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*Extrait des conclusions du Cabinet*  
*Extract from Cabinet Conclusions*

SECRET

[Ottawa], January 22, 1963

*Present*

The Prime Minister (Mr. Diefenbaker) in the Chair,  
 The Secretary of State for External Affairs (Mr. Green),  
 The Minister of Justice (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 Public Works (Mr. Fulton),  
 The Minister of Finance (Mr. Nowlan),  
 The Minister of National Defence (Mr. Harkness),  
 The Postmaster General (Mrs. Fairclough),  
 The Minister of Fisheries (Mr. MacLean),  
 The Minister of Labour (Mr. Starr),  
 The Minister of Health and Welfare (Mr. Monteith),  
 The Minister of Agriculture (Mr. Hamilton),  
 The Minister of Defence Production (Mr. O'Hurley),  
 The Associate Minister of National Defence (Mr. Sévigny),  
 The Minister of Forestry and Minister of National Revenue (Mr. Flemming),  
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),  
 The Secretary of State (Mr. Halpenny),  
 The Minister of Mines and Technical Surveys (Mr. Martineau),  
 The Minister of Citizenship and Immigration (Mr. Bell),  
 The Minister without Portfolio (Senator McCutcheon).  
 The Secretary to the Cabinet (Mr. Bryce),  
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

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LAW OF THE SEA: PROPOSED COURSE OF ACTION  
(Previous reference August 23, 1962†)

16. *The Secretary of State for External Affairs* said that Canada should assert jurisdiction over the Bay of Fundy, the Gulf of St. Lawrence, Hudson Bay and Hudson Strait, Hecate Strait and Dixon Entrance. Other matters relating to the law of the sea should be deferred, but negotiations should be held with the United States and with France, seeking cancellation of their treaty rights and a tapering-off of the historic fishing rights claimed by them in these "special areas." Until Newfoundland had become part of Canada, this country could not validly have asserted jurisdiction over the Gulf of St. Lawrence.

Recently, when Soviet trawlers had entered the Bay of Fundy the Canadian government had contended that the Bay was part of Canada's territorial waters. A protest from the United States might have followed, but the U.S. took no action, perhaps because they did not wish to appear to be helping the Russians. The trawlers had withdrawn from the area.

The Cabinet Committee on Territorial Waters considered that eventually Canada should seek implementation of the straight baseline system for the determination of the line from which Canada's territorial waters might be measured. Canada should also assert a formal claim