appeal among the satellites, and which they could use or refrain from using at their discretion.

6. War is, of course, not inevitable. The greatest deterrent is still for the western countries to meet the threat by employing their great economic superiority and their resources of skilled manpower in such a way that the prospect is slender of eventual victory over them. This has been their purpose, at any rate since the North Atlantic Treaty came into effect, but the accomplishments have not matched the surge of increased danger.

7. The sense of acute urgency is greater in the United States than in the other North Atlantic countries. If they and their stout-hearted associates, such as Turkey and Australian are to get on with the job and avoid unpleasant recrimination between friendly countries, and especially with the United States, agreement is essential by the Governments concerned on the assumptions on which their defence planning is based and on the general grounds on which to appeal to their peoples for greater efforts and sacrifices. Text ends.

CANADIAN AMBASSADOR

CLEARED
COMMUNICATIONS
EXTERNAL AFFAIRS

1950 DEC 20 AM 9:42

EXT. 97.

MESSAGE FORM
OUTGOING
50069-4-40
27 127

FILE REF.	
SECURITY CLASSIFICATION	
TOP SECRET	

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA
THE CHAIRMAN, CANADIAN DELEGATION TO THE GENERAL ASSEMBLY
OF THE UNITED NATIONS, HOTEL BILTMORE, NEW YORK.
TO: TO BE REPEATED TO WILGRESS (LONDON) AND WRONG (WASHINGTON)
AS IMPORTANT

Message To Be Sent
EN CLAIR
CODE
CYPHER
Degree of Priority
IMMEDIATE
ORIGINATOR
Sig. D.V. de Pan.
Typed: DVLePAN/LT
Div. S.S.E.A.
Local Tel. 5074
APPROVED BY
Sig. E. REID
Typed: E. REID
Is This Message Likely To Be Published
Yes () No ()
Internal Distribution:
Mr. Heeney (on return) #4
Done Sarrazin
Date Dec 22/50
Copies Referred To:
Mr. N.A. Robertson #2
Mr. J.W. Pickersgill #3
Done Sarrazin
Date Dec 22/50

No. 433	Date December 19, 1950	For Communications Office Use Only
		SENT -- DEC 19 1950

Top Secret. Following for the Minister from Reid, Begins: My immediately preceding telegram. Following is the text of the draft memorandum for Cabinet on the danger of war.

MEMORANDUM BEGINS:

The present negotiations looking toward a cease-fire in Korea, important though they are, must not be allowed to obscure the extreme danger in which the free world now stands and in which it will continue to stand until it has greatly increased its forces in being. The danger will be particularly acute throughout 1951 and, indeed, until the North Atlantic medium term plan has been fulfilled.

2. By its support of the Chinese intervention in Korea, the Soviet Union has shown that it is willing to run the risk of a third world war. In such a war the Soviet Union would have, initially and probably over the next two years, a preponderance of force in the conventional methods of warfare and in all likelihood would not be without a considerable stockpile of atomic weapons. In addition, the events of the last few weeks have sharply revealed the danger that, even if a third world war can be avoided for the time being, the forces of Communism throughout...

CARRIER *9074*
 CODE
 EM GRAIS
 MESSAGE TO BE SENT

No. <i>123</i>	DECEMBER 1920	GENE -- DEC 13 1920
Date		FOR COMMISSIONER'S OFFICE USE ONLY

SECRET

TOP SECRET
SECURITY CLASSIFICATION

TOP SECRET		
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- 2 -

throughout the world may be able to seize so many additional areas in Asia and Europe that the position of North America would eventually become desperate.

3. Nor should the danger be obscured by the differences which still separate the policies of Canada and the United States, even after the visit of Mr. Attlee to Washington. We have urged that, if possible, there should be negotiations with Communist China in order to explore the possibility of a settlement. The United States, on the other hand, has been reluctant to agree to such negotiations because it is doubtful whether the Chinese Communists will negotiate on anything but their own terms. We have been willing to see the Chinese Communists admitted to the United Nations in order to facilitate the task of negotiations. The United States, which has borne the heaviest burden of the United Nations action in Korea, has not been ready to accept into the United Nations a Government which has attacked United Nations troops. We have urged that the status of Formosa should be included among the subjects to be discussed with Peking because we believe that all Chinese, of whatever party they may be, regard Formosa as an integral part of China. The United States has insisted that the possession of Formosa is essential to the strategic dispositions they would have to make in the case of war with China. And beyond these present differences lie a number of occasions in the past five months when our views have varied from those of the United States Administration and when we have counselled that great caution should be shown in approaching the boundaries of Manchuria and Siberia.

4. Nevertheless, in spite of these differences, there is agreement between Canadian and United States Governments on at least four fundamentals:

(a) The...3

- 3 -

- (a) The cause of freedom stands now in great peril;
- (b) The expansion of Soviet imperialism must be stopped;
- (c) The principle of collective resistance to aggression must be maintained;
- (d) The main front which must be defended is Western Europe.

5. Our disagreements arise only when it is a question of deciding how these fundamental doctrines should be translated into immediate policy and action, taking into account the present military strength of the Soviet Union and its friends and satellites and the present weakness of the free world.

6. This relative weakness is most striking in Western Europe, which is the area where the initial Soviet attack would probably be made in the event of a general war. According to the best information available, the Soviet Union could at any moment throw 124 divisions into an attack across the Northern German plain through the Low Countries and France to the Atlantic. To oppose these forces, the countries associated in the North Atlantic Treaty now have only 30 divisions in Europe. Moreover, there are only 4 additional divisions in North America. The disparity between Soviet air power and that of the North Atlantic Treaty countries is equally disturbing. For an attack on Western Europe, the Soviet Union could call on 7,900 planes. The North Atlantic Treaty countries, on the other hand, have only 3,500 planes at their disposal. The West is, of course, still superior in atomic weapons, and apparently in the rate of their production; but even this superiority is by now probably not nearly so overwhelming as it was only a year ago since the Soviet Union may now have a considerable stockpile of atomic bombs. Western Europe, therefore, is wide open to Soviet attack whenever the Soviet...4

- 3 -

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- 4 -

the Soviet Union is prepared to run the risk of atomic bombardment of its cities and industries. It is estimated that under present conditions the Red Army could occupy Western Europe up to the Pyrenees within three months. x

7. These facts are widely known, at least in outline, to the people of Western Europe and have created great anxiety. If the countries of the free world were to suffer further reverses, there is a risk that governments might be found in Western Europe willing to enter into deals with the Soviet Union. In this way Western Europe could be conquered by a creeping, rather than a blitzkrieg, campaign. The result, however, would be equally disastrous. Within a year the Soviet Union might well be in firm control of new satellite governments and also in full possession of the undamaged productive capacity of Western Europe.

8. The present military weakness of Western Europe is one of the basic reasons why we have contended that all possible steps should be taken to avoid becoming embroiled in a war with Communist China. In such a war, a decision would be almost impossible to secure. Even the atomic bomb would probably not be decisive since suitable targets are few, life is cheap and manpower virtually inexhaustible. Meanwhile, every day that such a war lasted it would be bleeding white the inadequate resources in the West of trained manpower and military equipment.

9. Assuming that a major war with China can be avoided, it must, however, be recognized that the defeat which the United Nations have suffered in Korea makes more likely Communist attacks on other parts of Asia, the Middle East and Eastern Europe. A full-scale attack on Indo-China, in particular, must be regarded as an early possibility; and if Indo-China were lost the whole of South-East Asia,

including...5

- 5 -

including Burma, Malaya and Indonesia with their important natural resources of rubber and tin, might well fall under Communist control. In those circumstances the position of India and Pakistan would be highly/precarious, especially if a start had not been made with outside financial assistance in the process of economic development, which would have the effect of partially immunizing the poor and underfed masses of the sub-continent against the appeals of Communist propaganda. .

10. Persia and the Middle East are also highly vulnerable. The Governments of Middle Eastern countries and the rivalries between them are such that there is little ground for hoping that, with the exception of Turkey, they would offer much effective opposition to armed aggression. Moreover, at the present time the Soviet Union is believed to have deployed facing the Middle Eastern area no fewer than 3,400 aircraft (in addition to the 7,900 aircraft mentioned above as being available for an attack on Western Europe). It is estimated that under present conditions the Soviet Union could occupy the whole of the Middle East within six months.

11. Another country immediately threatened is Yugoslavia. Marshal Tito's Government is facing acute economic difficulties partly as a result of the serious drought and partly as the result of the economic blockade which is being waged against Yugoslavia by the surrounding Cominform states. These difficulties provide a good opportunity for propaganda and infiltration by Cominform agents. In addition, Roumania, Hungary, Bulgaria and Albania have between them 32 divisions which could be used for an attack on Yugoslavia without committing any Soviet forces.

12. The dire contingency which has been brought clearly into view by recent Communist successes is a situation in which, either/in the course of a general

war...6

- 6 -

war or as the result of piecemeal attrition, the whole of Asia and Europe would have fallen under Soviet domination with the exception of a few islands and peninsulas such as the United Kingdom and Spain. The position of North America would then be more desperate than it was in 1940.

13. Because of their lack of forces in being, the North Atlantic Treaty countries are obliged to go as far as they honourably can in playing for time. That is one of the purposes of the present negotiation for a cease-fire in Korea. It must not be lost sight of, however, that action by Communist China or by the Soviet Union might at any time precipitate a general war.

14. The future diplomatic tactics of the United States may also be such as to increase the risk of a general war. We have not always agreed with United States tactics in the past and have brought our views forcibly to the attention of United States authorities. It should not be assumed that such mistakes as we believe the United States has made in the past few months account to any significant degree for the present critical situation. The danger arises from the aggressive intentions of the Soviet Union and its allies and satellites. In such a delicate situation, however, any diplomatic ineptitude is costly and might be enough to touch off a general war. We will continue to make our views known in Washington in the hope that we may have some influence, along with other North Atlantic and Commonwealth countries, in urging the United States to avoid any further moves which might be regarded as provocative. It must be realized, however,

- (a) that our influence in Washington will be in direct ratio with our willingness to do our full share in strengthening the military power of the free world; and

(b) that...7

(b) that in spite of efforts which we and other countries may make, the policy of the United States may be such as to narrow the margin between peace and war.

15. If a general war is forced upon us by the Soviet Union, we will, of course, be committed to full participation alongside the United States and our other allies. For that reason and because of the dangers outlined in this memorandum, it would seem clear that the first responsibility of the Canadian Government, as well as of the governments of other free countries, must be to increase as rapidly as possible our own military strength and that of our allies, while at the same time neglecting no opportunity of reaching an honourable settlement with the Soviet Union and China. If war came, increased military strength would make us better prepared to meet it. If, on the other hand, the Soviet Union is not immediately bent on war, increased military strength in the North Atlantic area, if accompanied by wise and unprovocative diplomacy, alone could provide the deterrent which might prevent war later. In either event, a programme of rapid rearmament would seem to be an indispensable corollary of the diplomatic policy which we are now pursuing. MEMORANDUM ENDS. MESSAGE ENDS.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS

DOWNGRADED TO SECRET
MESSAGE FORM
OUTGOING

EXT. 97.

FILE REF.		
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50069 A-40
27 27

SECURITY CLASSIFICATION
TOP SECRET

FROM: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: THE CHAIRMAN, CANADIAN DELEGATION TO THE GENERAL ASSEMBLY OF THE UNITED NATIONS, HOTEL BILTMORE, NEW YORK, N.Y. *ho 432*

REPEAT TO WILGRESS (LONDON) *ho 1970* AND WRONG (WASHINGTON) *EX-25920* AS IMPORTANT

Message To Be Sent
EN CLAIR
CODE
CYPHER <i>Auto</i> <input checked="" type="checkbox"/>
Degree of Priority
IMMEDIATE <i>A.V.L.P.</i>
ORIGINATOR
Sig. <i>A.V.L.P.</i>
Typed: D.V.L.PAN/I.T.
Div. S.S.E.A.
Local Tel. 5074
APPROVED BY
Sig. <i>A.V.L.P.</i>
Typed: E.REID
Is This Message Likely To Be Published
Yes () No ()
Internal Distribution:
Mr. Heeney <i>#4</i> (on return)
Done <i>Harazin</i>
Date <i>Dec 22/50</i>
Copies Referred To:
N.A. Robertson <i>#2</i>
J.W. Pickersgill <i>#3</i>
Done <i>Harazin</i>
Date <i>Dec 22/50</i>

No. <i>432</i>	Date December 19, 1950	For Communications Office Use Only SENT -- DEC 19 1950
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Top Secret. Following for the Minister from Reid, Begins:

In the light of the situation outlined in your own message of today's date to the Prime Minister, I thought that you might consider it your responsibility to restate and re-emphasize in Cabinet the grave danger in which the free world now stands. It is on that assumption that the draft memorandum contained in my immediately following teletype has been prepared. Some such summary but comprehensive description of the present danger should be a useful starting point, I think, for a re-examination of our defence programme and policy.

2. This paper would, of course, gain greatly in effectiveness if you could be present in Cabinet to support it. Perhaps the best time for the Cabinet to consider it might be early next week when Mr. Claxton will have returned and will be ready to make a report on the meetings of the Defence Committee and the Council of the North Atlantic Treaty Organization. His report would follow very naturally after consideration of this memorandum. On the other hand,

I think...2

RECEIVED
JUL 10 1971
10:07

Handwritten notes and stamps on the left margin, including "JUL 10 1971" and "10:07".

TO THE HON. CHIEF OF THE
DEPARTMENT OF JUSTICE
OTTAWA, ONTARIO
FROM THE HON. CHIEF OF THE
DEPARTMENT OF JUSTICE
OTTAWA, ONTARIO
SUBJECT: [Illegible]

Handwritten notes and stamps on the left margin, including "JUL 10 1971" and "10:07".

TO THE HON. CHIEF OF THE
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OTTAWA, ONTARIO
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OTTAWA, ONTARIO
FROM THE HON. CHIEF OF THE
DEPARTMENT OF JUSTICE
OTTAWA, ONTARIO
SUBJECT: [Illegible]

- 2 -

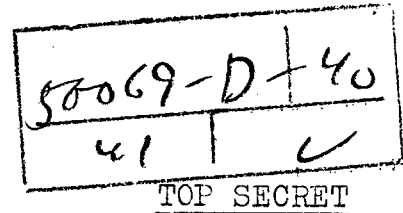
I think it would be an advantage if the memorandum could be circulated some time toward the end of this week so that Ministers could study it. I should, therefore, be grateful to have your comments.

3. We are having the figures in the memorandum checked by the Defence Liaison Division.

4. These two messages are being repeated to Wilgress in London and to Wrong in Washington, and will be brought to Heeney's attention on his return on Wednesday. Ends.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS

18 JUL 0:07
000418



*File
Raffin*

December 19, 1950.

MEMORANDUM FOR MR. MacKAY:

2

Attached are copies of the two telegrams which were sent by Mr. Reid to the Minister last night. Copies have gone, as you will see, to Mr. Wilgress in London and Mr. Wrong in Washington and to Mr. N. A. Robertson and Mr. J. W. Pickersgill here. I understand that you are to be responsible for the further distribution of these messages.

D. V. LePan
D. V. LePan

DOWNGRADED TO SECRET
REDUIT A SECRET

19-12-11/SS

000419

Defence Liaison Division / Bureau des Relations

File
50069-D-40
411 ✓

TOP SECRET

Ottawa, December 19, 1950.

MEMORANDUM FOR: ^{Had} Mr. Moran
Mr. Mayrand *lin*
Mr. Ritchie *lin*

*This contains
a draft
memorandum
for Cabinet
on the
international
situation &
the
Canadian
position.*

3

Attached are copies of the following
telegrams:

Telegram No. 674 of December 18 from the
Minister to the Prime Minister; and
telegrams Nos. 432 and 433 from Mr. Reid
to the Minister of December 18.

Mr. Reid suggests that no further
circulation be given to these telegrams other
than that indicated and that they be returned
to me for filing.

GR
Dec. 21/50

*Def. Liaison Div.
RAM.*

RAM.

Defence Liaison Division.

*Another Copy sent to Mr. Norman. Mr. Plumptre, Mr. Leges.
& Mr. Holmes.
Copy sent by teleg to Washington & London.*

DOWNGRADED TO SECRET
REDUIT A SECRET

19.12.35/55

TOP SECRET

Ottawa, December 19, 1950.

File RRM

MEMORANDUM FOR: Mr. ~~Norman~~
Mr. ~~Plumtree~~ Dec. 20/50
Mr. ~~Veter~~ Dec. 21
Mr. ~~Holmes~~

57069-D-140
41 ✓

3

Attached is copy No. 6 of telegram No. 674 of December 18 from Mr. Pearson to the Prime Minister and one copy each of telegrams Nos. 432 and 433 of December 18 from Mr. Reid to the Minister. Mr. Reid requests that you give no further circulation to these documents, but pass them on quickly to the next recipient and return to me for filing. Your comments on the memorandum contained in telegram No. 433 would be greatly appreciated by Mr. Reid.

RRM.

Defence Liaison Division

DOWNGRADED TO SECRET
REDUIT A SECRET

Note.

I had one suggestion which I put forward to Reid - and then to L. Pann: i.e. to say something, after para 7, to show why Canada & U.S. still believe in building up European military strength.

A.F.W.P.

Dec. 20/50.

If the anti-communist forces in western Europe can be kept alive the picture, it seems to me, is not as dark as mentioned at end of para 12 of draft memo. *gh.*

000421

ORIGINAL

FROM: THE CHAIRMAN, CANADIAN DELEGATION TO THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK
TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA

50069-D-40
41 50

SECRET

CYPHER - AUTO

NO. 674

circulated under memo.

*to: Mr. Harman
Mr. Plimpton
Mr. Eger
Mr. Kilnes*

*done
Dec. 19
ml.*

*also under separate memo
to: Mr. [unclear]
Mr. Maynard
Mr. Ritchie*

NEW YORK, December 13, 1950.

Secret. Following for the Prime Minister from Pearson,
Begins:

The feeling I get here - from my work at the United Nations, from official and unofficial talks in New York and in Washington with all kinds of people, from the newspapers and magazines I read and the broadcasts I listen to - is one of growing acceptance of the view that a general war is closer than it has been at any time since 1945, and that it will now be a miracle if it is averted. I must confess that I have myself come closer to this tragic conclusion after listening to the President's Thursday night broadcast and after our discouraging efforts to negotiate a "cease fire" with Peking through the Chinese Communist representatives here. It is not so much that the Peiping people speak the tough language of Moscow and show the same brutal, uncompromising attitude. I am more frightened by their fanatical conceit in the strength and righteousness of the Communist side in every issue, and their stubborn insistence that peace can only be ensured - and they talk much about peace - if the United States mends its ways. The American position, in the face of all this, is definitely hardening, between bursts of excitement, into the mould of total

- 2 -

preparation for and widespread acceptance of war. The President's broadcast, calm and measured as it was, confirmed that view. The stated reaction to the Chinese Communists here to this broadcast was that it merely proved what they knew all along; that the Americans wanted to fight in order to destroy Communism by arms wherever they could find it; otherwise, why would Mr. Truman talk about mobilization, a word which, to them, presaged war. They, on their part, were just as determined to protect their revolution against the American aggressors as the Russians were in 1918-1919.

2. It is equally clear by now that the United States is determined to make itself far stronger than it has ever been before in peace time, whatever the results may be. I think that there is still a very good chance that, if this increasing strength can be accompanied by wise and unprovocative diplomacy, it may prove to be an effective deterrent against war. There is, however, also the risk that, with China on the march and all of Asia restless, it may provoke the Russians to strike within the next twelve months, before the Western European defences reach a point where an easy victory is impossible. All this means that we have trying and dangerous months ahead. One aspect of this difficulty will be growing pressure on us, within and without Canada, to strengthen even further our own armed forces and our defence potential.

3. I feel quite certain that developments are rolling up which will make it necessary for us to take even more far-reaching decisions in the weeks ahead than we had to take last summer, on matters concerned with defence, finance, economic and industrial organization, and the best use of our manpower to carry out our commitments. In fact, I do not see how we can adjust ourselves to these new developments without such decisions. We will be a little clearer on this point,

- 3 -

of course, when we get the results of the Brussels meeting, but the main problem will be one that is deeper than the Atlantic Pact, namely, the impossibility of escaping the consequences of the steps that are being taken here in the direction of total mobilization; consequences which will be as important politically and economically for us as they will be in the defence field. We have certainly managed to keep an even keel in the stormy weather of the last twelve months, but it is, to my way of thinking, going to be more difficult to do that in the months ahead.

4. I hope you do not mind my putting down these random thoughts as they occurred to me here in New York. They certainly do not breathe the spirit of Christmas, but then the negotiations I am in the middle of now with the Chinese are not such as to make one think of Christmas. They have been depressing, almost frightening. Ends.

CHAIRMAN

~~TOP SECRET~~
7 file 02
500 69-D-40
TOP SECRET

Economic Division.

A.F.W. Plumptre/eck. *FR*

December 12, 1950. *Dec 12/50.*

MEMORANDUM TO MR. REID:

The International Crisis

DOWNGRADED TO SECRET
REDUIT A SECRET

I have read with the greatest interest your two papers on the international crisis. You invite my comments. ⁴I am in very full agreement with the 8 points which come at the end of the first memorandum (paragraph 15 to 22).

2. I am not quite so happy about the general analysis and argument leading up to these points. To begin with - and this is purely formal - I find myself feeling that Toynbee's analysis of "Challenge and Response" is a little artificial; perhaps this is because your analysis is of necessity so very brief. My worries seem to centre on the word "inadequate" which appears so frequently. In what sense for instance was the Marshall Plan inadequate? In a sense it has proved to be not only adequate but extremely successful; the economic reconstruction of Europe has been phenomenal. It does not seem to me fair to say that the loss of Czechoslovakia proved the Marshall Plan inadequate nor does it seem quite fair to criticize the length of time taken to put it into effect; a plan that was put into effect hastily would have been far more open to charges of American imperialism and probably less effective both economically and (in a limited sense) politically.

should have been
3. Of course the Marshall Plan was devised for Europe and not the Far East. It was an economic plan and not a military plan; but the use of the word "inadequate" does not seem to describe it although it may well describe the overall policy of which the Marshall Plan was a successful part.

. . . 2

000425

12.12.40(us)

- 2 -

4. The real inadequacies of the pre-Korea period were, I think, insufficient attention to the Far East and insufficient maintenance of military power in the West. I am not sure that your analysis really emphasizes these two points sufficiently.

5. Turning to your second paper I find myself again in very full agreement. There are one or two comments, however, that may be worth making.

6. I was most interested in your bold suggestion (paragraph 6) that the medium-term N.A.T. plan should be completed in 1952 instead of 1954. No doubt both the military people and the economic people will say this is impossible - and perhaps it is. However, this sort of bold suggestion is probably the right way to get people to set their sights substantially higher. In paragraphs 8 to 11 you sketch a series of meetings at which the bold proposals should be put forward. This is desirable but it carries the danger that people will be deluded into thinking that, merely by means of meetings, actual mobilization is being brought about. In paragraph 14 you say that democratic nations (I think you mean democratic governments) should make clear their war aims and build up morale at home and abroad. I have a feeling, however, that you have jumped over one or two essential steps. Perhaps you are concerned about notes in the eyes of people abroad without worrying about the beams in certain eyes at home.

7. I have been constantly impressed during recent weeks by the gulf which seems to separate our Department and senior officials in National Defence and the Forces from the rest of the people in Ottawa, Ministers and officials alike. An even greater gulf probably separates the bulk of senior officials in Ottawa from members and leaders of the public. Despite war news and war headlines in the papers since last June I do not get a feeling that Ottawa in particular or Canada in general is possessed of the dangers of the present situation.

8. I do not mean that your proposals regarding international discussions should be left undone but I think that there may be things that ought to be done at home.

*This was missed
The essential thing, get
to know where the people
are - and think
about it*

A.F.W.P.

*What may
be done at home
is to get
the people
to know
the situation
and to think
about it*

000426

December 12, 1950.

TOP SECRET

NORTH ATLANTIC COUNCIL
BRUSSELS, DECEMBER 19, 1950

First item on the draft agenda:

Adequacy of Present North
Atlantic Defence Effort

Comment

1. The risk of a third world war in the next twelve months is grave. Within six months of the outbreak of war the Russian alliance could occupy all of continental Europe up to the Pyrenees and all of continental Asia except the Indian sub-continent.
2. At the present pace of Western re-armament the North Atlantic powers will not reach a tolerable degree of security until July 1, 1954, the date for completion of the medium-term plan. In the face of the present publicly acknowledged risk of war and of the present known weakness of the Western powers, the present pace of re-armament is insufficient.
3. It is therefore suggested that the North Atlantic powers should now agree to take whatever steps are required in order to complete the medium-term plan in eighteen months, that is, by July 1, 1952.
4. This would require a degree of mobilization, perhaps half-way between the present and that which would exist in war. At the present time less than one in ten members of the total North Atlantic working force is engaged in the cold war; in total war more than five in ten would be so engaged; the half-way position would be about three in ten.

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8.1.51
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E.Reid/RH

FILE COPY

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REDUIT A SECRET

OTTAWA FILE

No.

50069-D-40

41

50

SECURITY CLASSIFICATION

TOP SECRET

Letter No.....

December 11, 1950.

Date.....

FROM: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

TO: HEADS OF MISSION LISTED BELOW

Reference:.....

Subject: The international crisis arising out of the defeat of the
U.N. forces in Korea.

New Delhi-45-907

Karachi-45-585

Patna-45-336

Calcutta 45-542

Bellington 45-444

London 45-3845

Copies forwarded

To: Washington 45-4026

New York 45-1662

Paris 45-1556

Brussels 45-682

The Hague 45-662

Copenhagen 45-354

Oslo 45-442

Stockholm 45-447

Rome 45-1191

Belgrade 45-500

Tokyo 45-1127

and to Commonwealth countries

No. of Enclosures

2

.....

Post File

No.....

On the Minister's return to Ottawa from New York on December 9, we presented to him a number of papers by individual officers of the Department on aspects of the situation. In the limited time available to us in the Department and with the situation still so fluid, it was not feasible to prepare for the Minister a general departmental memorandum setting forth an analysis of the situation nor did we consider it profitable at this stage to attempt to draft for the Minister agreed recommendations on future action.

2. We did, however, inform the Minister that there is little difference in the Department on most of the immediate issues. For instance, we are unanimous in the view that the undertaking of a "limited war" against Communist China would involve the United Nations (and indeed the United States) in the gravest possible consequences.

3. We went on to say that it also seemed to us that, unless the United States is prepared to recede some distance from its present position on Formosa, the prospects of successful negotiations with the Chinese Communists are not great. It seems clear that, for the Chinese, Formosa is a crucial question. Perhaps the farthest the Chinese might be prepared to give in would be to agree that, after their occupation of Formosa, they will not establish military bases on the island.

4. I now attach for your confidential information two of the papers which were presented to the Minister on December 9. These are by the Deputy Under-Secretary and are dated December 8. The first is entitled "The international crisis: some basic considerations" and the second is entitled "The defeat in Korea: some suggestions on how the democracies might respond in time to the challenge".

5. The views expressed in these two memoranda, as in the other memoranda given to the Minister on December 9, are not final views by any means nor are they the concerted views of the Department.

...2

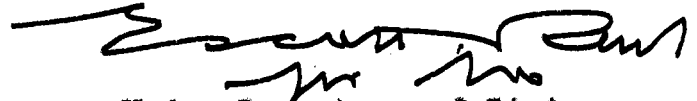
000428

12.12.50(us)

- 2 -

6. The views expressed in these two memoranda should be treated with great secrecy.

7. We would welcome your comments on these views and your suggestions for revision of the memoranda if it is considered wise to re-submit them later to the Minister in revised form.



Under-Secretary of State
for External Affairs



DEPARTMENT OF
EXTERNAL AFFAIRS
CANADA

TOP SECRET

December 8, 1950.

THE INTERNATIONAL CRISIS

DOWNGRADED TO SECRET
SECRET

Some Basic Considerations

1. During the three and a half years between the spring of 1947 and the autumn of 1950, the democratic world was subjected to four major shocks or disasters. Each shock or disaster constituted a challenge; and each challenge brought forth a response. Each response in turn was demonstrated by subsequent events to have been inadequate. It was either too little or came too late.

2. The defeat in Korea is the fifth major shock or disaster in this series. If the response to the challenge of this disaster is likewise inadequate, the result may be defeat in a third world war.

First challenge and response

3. The first disaster was the bleak winter of 1946-47 in Europe which weakened an economy already debilitated by the war. The response to this challenge was the Marshall Plan. It was conceived in June, 1947, but was not brought to birth till twelve months later.

Second challenge and response

4. The inadequacy of the Marshall Plan was demonstrated by the Communist seizure of power in Czechoslovakia in February, 1948. The response was the North Atlantic Treaty. It was conceived in March, 1948, but did not come into effect until August, 1949. The period of gestation was seventeen months.

5. Under the North Atlantic Treaty, the Atlantic powers began slowly to increase their military forces and their capacity for combined action.

Third challenge and response

6. The inadequacy of the combination of Marshall Plan and North Atlantic Treaty was demonstrated by the crumbling of the Nationalist regime in China during 1949, culminating in the establishment on October 1 of a central Communist government for China. The Western powers were shocked to discover that while they had been holding the line against Russian expansion in Europe, the totalitarian communist bloc had secured mastery over the four hundred million people of China and was pressing against Indo-China, Malaya, Indonesia, and the rest of South-East Asia, thereby endangering the security of the whole Western world.

- 2 -

7. After waiting for some of the dust to settle, the Western powers began early in 1950 to re-examine their policies in Asia in an effort to discover what they could usefully do to contain totalitarian communism in Asia. One such re-examination was made at the Colombo meeting of Commonwealth Foreign Ministers in January, 1950. Another re-examination took place in Washington.

8. The result by the spring of 1950 was general acceptance in principle by the Western democracies of the thesis: (a) that their safety would be gravely endangered by the further spread of Chinese or Russian communism in South and South-East Asia; (b) that to prevent such an advance the West must ally itself with the dominant local forces of national liberation and social reform; and (c) that the West must in its own interests give more economic assistance to South and South-East Asia. The Colombo Plan was conceived in Ceylon in January, 1950, but eleven months later it was still in process of gestation.

Fourth challenge and response

9. The Colombo Plan and other similar plans for South and South-East Asia were based on the same philosophy as the Marshall Plan for Europe: in order to strengthen weak national societies against the virus of communism, it was necessary to strengthen their economies. Before the Marshall Plan came into effect, the Cominform seizure of power in Czechoslovakia demonstrated that it was inadequate. Similarly before the Colombo and other similar plans came into effect, the Cominform attack on Korea demonstrated that they were likewise inadequate responses to the challenge posed by the victory of communism in China, even though they were buttressed by the Marshall Plan and the North Atlantic Treaty.

10. The response to the challenge of the invasion of Korea on June 25, 1950 was two-fold: in the first place, the North Atlantic powers doubled their estimates of defence expenditures, and pressed on more vigorously with the task of co-ordinating their defence efforts and their armed forces. In the second place, the North Atlantic powers took the first steps to organize the General Assembly of the United Nations as an agency for rallying and organizing the whole democratic world against Cominform aggression.

Fifth challenge: the defeat in Korea

11. The defeat in Korea has demonstrated the inadequacy of all the previous responses. They have been proved to be either too little or to have come too late.

Fifth response ?

12. The question now is: In the light of the proved inadequacy of past responses, what response is the democratic world now to make to the latest and gravest challenge? The previous challenges have succeeded each other at briefer and briefer intervals. The next challenge may be made soon; if the response to it is as inadequate as the responses to previous challenges the result may be defeat in war.

- 3 -

13. Not only were the previous responses inadequate but the interval between the conception of a response and its birth was in retrospect unduly long: twelve months for the Marshall Plan, seventeen months for the North Atlantic Treaty. The march of events is now so fast that we cannot safely contemplate this kind of delay. If the response to the defeat in Korea is to be effective it must be immediate.

14. The following are some of the considerations which seem to be important in determining what the response of the democratic world should be to the challenge posed by the defeat in Korea. In general the considerations are those which would naturally be taken into account in framing policy in war. Much of our present difficulty and danger has its source in our inability to act as if the third world war had broken out.

15. First. The new response must be based on global considerations - political, economic, military and moral. We must keep the whole world in view and see the world as a whole. The Russians can strike at any point on the circumference of their empire. We must therefore plan a global strategy for a global war, which is no longer cold, not yet hot, but which is warm, and which is being waged around the world in the borderlands between the Russian empire and the democratic world, wherever the frontiers of the two worlds touch or border on a buffer zone.

16. Second. In framing the global strategy for the warm war, we must weigh carefully against each other the competing claims on limited resources from the various sections of the frontier between the two worlds - Western Europe, Middle East, the Indian sub-continent, South-East Asia, the Far East, North America.

17. Third. We must take immediate and adequate steps to increase the resources available to us both for the immediate defence of the frontier and to hold in reserve. Half measures will be worse than useless: they will constitute a heavy burden on our economies but they will not give us any tolerable degree of security.

18. Fourth. We must take into account all the relevant factors: the military, especially because a third world war may be upon us in a few weeks or a few months; the economic, because we may be in for a long period of warm war or hot war and, unless the war comes soon and we are defeated quickly, economic strength is essential; the political because we need to increase the number of our allies and our alliance potential; the moral because we need the full support of public opinion within the alliance, among potential allies and in the buffer zones, and we need to create as large a fifth column as possible within the empire of our enemies - Russia and its satellites.

19. Fifth. We must balance longer-term against shorter-term considerations. This also is a problem always present in war: thus in the last war the United Kingdom had to balance the short-run advantage of throwing its home air force into the defence of France or holding it in reserve for a later defence of Britain if France fell; ministries of munitions had to decide whether to concentrate on getting maximum production in the next twelve months or maximum production over a three-year period

- 4 -

even though this meant less production in the first twelve months.

20. Sixth. Since we are weak now in relation to the Russian empire we must play for time in which to get relatively stronger and we must use that time for all it is worth to get stronger as rapidly as possible - stronger politically, militarily, economically and morally.

21. Seventh. We must bear constantly in mind that an alliance is a precarious creation: it has almost to be created anew every day. It can only continue to be strong and to increase in strength if all its members realize how fragile a thing it is; if they defer to the sensitivities of their fellow allies; if they bear their fair share of the common burden willingly and without complaint; if each member from the strongest to the weakest realizes that it is seldom, if ever, wise for him to secure the reluctant acquiescence of his allies in the whole programme of action which he has put forward; that an alliance needs leadership but that its motto must always be conciliation and compromise.

22. Eighth. We must constantly remember that warm wars like hot wars are merely a means to an end. The purpose of waging war is not to win the war but to attain certain objectives. The objective of the present warm war is not the subjugation of the Cominform empire or its unconditional surrender but the creation of a world in which the Cominform empire and the free democracies can live side by side in peace - not peace without friction but peace without the threat of war.

(Sgd.) Escott Reid



T O P S E C R E T

December 8, 1950

THE DEFEAT IN KOREA

Some suggestions on how the democracies
might respond in time to the challenge.

1. Recent events in Korea have demonstrated that Russia and China are now prepared to run grave risks of precipitating a third world war. It is possible that these two powers have by now decided to precipitate that war during the next twelve months. The effect of Western rearmament will become increasingly important after 1951; time is beginning to be on our side; if therefore the Cominform leaders are convinced that war with the West is inevitable, they may well consider that their best opportunity will be in the twelve months ahead.
2. The defeat in Korea has also demonstrated once again the military weakness of the Western powers. If a third world war should break out within the next three months or so, the only strong weapon which the Western powers would possess is the atomic weapon. Even a successful use of the atomic weapon would not prevent Russia and its allies from occupying within three months all of continental Europe to the Pyrenees and the whole of South-East Asia, and after another three months or so, the whole of the Middle East.
3. Much of this information is by now public property both in the West and in the Cominform world. The grave risk of war in 1951 has been stressed publicly by spokesmen for various governments; in Canada by Mr. Pearson in his address to the federal-provincial conference on December 4.
4. The present situation is therefore comparable to that after Dunkerque in June 1940. The answer at that time was total mobilization in the Commonwealth and partial mobilization in the United States. The motto was: time is of the essence of the problem.
5. We are now trying to buy time by making a deal with the Chinese Communists and probably by re-opening negotiations with Russia through the four-power Council of Foreign Ministers. This time will be bought at the expense of sacrifices of prestige and of compromises with principles. These sacrifices will be made in vain if the time is not wisely spent. Moreover, if the time is not wisely spent, the consequence may be the conquest by Russia of a ruined Western world. Not to spend the time wisely would therefore be an unforgivable sin.
6. The present date set for the accomplishment of the North Atlantic medium-term plan is July 1, 1954. Even the accomplishment of this plan will give us no guarantee

- 2 -

that Russia could not defeat us in war. Because of the urgency of the present situation, it would seem wise to change the date for the accomplishment of the plan from July 1, 1954, to July 1, 1952.

7. In a hot third world war, at least five out of every ten members of the working force would be engaged on war work either as members of the armed forces or in armaments production. During the cold war less than one in ten has been engaged in cold war work in the Atlantic countries. The appropriate figure for the present warm war would probably be about half way between these figures, that is, three men in ten. Setting the date of July 1, 1952, for the accomplishment of the medium-term plan would probably require a semi-mobilization of this order of magnitude.

8. In order to save time, proposals along these lines should be referred as quickly as possible to the North Atlantic Council Deputies and they should, in consultation with the appropriate military bodies, have a report ready for the Council when it meets at the end of this month or early in January. Pending consideration by the Council, each North Atlantic country should take immediate steps to increase its defence forces and its production of armaments.

9. Similar proposals should likewise be put before the Commonwealth Prime Ministers at their meeting in London on January 4.

10. Following the meetings of the North Atlantic Council and of the Commonwealth Prime Ministers, the United States should call a meeting of the Organization of American States in order to try to secure from the Latin American republics the utmost possible assistance in the task of preparing the democratic world against the possibility of a world war in 1951.

11. Similarly the North Atlantic powers which are members of the Council of Europe should call a special meeting of the Council in order to try to bring in Sweden, Ireland, Switzerland, Greece and Turkey. Yugoslavia should also be invited to this meeting and possibly Israel and the members of the Arab League.

12. This series of meetings should be followed by meetings of the Collective Measures Committee of the General Assembly of the U.N. in an effort to rally and organize the whole of the democratic membership of the U.N. against the imminent threat of war. The Committee should prepare recommendations to be presented to the General Assembly in March, 1951. March may be a particularly dangerous month and it might be wise to have the Assembly in session at that time.

13. At the same time as these preparations are going forward, a renewed effort should be made (a) to bring into effective operation the various plans for economic assistance to under-developed countries, especially the Colombo Plan, (b) to relieve the plight of the Arab refugees, thus diminishing a source of friction in the

- 3 -

Middle East, and (c) to remove all the major sources of friction between India and Pakistan.

14. In order to secure the utmost moral support for their cause, the democratic nations should also make clear their warm-war aims. They should do their best to convince their own people and as many people as possible in the Cominform empire that the warm war has been forced on them, that they consider the warm war not as an end in itself but as a means to an end, and that that end is not the subjugation of the Cominform empire or its unconditional surrender but the creation of a world in which the Cominform empire and the free democracies can live side by side in peace - not peace without friction but peace without the threat of war.

15. It is not only a matter of warm-war aims but also of aims in peace and in war. It is necessary to form a strong anti-Cominform world alliance but this alliance cannot safely be based on mere negation. It must be protestant in that it protests and repudiates the abhorrent doctrines and practices of the Cominform empire. It must be catholic in that it re-affirms its living faith in the beliefs, the virtues, the values of the great civilizations of which we are heirs and defenders: Western Christendom, Orthodox Christendom, Islam, Hinduism, Buddhism, Confucianism and Taoism.

Escott Reid

E. Reid/mp

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Mr. Heeney

December 8, 1950

Copy no. 2

The International Crisis

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In order to try to clear my own mind on some of the problems which are likely to emerge as the result of the defeat of the United Nations forces in Korea, I have hastily prepared two memoranda of today's date. I attach a copy of each.

The first sets forth some basic considerations. The second sets forth some suggestions on how the democracies might respond in time to the challenge imposed by the defeat in Korea.

The first might, after revision, provide a basis for a public speech by the Prime Minister or the Minister.

A third memorandum is being prepared in the Department on some of the more immediate questions of policy.

I should ^{*greatly*} ~~gratefully~~ appreciate your comments on the two attached papers and your suggestions for revision.

ER

E. R.

c.c. 1. E.R.

2. Mr. Heeney
3. Mr. Norman Robertson
4. Mr. Pickersgill
5. Mr. Ritchie
6. Mr. Le Pan
7. Mr. MacKay
8. Mr. E.H. Norman
9. Mr. Plunkett
10. spare

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H.Reid/GM

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DRAFT

December 8, 1950

THE INTERNATIONAL CRISIS

SOME BASIC CONSIDERATIONS

1. During the three and a half years between the spring of 1947 and the autumn of 1950, the democratic world was subjected to four major shocks or disasters. Each shock or disaster constituted a challenge; and each challenge brought forth a response. Each response in turn was demonstrated by subsequent events to have been inadequate. It was either too little or came too late.

2. The defeat in Korea is the fifth major shock or disaster in this series. If the response to the challenge of this disaster is likewise inadequate, the result may be defeat in a third world war.

First challenge and response

3. The first disaster was the bleak winter of 1946-47 in Europe which weakened an economy already debilitated by the war. The response to this challenge was the Marshall Plan. It was conceived in June, 1947, but was not brought to birth till twelve months later.

Second challenge and response

4. The inadequacy of this Marshall Plan was demonstrated by the Communist seizure of power in Czechoslovakia in February, 1948. The response was the North Atlantic Treaty. It was conceived in March, 1948, but did not come into effect until August, 1949. The period of gestation was seventeen months.

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5. Under the North Atlantic Treaty, the Atlantic powers began slowly to increase their military forces and their capacity for combined action.

Third challenge and response

6. The inadequacy of the combination of Marshall Plan and North Atlantic Treaty was demonstrated by the crumbling of the Nationalist regime in China during 1949, culminating in the establishment on October 1 of a central Communist government for China. The Western powers were shocked to discover that while they had been holding the line against Russian expansion in Europe, the totalitarian communist bloc had secured mastery over the four hundred million people of China and was pressing against Indo-China, Malaya, Indonesia and the rest of South-East Asia, thereby endangering the security of the whole Western world.

7. After waiting for some of the dust to settle, the Western powers began early in 1950 to re-examine their policies in Asia in an effort to discover what they could usefully do to contain totalitarian communism in Asia. One such re-examination was made at the Colombo meeting of Commonwealth Foreign Ministers in January 1950. Another re-examination took place in Washington.

8. The result by the spring of 1950 was general acceptance in principle by the Western democracies of the thesis: (a) that their safety would be gravely endangered by the further spread of Chinese or Russian communism in South and South-East Asia; (b) that to prevent such an advance the West must ally itself with the dominant local forces of national liberation and social reform; and (c) that

- 3 -

the West must in its own interests give more economic assistance to South and South-East Asia. The Colombo Plan was conceived in Ceylon in January, 1950, but eleven months later it was still in process of gestation.

Fourth challenge and response

9. The Colombo Plan and other similar plans for South and South-East Asia were based on the same philosophy as the Marshall Plan for Europe: in order to strengthen weak national societies against the virus of communism, it was necessary to strengthen their economies. Before the Marshall Plan came into effect, the Cominform seizure of power in Czechoslovakia demonstrated that it was inadequate. Similarly before the Colombo and other similar plans came into effect, the Cominform attack on Korea demonstrated that they were likewise inadequate responses to the challenge posed by the victory of communism in China, even though they were buttressed by the Marshall Plan and the North Atlantic Treaty.

10. The response to the challenge of the invasion of Korea on June 25, 1950 was two-fold: in the first place, the North Atlantic powers doubled their estimates of defence expenditures, and pressed on more vigorously with the task of co-ordinating their defence efforts and their armed forces. In the second place, the North Atlantic powers took the first steps to organize the General Assembly of the United Nations as an agency for rallying and organizing the whole democratic world against Cominform aggression.

Fifth challenge: the defeat in Korea

11. The defeat in Korea has demonstrated the inadequacy ^{all} of/the previous responses. They have been proved to be

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either too little or to have come too late.

Fifth response ?

12. The question now is: In the light of the proved inadequacy of past responses, what response is the democratic world now to make to the latest and gravest challenge? The previous challenges have succeeded each other at briefer and briefer intervals. The next challenge may be made soon; if the response to it is as inadequate as the responses to previous challenges the result may be defeat in war.

13. Not only were the previous responses inadequate but the interval between the conception of a response and its birth was in retrospect unduly long: twelve months for the Marshall Plan, seventeen months for the North Atlantic Treaty. The march of events is now so fast that we cannot safely contemplate this kind of delay. If the response to the defeat in Korea is to be effective it must be immediate.

14. The following are some of the considerations which seem to be important in determining what the response of the democratic world should be to the challenge posed by the defeat in Korea. In general the considerations are those which would naturally be taken into ~~xxx~~ account in framing policy in war. Much of our present difficulty and danger has its source in our inability to act as if the third world war had broken out.

15. First. The new response must be based on global considerations - political, economic, military and moral. We must keep the whole world in view and see the world as a whole. The Russians can strike at any point on the

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circumference of their empire. We must therefore plan a global strategy for a global war, which is no longer cold, not yet hot, but which is warm, and which is being waged around the world in the borderlands between the Russian empire and the democratic world, wherever the frontiers of the two worlds touch or border on a buffer zone.

16. Second. In framing the global strategy for the warm war, we must weigh carefully against each other the competing claims on limited resources from the various sections of the frontier between the two worlds - Western Europe, Middle East, the Indian sub-continent, South-East Asia, the Far East, North America.

17. Third. We must take immediate and adequate steps to increase the resources available to us both for the immediate defence of the frontier and to hold in reserve. Half measures will be worse than useless: they will constitute a heavy burden on our economies but they will not give us any tolerable degree of security.

18. Fourth. We must take into account all the relevant factors: the military, especially because a third world war may be upon us in a few weeks or a few months; the economic, because we may be in for a long period of warm war or hot war and, unless the war comes soon and we are defeated quickly, economic strength is essential; the political because we need to increase the number of our allies and our alliance potential; the moral because we need the full support of public opinion within the alliance, among potential allies and in the buffer zones,

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and we need to create as large a fifth column as possible within the empire of our enemies - Russia and its satellites.

19. Fifth. We must balance longer-term against shorter-term considerations. This also is a problem always present in war: thus in the last war the United Kingdom had to balance the short-run advantage of throwing its home air force into the defence of France or holding it in reserve for a later defence of Britain if France fell; ministries of munitions had to decide whether to concentrate on getting maximum production in the next twelve months or maximum production over a three-year period even though this meant less production in the first twelve months.

20. Sixth. Since we are weak now in relation to the Russian empire we must play for time in which to get relatively stronger and we must use that time for all it is worth to get stronger as rapidly as possible - stronger politically, militarily, economically and morally.

21. Seventh. We must bear constantly in mind that an alliance is a precarious creation: it has almost to be created anew every day. It can only continue to be strong and to increase in strength if all its members realize how fragile a thing it is; if they defer to the sensitivities of their fellow allies; if they bear their fair share of the common burden willingly and without complaint; if each member from the strongest to the weakest realizes that it is seldom, if ever, wise for him to secure the reluctant acquiescence of his allies in the whole programme of action which he has put forward; that an alliance needs leadership but that its motto must always be conciliation and compromise.

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22. Eighth. We must constantly remember that warm wars like hot wars are merely a means to an end. The purpose of waging war is not to win the war but to attain certain objectives. The objectives of the present warm war is not the subjugation of the Cominform empire or its unconditional surrender but the creation of a world in which the Cominform empire and the free democracies can live side by side in peace - not peace without friction but peace without the threat of war.

E.Reid/RH
December 8, 1950.

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THE DEFEAT IN KOREA

Copy No. 2.

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4 Dec 50

Joint Planning Committee

War in Korea - Extension of Military Operations to Chinese Territory

1. Attached herewith are self-explanatory letters dealing with the marginally noted subject.
2. This project is underway by the JPS and a draft reply will be circulated to the JPC before the 216th meeting if possible, and if not, will be circulated at the meeting by the Secretary.

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4 DEC 1950

A.P. Blackburn w/c
(A.P. Blackburn)
Wing Commander,
Secretary,
Joint Planning Committee.



IN REPLY PLEASE QUOTE
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No.

Department of National Defence

Secret

CHIEFS OF STAFF COMMITTEE

OFFICE OF THE SECRETARY
NATIONAL DEFENCE HEADQUARTERS
OTTAWA

4 December, 1950.

The Secretary,
Joint Planning Committee.

War in Korea Extension of Military Operations to Chinese Territory

1. Attached is a copy of a letter from the Under-Secretary of State for External Affairs, seeking the opinions of the Chiefs of Staff not later than Wednesday, 6 December, on the marginally-noted question.
2. You are requested to prepare as rapidly as possible, and have ready not later than 0900 hours, Wednesday, 6 December, the views of the Joint Planning Committee for examination by the Chiefs of Staff.

(C.L. Annis)
Group Captain,
Acting Secretary.

Information copies to:

The Minister
CGS
CAS
CNS
CDEB

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
CANADA

Ottawa, December 2, 1950.

The Secretary,
Chiefs of Staff Committee,
Department of National Defence,
"A" Building,
Ottawa, Ontario.

In view of the deterioration in the military situation in Korea it is not improbable that the Government may be faced in the near future with enquiry whether, in order to protect United Nations forces, air operations should not be extended to Manchuria. In any event the question of Korea will be under active consideration in the United Nations Assembly during the next few days. The Minister would therefore like to have some guidance should the above question arise. It would therefore be appreciated if the opinions of the Chiefs of Staff could be obtained as soon as possible, and, in any event, not later than Wednesday, December 6, on the following questions:

On the assumption that Chinese Communist forces will continue operations against United Nations forces in Korea on the present or larger scale, would it be militarily essential for the maintenance of United Nations forces in Korea to resort to (a) strategic, or (b) tactical air operations in Manchuria or elsewhere in China?

(Sgd) A.P.P. Heeney,
Under-Secretary of State
for External Affairs.