

done to impede or delay the shipment of this grain on schedule to China. We also spoke to the United States Embassy here.

There are still apparently some 140,000 tons of grain to be shipped from eastern Canada mostly by tanker, and four other tankers besides the *Belfast* have orders outstanding for this equipment. We have also been informed that in the past some other tankers have obtained this equipment from the United States and have used it on deliveries to China.

A.E. R[ITCHIE]
for Under-Secretary of State
for External Affairs

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DEA/9030-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

*Memorandum from Secretary of State for External Affairs
to Prime Minister*

CONFIDENTIAL

[Ottawa], June 7, 1961

UNLOADING EQUIPMENT FOR THE CHINA WHEAT SHIPS

Ambassador Heeney has given us several oral reports during the day on the progress being made with the US authorities on this matter. He has discussed the subject with Under Secretary Bowles and particularly with Mr. Ivan White, the Deputy Assistant Secretary for European Affairs, who has been making strenuous endeavours to get action agreeable to us. Mr. Heeney has also talked informally with the Chairman of the Senate Foreign Relations Committee who had been consulted by Bowles on the matter. Under Secretary Bowles has also discussed the possibilities with Mr. Dillon, the Secretary of the Treasury, who is absent in Connecticut. Ambassador Heeney has found on all sides a genuine desire to go as far as possible to ease the situation within the limits of existing US laws.

2. The position at the moment is that Mr. White is in the process of clearing a policy statement along the lines that the United States Treasury Department is prepared to licence exports of these items of equipment to ships in Quebec engaged in carrying wheat to mainland China, in those cases where orders have already been received by the supplier company in the United States. The proposed statement would emphasize that this action is being taken as an accommodation to the Government of Canada and it not to be regarded as a precedent.

3. Mr. White is not certain of the actual number of suction pumps already on order with the Illinois company but his impression is that the quantity is likely to be sufficient to meet the requirements of tankers loading within the next three or four weeks. This tapering-off of shipments should therefore allow time for alternative sources of supply to be developed.

4. We have indicated to Ambassador Heeney our hope that such a policy statement could be cleared before 11 a.m. tomorrow and that its release could be timed to coincide with any statement which you might wish to make in the House.⁶⁹

5. Ambassador Heeney has of course urged that this advance indication of the lines on which the US Administration is working should be kept quite confidential until its release has been approved.

⁶⁹ Voir Canada, Chambre des Communes, *Débats*, 1961, volume VI, pp. 6230 à 6231.
See Canada, House of Commons, *Debates*, 1961, Volume VI, pp. 6016-17.