

4. It is our view in the Department that the procedure as now suggested by Ball amounts to a general exemption for Canadian firms and would seem to be consistent with the assurance given to Canadian Ministers earlier in Washington.

5. I am also attaching a brief memorandum† to remind you of the position which you took with respect to the possible application of FAC controls to oil companies in Canada in connection with the movement of Canadian grain to China.<sup>17</sup>

N.A. R[OBERTSON]

833.

PCO

*Extrait des conclusions du Cabinet*

*Extract from Cabinet Conclusions*

SECRET

[Ottawa], May 9, 1961

*Present*

The Prime Minister and Acting Secretary of State for External Affairs (Mr. Diefenbaker) in the Chair,  
 The Minister of Finance (Mr. Fleming),  
 The Minister of Trade and Commerce (Mr. Hees),  
 The Minister of Transport (Mr. Balcer),  
 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 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),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry (Mr. Flemming),  
 The Secretary of State (Mr. Dorion),  
 The Minister without Portfolio (Mr. Halpenny).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

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CUBA; FOREIGN ASSETS CONTROL

24. *The Prime Minister* said that Mr. Ball, U.S. Under-Secretary of State, had informed the Canadian Ambassador in Washington that Trading with the Enemy provisions would probably be applied by the United States to Cuba. Mr. Ball had initially stated that a complete exemption from the application of Foreign Assets Control regulations could probably not be given to Canadian subsidiaries of U.S. firms. Mr. Heeney had protested against an alternative proposal suggested by Mr. Ball, and had reminded the State Department of the assurances given earlier to Canadian Ministers.

<sup>17</sup> Voir le chapitre VIII, 3<sup>e</sup> partie, section (a).  
 See Chapter VIII, Part 3 (a).