

7. At the meeting held at 3:00 p.m. on Saturday, June 23rd:

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of Agriculture (Mr. Alvin Hamilton).

8. At the meeting held at 9:30 a.m. on Sunday, June 24th:

No official record was kept of the attendance at this meeting.

FOREIGN EXCHANGE

1. *The Minister of Finance*, on behalf of the Cabinet, informed the Secretary that the matters under discussion at these meetings were related to the measures to be taken to deal with the foreign exchange situation, and that the principal decisions of these meetings were embodied in the statement issued by the Prime Minister on Sunday, June 24th.⁶ The measures agreed upon were the following:

(a) "A temporary, graduated surcharge on certain classes of imports ... Approximately one-half of all imports will be exempted from any surcharge," and other imports will be classified in three categories subject to surcharges of 5, 10 or 15 per cent.

(b) "A second temporary measure designed to conserve foreign exchange relates to the tourist exemption under which Canadians travelling abroad are allowed to bring into Canada, duty-free, one hundred dollars' worth of goods once every twelve months Under the temporary order, returning tourists will be allowed to bring back to Canada, duty free, \$25 worth of goods three times a year or, in the case of overseas visitors, \$100 once a year."

(c) "The Government had decided on a programme involving reductions in expenditures amounting to \$250 million in a full fiscal year."

(d) "The Minister of Finance will earmark Canadian dollar cash balances equivalent to the sales of exchange reserves during this fiscal year, to be used only for the purpose of financing increases in our reserves."

(e) "Canada is exercising its borrowing rights with the International Monetary Fund and is drawing \$300 million in foreign exchange. The Government has arranged a line of credit of \$400 million from the Export-Import Bank in Washington. The Bank of Canada has entered into a reciprocal currency arrangement with the Federal Reserve System of the United States in the amount of \$250 million, and has made a comparable arrangement with the United Kingdom in the amount of \$100 million."

⁶ Voir/See "Text of Prime Minister Diefenbaker's Announcement on Tariff Surcharges and Financial Measures," *Globe and Mail*, June 25, 1962, p. 8.