

and it is hoped to arrange this with them. There remains the cost of the wheat, and the United Kingdom Government would like, for political reasons, to offer this to the Greek Government free of charge. Indeed, from the propaganda standpoint, it is as much in our own interest as in theirs that we should make a practical contribution towards the scheme and one which will be publicly known.

The matter is not free from complications, however, since on technical grounds the United Kingdom Government are advised that the wheat to be supplied should come from their stocks in Canada. The amount involved would be of the order of 15,000 tons a month. There are two sources from which this might be drawn; it might come from the balance of the United Kingdom stocks in Canada which have been paid for in sterling, now to be converted into the Dollar Loan; or it might come from later purchases, the cost of which would be charged against the Canadian Government's billion dollar gift. In the former case it is hoped that there would be no objection to the United Kingdom Government transferring the wheat to the Greek Government free of charge, even though the replacement of the United Kingdom's own needs would come from the billion dollar gift, and would thus be made at Canadian expense. On the other hand, in the latter case the gift to the Greeks would in effect be a Canadian gift, and the United Kingdom Government would actually be making no financial contribution. In such circumstances it is felt that the Canadian Government might prefer the gift to be regarded as coming from Canada and to offer the wheat to the Greek Government direct.

I have been asked to obtain the views of the Canadian Government on this matter urgently. The United Kingdom Government will be entirely ready to fall in with whatever procedure they prefer. The main preoccupation of the United Kingdom Government is that the wheat shall be supplied for shipment to the Greek Government without charge and if the Canadian Government should wish in the circumstances to take direct responsibility for the supply, they would of course be wholly content with this suggestion. In this event, however, it is hoped that the Canadian Government would agree as a matter of convenience to the necessary negotiations being conducted by the United Kingdom Government on their behalf.

Yours sincerely,

PATRICK DUFF

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*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire par intérim de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Acting High Commissioner of Great Britain*

SECRET AND IMMEDIATE

Ottawa, April 11, 1942

Dear Sir Patrick [Duff],

I wish to refer to your letter of March 30th regarding arrangements in contemplation for relief shipments of wheat and flour for Greece and to inform you