

6. I think you will agree that the US authorities are going a considerable distance to avoid unnecessary difficulties for Canada, even though the action which they are contemplating may well involve embarrassment for them in relation to their own companies and public.<sup>70</sup>

H.C. G[REEN]

796.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], June 16, 1961

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair (for morning meeting only)  
 The Minister of Finance (Mr. Fleming) in the Chair (for afternoon meeting)  
 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) (for afternoon meeting only)  
 The Minister of National Defence (Mr. Harkness),  
 The Minister of Citizenship and Immigration (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean) (for morning meeting only)  
 The Minister of Labour (Mr. Starr),  
 The Postmaster General (Mr. William Hamilton),  
 The Solicitor General (Mr. Browne),  
 The Minister of Mines and Technical Surveys (Mr. Comtois),  
 The Minister of National Health and Welfare (Mr. Monteith),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Minister of Public Works (Mr. Walker) (for morning meeting only)  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry (Mr. Flemming),  
 The Secretary of State (Mr. Dorion) (for morning meeting only)  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Minister without Portfolio (Mr. Halpenny).  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

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FURTHER SALE OF WHEAT TO CHINA  
 (Previous reference April 11)

11. *The Minister of Agriculture* said that the China Resources Company, Hong Kong, had requested the Canadian Wheat Board to enter into an agreement for the sale of an additional 160,000 tons of wheat to China during August, September and October, 1961. Shipment would be from St. Lawrence ports, under the same terms as the first contract under the long term Agreement.

The Cabinet had previously authorized the Minister of Finance to increase the government guarantee under which bank loans were made to the Canadian Wheat Board in an amount not exceeding \$50 million to enable the Board to make credit sales to China. This maximum should be raised to \$100 million so that the additional sale could now be made.

<sup>70</sup> Note marginale :/Marginal note:  
 Noted by PM June 7. H.B. R[obinson]