

against China. They did not include an economic blockade but involved a proposal that all countries police their own trade with China so that no exports would go there. The United Kingdom did not agree but it seemed clear that there would be efforts to restrict trade movement considerably. Canada would clearly have to go at least as far as the United Kingdom.

75. The Cabinet noted the report of the Secretary of State for External Affairs concerning discussions presently under way in relation to measures that might be taken following a collapse of cease-fire discussions in Korea.

Ming Sung Company loan; report on present position

76. The Minister of Finance, referring to discussion at the meeting of September 26th, 1951, said that the Department of Finance had reported to representatives of the Ming Sung Shipping Company the decision of the government that it could not accept the proposal of the company for deferred payments. It had been indicated that the government would have to make good on the default to the banks and that the normal legal processes in relation to the default would have to take place. Hong Kong agents of the Department of Justice had been instructed to launch action for arrest of any vessels in Hong Kong after the final date. There was some possibility that the company might endeavour to make payment before that time.

77. The Cabinet noted the report of the Minister of Finance concerning notification to the Ming Sung Shipping Company that the government was unable to accept the proposal of the company for deferred payment of amounts currently in default on the loan.

Second Soviet atomic explosion

78. The Secretary of State for External Affairs said information had been received that a statement had just been released by the Office of the President of the United States that a second atomic explosion in the Soviet Union had been detected.

79. The Cabinet noted the report of the Secretary of State for External Affairs concerning

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