

Cuba, but with a possible exemption for subsidiaries located in foreign countries. You will see from the attached telegram 961 † from our Embassy in Washington that the Embassy has now been informed that a decision has been taken by the U.S. Government to exempt foreign subsidiaries, including of course U.S. subsidiaries in Canada, from the application of the F.A.C. regulations to Cuban transactions, if and when these regulations are invoked against Cuba. No mention was made of possible Canadian control measures designed to prevent the evasion of F.A.C. regulations through this exemption.

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

816.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], April 7, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Fisheries (Mr. MacLean),
The Postmaster General (Mr. William Hamilton),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Public Works (Mr. Walker).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

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DIPLOMATIC APPOINTMENTS; AMBASSADOR TO CUBA;
POLICY OF SELECTION

18. *The Secretary of State for External Affairs* said he recommended the appointment of George Kidd of his Department as Ambassador to Cuba. The situation in Cuba was very difficult at this time, and it was important that Canada should have a well-trained diplomatic representative there.

19. *During the brief discussion* some said that a proportion, perhaps one-fourth, of diplomatic appointments should be filled by persons other than permanent officials. Others said that untrained persons were frequently unsuccessful in diplomatic posts abroad, and that the Department would lose its career men if an excessive number of "outsiders" were appointed over their heads. Canada at this time was in a position to exert a great influence on international affairs, but this could be achieved only with a first-class foreign service. A certain proportion of diplomatic appointments should continue to be filled by trade commissioners.

20. *The Cabinet* agreed with the recommendation of the Secretary of State for External Affairs that George Kidd of the Department of External Affairs be appointed Ambassador to Cuba.

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