Diplomacy of Constraint Revisited: Canada and the UN Korean Reconstruction Agency, 1950-55

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Article abstract

Historians remain divided over the nature of Canadian diplomacy during the Korean conflict of 1950-1953. Some favour traditional interpretations that stress Canadian-American differences over Western strategy in Cold War Asia, differences which encouraged Ottawa to pursue a “diplomacy of constraint.” Others minimize the gap between Ottawa and Washington, insisting that similar worldviews and shared Cold War interests severely limited Ottawa’s inclination and capacity to constrain the much more powerful United States. Canada’s experience with the United Nations Korean Reconstruction Agency (UNKRA), created in the fall of 1950 to help rebuild shattered South Korea, provides an opportunity to test these two interpretations against the still untapped documentary record. This paper explores the competing set of motives, goals, and preoccupations that shaped Canada’s approach to this UN agency. Humanitarianism and the allure of Asian trade were doubtless considerations. But politics trumped all. Support for the UN agency helped Ottawa sustain domestic backing, particularly among liberals and progressives, for the brutal Asian conflict. Canadian officials, like their UN and American counterparts, embraced UNKRA as a “pioneering” effort to showcase capitalist development in the context of the Asian Cold War. Most important, UNKRA was yet another multilateral mechanism available to Ottawa to offset, or constrain, the American tendency “to go it alone.”
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Résumé


In the early 1970s, as Canadian nationalism surged amid raucous campus debates over the brutal American war in Vietnam, political scientist Denis Stairs published *The Diplomacy of Constraint: Canada, the Korean War and the United States.* A masterful exercise in applied oral history, the monograph drew sharp distinctions between Canadian and American approaches to an earlier Asian conflict, pleasing nationalists and defining Canadian policy for generations of scholars in its crisp title. In the wake of North Korea’s sudden invasion of South Korea in June 1950, argued...
Stairs, Ottawa worried that impetuous American leaders might ignore the Cold War threat posed by the Communist Soviet Union in Europe (where Canada’s real interests lay), and become trapped in a dangerous, possibly nuclear, war in Asia. Consequently, he contended, Canada’s most important diplomatic imperative during the conflict was “to moderate and constrain” American policy in Korea.1

During the last few decades, as differences between Canada and the US have mattered less and declassified Cold War records have become more readily available, sceptical historians have challenged Stairs. Drawing on long-overlooked US records, Robert Prince was among the first to insist that the “diplomacy of constraint” over-emphasizes the difference in outlook between Canada and the US, and exaggerates Ottawa’s influence in Washington.2 He was echoed by others. Steve Lee’s study of postwar Asian empire located Canadian policy in its Anglo-American comparative context, stressing the shared perspectives that curtailed intra-alliance dissent and constraint.3 Most recently, John Price has pushed this view further, tucking Canada firmly under the American imperial wing. Whatever their mediation efforts, writes Price critically, Canada’s leaders “ultimately voted with the United States and the other imperial powers against their own best instincts.”4

Canada was undeniably a close US ally, with similar views of the Cold War dangers of Communist aggression. A much smaller power, its capacity to constrain US policy was undoubtedly limited. Nonetheless, a case-by-case review of the rich and still-unexploited documentary record suggests that Canadian policy-makers pursued a more nuanced and carefully calibrated diplomacy than Stairs’ critics acknowledge. Ottawa’s attention during the war, for instance, was often focused on India, which it hoped to mobilize as a democratic leader in Asia and a brake on American rashness.5 Canadian policymakers shrewdly traded the country’s strategic geographic location for access to US intelligence in 1951 and a unique voice in US geopolitical planning.6 And when push came to shove, as it did over UN peace talks in 1952, Ottawa was ready to break with Washington to get what it wanted.7 Canada was
part of the Western team in Korea and elsewhere in tumultuous postwar Asia, but it played its own game too.8

Canada’s war in Korea was not simply a matter of defence and diplomacy. Though long overlooked in the historiography, the war also embraced a third “D” – development – and it arguably represented the country’s first “3-D” conflict.9 Development assistance, of course, was already becoming an important theme in postcolonial Asia. Even before the war erupted, Washington had offered Seoul development aid and capitalist modernization as alternatives to the attractions of Asian communism. The US doubled its bet with the onset of war, quickly sponsoring plans for a UN Korean Reconstruction Agency (UNKRA) that aimed to rebuild shattered Korea as a modern capitalist state. UNKRA was an important part of Canada’s war effort too. Ottawa gave $8 million to the UN body (about a third of its initial contemporaneous contribution to the Colombo aid plan) and its diplomats played a key role in midwifing UNKRA’s long and difficult genesis.

This survey of Canada’s experience with UNKRA highlights the competing and evolving set of motives, goals, and preoccupations that shaped Canada’s stake in wartime Korea. It seeks a more rounded appreciation of Canadian diplomacy, reflecting the era’s distinctive and engaged character. Humanitarianism and the allure of Asian trade were doubtless considerations in the making of Canadian policy. But politics trumped all. Support for the UN agency helped Ottawa sustain domestic support, particularly among liberals and progressives, for the brutal Asian conflict. Canadian officials, like their UN and American counterparts, embraced UNKRA as a “pioneering” effort to showcase capitalist development in the context of the Asian Cold War. Most important, UNKRA was another multilateral mechanism available to Ottawa to offset, or even constrain, the American tendency “to go it alone.” Supporting the UN agency reflected a Canadian commitment to the postwar United Nations, and its imperfect search for a more stable and just world order.

International economic aid was a vital part of the Western response to Communist North Korea’s attack on South Korea from the start. The war erupted just a week before dele-
gates gathered in Geneva for the eleventh session of the United Nations Economic and Social Council (ECOSOC), the body responsible for managing the UN’s technical assistance and aid work. American diplomats were quick to circulate schemes to mobilize ECOSOC and its specialized agencies — the Food and Agriculture Organization (FAO), the International Refugee Organization (IRO), UNICEF — on behalf of South Korea and its devastated civilian population.

Canadian diplomats were wary of these early American schemes for UN relief and rehabilitation. Fierce fighting up and down the Korean peninsula rendered much of the country inaccessible, and they dismissed such plans as “premature.” They wondered too about the impact of unilateral UN action on South Korea’s “sovereignty,” and the precedent set for future UN operations. American proposals, speculated the UN division of the Department of External Affairs, implied “that ECOSOC could, at any time, select a country which it thought was being badly run and decide to marshal its forces to help ... the approach seems to be quite wrong.”

Senior officials in External Affairs also challenged the role envisioned for the UN’s specialized agencies. Their relatively small programmes lacked both the money and mandate to conduct large-scale aid operations. More important, the diplomats doubted the wisdom of aligning the UN’s specialized agencies so closely with the Western cause. Despite the increasingly tense Cold War, argued the head of UN division, John Holmes, the specialized agencies still retained their important “neutral functional character,” and represented a site where East and West could meet to tackle shared global challenges. “Under the present circumstances total diplomacy was no doubt a necessity,” Deputy Minister Arnold Heeney told Canada’s UNESCO representative, Victor Doré. “But you would agree, I imagine, that we should take care to see that it stops short of totalitarianism.”

Washington’s forceful tactics in Geneva set External Affairs on its guard, and Secretary of State for External Affairs Lester B. Pearson made sure that Canada’s delegation to the resumed ECOSOC talks in September 1950 was up to the challenge.
The Canadian team was led by member of Parliament John Dickey. A charter member of the Haligonain establishment and a young war veteran, Dickey enjoyed minor celebrity status in his Halifax riding for his role as a war crimes prosecutor in postwar Japan. The experience left the rising Liberal backbencher with a sympathetic interest in Far Eastern issues. Elected to the House of Commons in a 1947 by-election, Dickey had a reputation as a hardworking “crackerjack” litigator, and was later known as a “gentlemanly bulldog,” who could be counted on to pursue his brief diligently. He was backstopped at the UN by one of Ottawa’s top civil servants, the whip-smart deputy minister of national welfare, George Davidson.

Ottawa’s worries over the shape of UN aid disappeared in September when US Secretary of State Dean Acheson called for a dedicated “UN Recovery Agency” for Korea in his opening address to the UN General Assembly. Given American leadership, Canadian officials assumed that UN support for the plan was a “foregone conclusion,” and they inclined towards participation. Canadian motives were varied. The humanitarian need was obvious, and as the documentation makes clear, Canadian officials and ministers were moved by the “pitiful condition of the refugees,” “the welfare of the Korean people,” and the “needs of the South Korean populace.”

But relief and long-term aid offered compelling political benefits as well. Concern for the UN’s well-being topped the list prepared for Pearson by Deputy Under-Secretary Escott Reid. Both men were strong UN supporters. “It would be disastrous,” Reid warned, “if the UN, once military victory is achieved, were to neglect to follow this up with substantial relief and reconstruction measures.” Moreover, there was widespread (but not universal) support in Ottawa for the view that relief and reconstruction aid were important weapons in the fight against Communism. “It is natural and logical to complement military action with economic assistance,” insisted one analysis. “If this were not done the Korean people would not be able effectively to establish a firm government and a suitable way of life. They would fall an easy prey to the forces of Communism.”
It was tough, if not impossible, to distinguish the selfless from the self-interested, and few Canadian officials bothered. “I think such an act [giving aid] would be not only humanitarian,” wrote diplomat Herbert Norman from Japan, “but of political value in helping to reconcile a population.”

Other considerations reinforced support for Korean aid among policy-makers in Ottawa. The strong American pressure in mid-July for a Canadian military contribution to Korea had left a lasting impression with implications for aid policy. “At a time when the US is doing so much with respect to Korea,” warned UN division, “it would be unfortunate if Canada were to lag behind and seem to be less than enthusiastic about helping.” Aid was simply the price of UN membership and global respectability. “I am inclining to the view,” Holmes wrote after weighing one UN request for medical help, “in light of the encouraging response from more than fifteen other countries, that Canada should, if at all possible, agree to contribute at least a modest quantity.”

Recalling the threat to national unity generated by two world wars, diplomat Doug LePan added that Korean relief would rally popular support for the war effort in Canada, and “would catch the imagination of even the most rabid isolationist.”

Canadian support for Acheson’s scheme was not unqualified. Sydney Pollock, head of international programmes in the Department of Finance, had studied the plan carefully since its unveiling, and fretted about its size. Early estimates pegged the cost of Korean reconstruction at well over $300 million for 1951 alone, with the US contributing between 60 and 70 percent of the total. That left roughly $100 million for others to pay. Ministers shared these concerns. They cast their support behind the UN aid agency, but instructed John Dickey and the ECOSOC delegation to ensure “the widest possible sharing of costs” through an assessed (mandatory) contribution from all UN members. Cabinet also agreed to pay a “reasonable” share of the budget, which Prime Minister Louis St-Laurent thought might reflect Canada’s regular UN assessment of 3.2 percent. Most of it, he added hopefully, should be spent in Canada.
The UN Korean Reconstruction Agency (UNKRA) took shape in ECOSOC through October and early November, amid the euphoria that accompanied the victorious UN march into North Korea. The UN, it seemed, would be reconstructing a single, united Korea. Over objections from Australia, which wanted to subordinate UNKRA to existing UN structures, the US campaigned for an independent organization with a strong agent-general and an active advisory committee. Dickey backed the Americans. His focus was mostly elsewhere, however, and he lobbied hard to win support for the mandatory assessments that Canada judged essential for UNKRA’s success. This was an uphill battle. ECOSOC delegates found the UNC’s cost estimate, revised downward to $250 million for 1951, “disturbing” and doubted the UN’s “capacity” to pay.26 The USSR made it clear in early November that they would not participate in UNKRA at all, while the Australian, French, and British delegations plumped for “a purely voluntary operation.”27

Ottawa refused to retreat. Dickey was told to continue pressing for a “compulsory levy” and Canada’s high commission in London was mobilized for a call on the Foreign Office. But the British were obdurate. When ECOSOC gathered on 7 November, with UNKRA’s projected programme costs for 1951 still hovering at $250 million, Canadian hopes collapsed. One by one, council members, offering a litany of competing financial pressures, made clear their preference for a voluntary scheme.28 As an alternative, London and Canberra offered to support a pledging conference, where UN members would be invited to announce their contributions under the encouraging glare of media spotlights. Dickey countered with a proposal for a “softer” scale of assessed contributions, “indicating financial responsibilities but voluntary in its application.”29 London refused, and would go no further than supporting a “negotiating committee” to solicit “advance indications” of contributions before a pledging conference. As a consensus gathered around the British compromise, Canada fell into line.30 Two weeks later, the UNGA endorsed UNKRA and set about erecting its newest agency and filling its coffers.
Ottawa rallied behind UNKRA even as Communist China joined the war in November, and its troops poured into North Korea and down the peninsula, turning the tide of the conflict. “It would certainly look very bad indeed,” Holmes explained to a colleague, “if we acknowledged at this time that it might be the Chinese rather than ourselves who would be reconstructing Korea.” There were other reasons for pressing on with the relief effort. “The need now, on strictly humanitarian grounds,” Heeney warned Pearson early in the new year, “is greater than ever.” The minister was doubtless aware too of the growing tide of domestic concern at the plight of Korean refugees. Churchman Fred Read, once a University of Toronto classmate, wrote to remind him of the missionary interest in Korea. Canadian members of the United Steelworkers of America, the Red Cross, and the Canadian Save the Children Fund, among others, also expressed their concern. Moreover, Canadian diplomats knew that relief was one part of the UN’s effort in Korea where Washington and Ottawa could co-operate harmoniously in contrast to the differences dividing them over Beijing’s intervention into the war.

Canada readily took its seat on the negotiating committee for extra-budgetary funds, initially offering $5 million, or 2.5% of a $200 million programme. Depending on the response, Dickey explained, more was possible. Aware that its large grant gave it “a definite interest” in UNKRA, Ottawa actively campaigned for a seat on its advisory committee, securing one when France declined to serve. Pearson also supported the speedy appointment of American Donald Kingsley as UNKRA’s first agent-general in February. A liberal “New Deal” academic and public commentator with close ties to the Truman administration, Kingsley was a vocal UN supporter and director-general of the International Refugee Organization (IRO), which was wrapping up its postwar operations in Europe. With Kingsley in place, Holmes and Heeney persuaded a reluctant minister and his cabinet colleagues to top-up Canada’s UNKRA contribution to $7.5 million, a shade short of 3.2 percent of the agency’s projected $250 million budget.
By the end of March 1951, largely for administrative reasons, Canada’s contribution was transferred in cash to the UN. As surplus goods evaporated in the booming wartime economy and Canada’s trade balance ballooned, argued External Affairs, there was no need to tie Canada’s contribution to the purchase of Canadian goods, freeing UNKRA to use the money as it wished. When finance and trade officials protested, Holmes found grounds for a compromise of sorts. “There is a general political argument for reminding the UN Secretariat of the Canadian market,” he advised the UN mission in April. “If we do not urge them to buy Canadian products they will inevitably take the easiest path, which is to buy American products ... This tendency to Americanize all aspects of the work of the UN is one which I think we should constantly resist.”

UNKRA’s development was infuriatingly slow. One obvious problem was the absolute control that the US military via the UN Command exerted on the ground in Korea, much of which remained an active battlefield. Though some military direction was obviously necessary, US generals insisted on merging UN and international aid operations with their own extensive relief efforts. American high-handedness was underlined for Ottawa early in 1951, when External Affairs officials became embroiled in a bitter “battle of the insignia” as Canadian, British, and Danish Red Cross teams fought the US Army for the right to wear UN and Red Cross insignia in Korea. “This seems outrageous,” minuted Heeney in disgust.

Kingsley too proved disappointing. The agent-general was envious of the independent status enjoyed by UN specialized agencies, and he insisted on operating without regular reference to UNKRA’s advisory committee. Basing himself on a narrow reading of the General Assembly’s intentions, he claimed that the committee had only a limited supervisory role. Alone, the American proved a poor match for the UNC, and its American generals, who later recalled him dismissively as “a pest ... a self-seeker and empire-builder.” Following a tour of Korea in February, Kingsley announced that UNKRA would leave all relief operations in military hands until the fighting ended, while
he returned to Geneva to complete his IRO work. “Disgraceful and unreasonable,” declared Pearson, whose aides argued that UNKRA ought to provide technical advice to the Republic of Korea (ROK) government and mount relief activities where the fighting had ceased.43 Reviewing UNKRA’s work after four months, Graham McInnes, acting head of UN Division, found himself “depressed at how little has been done and at the prospect of having to wrestle continuously with the tendency of a UN official to subordinate himself and his work completely to Unified Command ... the realities of the military situation should not be allowed to result in the complete Americanization of UN relief measures.”44

Kingsley’s failure to establish UNKRA in Korea spawned additional anxieties in Ottawa. Though the UN’s extra-budgetary negotiating committee had raised a respectable total of $230 million for the $250 million rehabilitation scheme, paid-up contributions had stalled as donors waited for UNKRA to act. In May, the British stunned Ottawa by announcing that London, hard-pressed for dollars, would only turn over its UNKRA contribution in stages as individual projects were approved and implemented. Pointing to the huge relief bill already incurred by the US Army, Congress similarly refused to pay the American share of $162.5 million. That left UNKRA to operate almost solely on Canada’s $7.5 million contribution, giving Ottawa a disproportionate (and not especially welcome) voice in UNKRA’s future. The financial exposure heightened Canadian concerns over the agency’s spending: “It would, indeed, be disastrous for the whole Korean operation,” observed UN division, “and would be detrimental to the prestige of the UN if it transpires at a subsequent date that UNKRA funds had been either mismanaged or squandered.”45 Nervous officials in the departments of Trade and Commerce and Finance watched anxiously as US procurement offices in Washington locked down military relief orders for Korea, while the Canadian contribution was frittered away on office space and secretaries. “UNKRA seems fated to remain for some time to come a relief agency in name only,” complained Holmes from New York, “with a top-heavy administrative staff
scratching about for opportunities to justify their continued employment.”

There were some signs of progress. Administrative procedures were adopted and UNKRA’s senior staff was taking shape. Among them were two accomplished Canadians: the former United Church missionary, Donald Faris, was head of UNKRA’s technical assistance department, and John Goodison, a Sarnia businessman and prominent Liberal, joined UNKRA as its third-ranking official in charge of North American procurement. Most important, Kingsley and the UNC were about to agree on a small programme for UNKRA focused on cattle production, coastal shipping, and educational reform. It was not enough for London, however, and in early November 1951, the Foreign Office floated the notion that the time had come to put UNKRA “on ice.”

In contrast to the sympathetic response from the State Department, Canadian diplomats were sceptical, even angry. From New York, Holmes insisted that UNKRA was still needed to demonstrate that the Korean struggle was a United Nations and not just an American operation. “The international character of the UN in non-military activities,” the mission explained a few months later, “is in danger of being lost and, to the Koreans at least, rehabilitation work on the Peninsula is becoming simply an extension of the US Army’s operations.”

Moreover, there were pragmatic reasons to keep UNKRA going. Properly managed, it could deliver some aid, and even limited success would help maintain donor interest. McInnes warned of “domestic repercussions” among Canadian church and welfare groups, who expected Ottawa and the UN to help Korea recover. His deputy, the plain-spoken Morley Scott (whom Pearson admired as “shrewd in his judgement and appreciation of men”), erupted: “severe damage would be done to the prestige of the UN if UNKRA were to suspend operations. It would be a confession of failure on the part of the Free World. It would be a denial of our often-expressed humanitarian aims. It would lend strength to the contention, made on both sides of the Iron Curtain, that the only result of the Korean War has been to
strip, batter and impoverish the country and people of Korea.”52 Rejecting the British suggestion, Pearson and his External Affairs advisors resolved to establish a sturdier and more certain basis for UNKRA’s work. They approached the advisory committee’s January 1952 meeting in Paris determined to get one.

Pearson turned to Jean Lesage, member of Parliament for Montmagny-l’Islet, for help with this important intervention. A protégé of the Québec federal Liberal Party insider, C.G. “Chubby” Power, Lesage was first elected to the House of Commons in 1945 at 33 years of age. A charismatic and spirited lawyer, he won wide-spread admiration for his skilful role as co-chairman of the joint parliamentary committee on pensions in 1950. He was promoted to parliamentary secretary for External Affairs early the following year. The ambitious politician was an ideal choice to head Canada’s delegation to an UNKRA gathering that Canadian officials thought was likely to be “explosive” and “stormy.”53

Righting UNKRA was a difficult diplomatic assignment for a rookie. Pearson asked Lesage to convince Kingsley to submit UNKRA’s major financial and administrative decisions to the advisory committee for review, to listen “sympathetically” to the committee, and to accept its advice more often. In turn, Lesage was to persuade the committee, especially its two most sceptical members, the US and UK, to consider the agent-general’s problems with “equal sympathy and understanding.” In short, Lesage was to establish “a relationship of mutual confidence.”54

Sitting in the advisory committee’s chair, which Canada henceforth retained, Lesage did just that. The atmosphere in Paris was buoyed by the resumption of armistice negotiations in Korea and the prospect that UNKRA might finally get down to work. As the only political figure at the table, Lesage spoke with considerable authority. He met first with the Americans and British, gathering their grievances and securing his place as their spokesman. Meeting next with Kingsley alone, the Canadian politician explained that he, not the agent-general, was accountable to Canada’s House of Commons, which reasonably wanted evidence that its dollars sent to UNKRA were used wisely.
Lesage underlined the point more forcefully the next day, when Kingsley presented his $20 million programme for immediate relief activities to the advisory committee. After consulting his colleagues, Lesage ruthlessly pared the plan back to just over $8 million. With experience, he lectured Kingsley, UNKRA might enjoy greater freedom, but for the present the committee would exercise “close supervision and control over major decisions.” When the agent-general protested, Lesage insisted that “these powers were absolutely essential, and that he was quite willing to go to the General Assembly to have them made explicit.” Kingsley beat a hasty retreat, as the advisory committee put the final touches on UNKRA’s first small aid programme of $8.3 million. “[O]ur general impression,” concluded the delegation, “is that this meeting of the Advisory Committee has gone a long way toward reducing friction and creating a sound basis for future action.” In Ottawa, Scott was delighted, praising Lesage for handling “a delicate situation with dexterity and with results highly beneficial to the future of UNKRA.”

For some Canadians, however, the Paris meetings left one pressing question largely unanswered: as project money started to flow, what about UNKRA procurement in Canada? Lesage, who represented a province with a large textile industry, was intrigued by the agency’s plans to supply fishing nets to Korea and concerned that Canada had not been invited to bid. And he was right to be worried, he confided to Pearson. Percy Wright, the socialist MP from Saskatchewan who accompanied the delegation in Paris as a parliamentary observer, had already tackled him over UNKRA’s purchases in Canada. Lesage grew even more worried when he learned that UNKRA’s needs would be supplied through the UN Civil Assistance Command Korea (UNCACK), handmaiden to the US-dominated UNC.

External Affairs, however, remained diffident about tying Ottawa’s UNKRA contribution to the purchase of Canadian goods. Scott wondered about the “propriety” of doing so, and he argued that any suggestion should only be made “orally.” That restrained view was unpopular in Ottawa, and there was steady pressure through the winter on East Block diplomats to be more
aggressive in pushing Canadian product. The young Simon Reisman from Finance called to protest, though he “squirmed” a bit when Scott pushed back. Others were harder to intimidate. Lesage called again to complain, and H.B. Scully, acting director of export division in Trade & Commerce, made sure that Scott knew of his “pretty strong” feelings about the matter. The Vancouver MP, Lorne MacDougall, summoned diplomat G.K. Grande for a talk in his House of Commons office, wondering why BC firms had received no orders from UNKRA. “I am sure that every department of the Federal Government is most anxious to see that the taxpayers’ money is spent whenever possible with Canadian producers,” the politician wrote an unhappy constituent, with a copy to UN division. “I am hopeful that if there has on any occasion in the past been a slip-up this slight reminder may serve to rectify the error.”

External Affairs responded cautiously to the stepped-up pressure. It convinced UNKRA to reopen its fishing net competition, and instructed representatives in Washington, New York, and Tokyo to urge their UN contacts to consider Canadian suppliers when “there were reasonable grounds for thinking that Canadian firms might be able to offer, at competitive prices, the types of goods likely to be required.” But there were limits on how far Ottawa should allow trade considerations to shape relief policy. These were outlined at a policy meeting in April, when Escott Reid hashed out the question with a handful of his most progressive colleagues, including David Johnson, Herb Moran, Herbert Norman, and Chester Ronning. Canadian policy, they decided, “must be consistent and ... we must not force commodities on a relief agency in contravention of its approved programme, or when we ourselves were criticising the part of the programme in which those commodities would be used.” Yet, trade remained an unsettled point of inter-departmental friction. When a Japanese supplier beat Drummondville Cotton for the reopened fishing net contract, Ottawa’s export community rippled with anger. “The whole question of Canadian participation in the UNKRA programme should be thoroughly aired,” wrote one trade official, “that Canadian firms be spared the trouble
and expense of tendering if procurement is going to be handled in such a way that awards will invariably be made in favour of Japan.”

On other fronts, however, UNKRA’s progress was encouraging. Informal advisory committee meetings in June 1952 established policy for handling counterpart funds and shipping NGO donations to Korea, as well as making UNKRA’s procurement procedures more transparent. There was another reassuring meeting in July, when Kingsley presented a second slate of projects worth roughly $14 million. The session provided a chance for Ottawa, which was nervous that repaired industrial facilities might fall into Communist hands if the UNC suffered any military reverses, to encourage projects designed to yield “early returns” and to meet “immediate felt needs” over “more ambitious longer-term plans.” With Johnson in the chair, the committee scotched plans for the rehabilitation of Seoul, pared back administrative staff, and approved projects to erect 2,200 new classrooms ($1.7 million), to restore 1,200 damaged schools ($4.4 million), to repair hydro lines ($2.28 million), and to recondition three power plants ($1.5 million).

Canadian policy-makers were further encouraged by Kingsley’s bold behaviour in the fall. Confident that he finally had the committee’s measure, the agent-general unilaterally unveiled a $70 million action programme in October. The plan surprised his advisory committee, but the benefits were obvious to Johnson. UNKRA’s accelerated programme would push deadbeat governments to cover their debts and give the State Department leverage to pry more money from Congress. Unless the UN agency acted soon, the ambassador feared, domestic critics were likely to complain of funds wasting away without projects launched. The UK was doubtful. British Foreign Secretary Selwyn Lloyd had just returned from Seoul full of “apprehension and distrust,” and his views were reflected in New York. The deadlocked peace talks, ROK President Syngman Rhee’s general unhelpfulness, and local corruption militated against Kingsley ambitious scheme. Nonsense, replied Ottawa, which threw its support behind Kingsley. “It seems to us,” wrote Charles Ritchie,
acting under-secretary, “that during the past year a considerable amount of progress has been made ... UNKRA is a running machine, relations with the Unified Command and other Korean bodies have improved ... These are healthy developments which speak well for the administrative ability, energy, and initiative of the Agent General.” Ottawa’s hopeful outlook was doubtless helped by the happy news that Goodison had finally managed to convince UNKRA to purchase 9,500 tons of barley (worth $2,135,000) in Canada.

The pace of UNKRA’s work slowed during the first half of 1953 as US President Dwight Eisenhower’s new Republican administration settled into office. The administration withdrew American support for Kingsley, whom it forced from office for partisan reasons in April. His replacement, retired Lt.-Gen. John Coulter, head of UNKRA’s Washington office, needed time to get organized. In Korea, as talks moved towards an armistice, Rhee boycotted UN agencies in protest. There was more delay when the White House recruited economist Henry Tasca to review US economic aid to Seoul. Tasca’s recommendation that Washington absorb UNKRA while bolstering US aid to $1 billion set alarm bells ringing in New York and Ottawa.

Tasca’s proposal, reflected Under-Secretary Jules Léger, was “so incompatible with the whole UN concept of UNKRA that we do not see that member states would feel any inclination to subscribe to or participate in such an organization.” Pearson made sure that UN and State Department officials, who shared his views, knew of his concerns. The fear that the US might simply replace all UN operations in Korea reinforced Ottawa’s resolve to stop UNKRA from becoming just “a subsidiary organ within the US reconstruction establishment.” Encouraged by Eisenhower’s decision to leave UNKRA alone, Ottawa endorsed Coulter’s request for another $130 million programme for FY 1954-1955. The ambitious plan would reinforce Coulter’s standing in Seoul, add heft to UNKRA’s search for funds, and reduce any US temptation “to go it alone.” In December 1953, the UN endorsed a campaign to raise more funds for UNKRA, whose programme now totaled $266 million.
By the spring of 1954, however, UNKRA was again in trouble. The UN’s extra-budgetary negotiating committee had raised virtually nothing. Joint Anglo-American-Canadian diplomatic demarches on 29 countries with unpaid pledges to UNKRA had similarly failed. UNKRA remained almost $125 million short of Coulter’s $266 million programme. Discouraged aid officials and Western diplomats in Asia wondered about just giving up, and quietly folding UNKRA into UNCAK. There was no support for the idea in External Affairs. Saul Rae, head of UN division, and R.A. MacKay, associate under-secretary, flatly rejected a merger on the grounds that “the UN would suffer from a loss of prestige if UNKRA had to be dissolved, whatever form this dissolution might take.”77 Their view was echoed in New York, where Johnson argued that ending UNKRA would “undermine the whole purpose of the UN intervention in Korea. It would certainly affect most adversely the courage and the faith of those UN countries who have been, are, or may be, victims of armed aggression.”78 From Geneva, John Holmes, now assistant under-secretary responsible for Asia, warned of the dangers implicit in shirking the UN’s “responsibility” to help Korea. “It would furthermore be a very serious blow to the UN itself,” he warned, “if it were shown to depend in the end on American generosity.”79

But retreat was inevitable. After Coulter and UNKRA kicked about the numbers, US diplomat Graham Hall suggested trimming UNKRA’s 1954-1955 programme to $44.9 million, giving the agency enough money to continue for another year or two, before winding up its affairs in an orderly fashion. Under the plan, the UK, Australia, and Canada would pay $9.9 million, of which $7 million would come from unpaid British and Australian balances. Additional contributions from the three Commonwealth countries would cover the $2.9 million gap. Ottawa was on the hook for another $750,000.80 Though reluctant to abandon UNKRA’s $266 million target, UN Division embraced the US proposal as “entirely realistic.” Allowing UNKRA to collapse for want of funds, Rae insisted, would harm the UN’s prestige in Asia, spark charges of abandonment from Rhee, and “play into
communist hands, bearing in mind Soviet, Chinese and satellite countries’ programmes in North Korea.”

Finance officials, who acknowledged the compelling political case for action, agreed. A recommendation that Canada send another $750,000 to South Korea, provided that additional money was forthcoming from Canberra and London, was soon sent to cabinet. Trouble loomed, however, when the ever-cautious minister of finance, Walter Harris, queried the cost, bringing discussion to a standstill. From the sidelines, King Gordon, a progressive Canadian journalist who had joined UNKRA in August 1954 as its director of information, sprang into action when he heard of the impasse from friends in External Affairs. Gordon, who had worked as a missionary in the 1930s, marshaled support from influential friends at the United Church, including James Mutchmor and Moderator George Dorey. He was delighted when the formidable executive secretary of the Church’s Overseas Missions Board, Mrs. Hugh Taylor, warned Harris that the Church was “prepared to back the UNKRA programme up to the hilt.” Relieved to learn that a Canadian contribution would be forthcoming, Gordon arranged for lunch with his old friend, Mike Pearson, just to make sure. “I found him very sympathetic,” the UNKRA press aide wrote Coulter, “and quite aware of both the political and economic significance of the continuation of the UNKRA programme.”

Progress in New York, where UNKRA figured in pre-assemble talks, was tougher. Upset with UNKRA’s failure to spend its early contribution in Australia, Canberra put up a “stone-wall,” refusing the advisory committee’s pleas to fulfill its pledge. Under sustained US and Canadian pressure, helped along by a timely offer from UNKRA to purchase two million dollars’ worth of Australian wool, it eventually relented. There was less flexibility from Britain, which simply refused to give more on the grounds that its contribution to date ($22.5 million out of $123 million collected) already represented more than its regular 17.5 percent share of UN expenses. Canadian negotiators dangled their conditional offer before the British. Unimpressed, the UK only offered to pay an additional $2.52 million of their outstanding balance.
To break the stalemate, the US modified its proposal. Washington offered to pay its $8.6 million balance in advance provided that the UK paid $4.3 million, Australia $1.3 million, and Canada $500,000. UN Secretary-General Dag Hammarskjold and US Secretary of State John Foster Dulles appealed to Pearson for help. The Canadian obliged, pressing British Foreign Secretary Anthony Eden to turn over another $4.3 million to UNKRA. Pearson’s successful efforts paid immediate dividends. Both Dulles and the Canadian Council of Churches praised the Liberal government, whose policy garnered flattering national coverage by syndicated reporter Peter Stursberg. There was another happy pay-off in February, when UNKRA executed an order for $500,000 worth of Canadian lumber.

As UNKRA’s money began to flow more regularly after 1954, Canadian diplomats breathed a sigh of relief. Admittedly, the UN agency, which Canada chaired until it was dissolved in August 1960, remained a source of mild concern. There were lingering worries about US unilateralism, delays from Rhee’s government, and unfounded fears, stoked by disgruntled civilian staff, that Coulter was stacking UNKRA with retired American officers. Money too was a constant challenge. UNKRA eventually collected its promised $140 million, but the funds arrived slowly, and proved almost as hard to spend as they were to collect, slowed by bureaucratic hurdles. At the end of March 1958, the agency still had $1.31 million in the bank. “Let’s put this tiresome thing to bed,” an East Block official erupted in frustration.

On the whole, however, Canadian policymakers were pleased with the way UNKRA unfolded after 1954. Despite “occasional overlapping and minor wastage,” wrote diplomat Ted Newton, who was sent from Tokyo to tour UNKRA projects in early 1955, “a powerful hypodermic is being administered to the South Korean economy through the carrying out of internationally subsidized projects of a very practical nature.” He added, with a touch of national pride, that “it was impossible not to feel enthusiastic ... and to feel satisfaction about Canada’s share through UNKRA in the rehabilitation of a crippled country.”
Personal observations were buttressed by reports from Canadians working in Korea. King Gordon, whose close ties to External Affairs made him an important and highly trusted source, consistently assured his Ottawa contacts that UNKRA was functioning well. “UNKRA’s programme is really moving ahead impressively these days,” he wrote Johnson. “I am spending quite a bit of time in the field and the evidence of UN reconstruction efforts are to be seen everywhere.” Kenric Marshall, Canadian secretary to the Korean Association of Volunteer Agencies, which coordinated NGO donations under UNKRA, “felt that UNKRA had done as good a job as possible under difficult circumstances.” Even the perennially unhappy George Stanley Hall, seconded from Trade and Commerce to succeed Goodison, acknowledged that the UN had performed “a very useful job” and done “remarkably well.” The Koreans, he explained, “now had a notion of the UN as being able not [only] to repel aggression but also to repair its damage.” These assessments were echoed in the classified commentary prepared later that year for Canada’s UN delegation. “There is every indication that the implementation of these programmes is proceeding satisfactorily and that, in spite of the curtailments as a result of the poor response of many governments, the agency’s operations can be regarded as a major achievement on the part of all concerned.”

Defence and diplomacy largely defined Canada’s war in Korea. But the Asian conflict was also a “3-D” war, which placed a strong emphasis on development aid and postwar reconstruction. Canada embraced this aspect of the war for a host of reasons. Officials and politicians responded naturally to the humanitarian crisis created by the fighting. Canadian economic self-interest flickered intermittently through calculations of policy as UNKRA loomed as an outlet for Canadian goods and a gateway to Asian markets. Love and lucre, however, were rarely paramount considerations for Canadian policymakers, for whom UNKRA’s political significance was consistently the most important factor. Politics mattered in the cheap and crass calculation of domestic advantage. It mattered too in the careful weighing of geopolitical stakes and strategic advantage as East
confronted West in the Asian Cold War. And sometimes, politics struck a nobler note. That was certainly true of diplomat Herbert Norman’s early notion that international aid encompassed the possibility of reconciling the two Koreas. It was true too in Ottawa’s consistent support for a struggling UNKRA. Canada backed the UN agency from its feeble beginnings, paid up its cash, and worked hard to fix its governance problems, determined to strengthen the UN agency and create a space, however small and constrained, for voices that might offset, and possibly contain, the US in Asia.

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Endnotes:
1 Denis Stairs, The Diplomacy of Constraint: Canada, the Korean War and the United States (Toronto: University of Toronto Press, 1973), xi.


9 Development assistance and UNKRA do not figure in either of the standard works on Canadian diplomacy and foreign policy during the Korean War: Stairs, The Diplomacy of Constraint, only mentions it in a footnote (122, note 89); Lee, Outposts of Empire, does not list it in his index. There is a small historiography on UNKRA itself. Lee draws on Canadian sources in his good overview of the agency’s work on the ground in Korea, “The United Nations Korean Reconstruction Agency in War and Peace: An Economic and Social History of Korea in the 1950s” in Korea and the Korean War, eds. Chae-Jin Lee and Young Ick Lew (Han’guk kwa 6.25 cho njang. Sŏl Tu’kpyŏlsi: Yŏnse Taehak-kyo Ch’ulp’ anbu, 2002), 357–96. The basic work on UNKRA remains Gene M. Lyon, Military Policy and Economic Aid: The Korean Case, 1950–1953 (Columbus: Ohio State University Press, 1961).

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41 New York to Ottawa, Letter 2097, 6 December 1951, ibid.
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44 Graham McInnes to USSEA, 31 March 1951, ibid.
45 A.R. Crépault to John Holmes, 19 May 1951, RG 19, Vol 867, File 800-6GA-8, LAC.
46 New York to Secretary of State for External Affairs (SSEA), Letter 1240, 3 October 1951, RG 25, Vol 6496, File 8254-G-40, LAC.
48 New York to Ottawa, tel 786, 7 November 1951, ibid.
49 Permanent Mission New York to USSEA, Letter 251, 19 March 1951, RG 19, Vol 867, File 800-6GA-8, LAC.
50 Graham McInnes, Memorandum for Heads of Division Meeting, 17 November 1951, ibid.
51 L.B. Pearson to King Gordon, 26 July 1954, RG 25, Vol 6499, File 8254-G-40, LAC.
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92 Tokyo to Ottawa, (April 1956) RG 25, Vol 7087, File 8254-G-40, LAC. Kenric added: “With a great international venture like this, working against recurrent and varied difficulties, one should not expect more than about 75% overall success, and Marshall felt that UNKRA could truthfully be described as having surpassed that grade.”
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