

4. After a discussion of some of the U.S. opinions cited by the Chargé d'affaires on the prospects for Cuba, I mentioned the way in which the recent Cuban offer to negotiate with the Americans had been presented, suggesting that the embedding of it in violent anti-American language had made it harder for any American to consider it seriously. I also remarked on the interaction of world crises and suggested that progress in Laos, or at the nuclear tests conference might create conditions for an improvement over Cuba. Mr. Sieradzki agreed, but pointed out that this could work both ways.

5. As to any Canadian action, I told Mr. Sieradzki that it is, of course, necessary to be careful about the timing of representations in order to be sure that they will be as effective as possible. I mentioned that in the period immediately following the failure of the landings in Cuba, it would have been counter-productive to proffer advice to the Americans. In concluding the interview, I said I appreciated his calling and I thought an exchange of views on this subject of mutual interest was useful.

N.A. ROBERTSON

832.

DEA/11280-1-40

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

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

CONFIDENTIAL

Ottawa, May 9, 1961

CUBA: FOREIGN ASSETS CONTROL

In the attached telegram from Washington<sup>15</sup> Mr. Heeney reports a conversation in which Mr. Ball, the Under-Secretary of State for Economic Affairs in the State Department, informed him that it was likely that Trading with the Enemy provisions would be applied to Cuba. Ball went on to say that Treasury officials held the view that it would seem unlikely that it would be possible to provide for a complete exemption from the application of FAC regulations to Canadian subsidiaries of United States firms. Our Ambassador protested strongly against the alternative proposal suggested by Mr. Ball and reminded the State Department of the assurances given earlier to Canadian Ministers.

2. After his meeting with Ball yesterday Mr. Heeney telephoned the Department this morning to say that he had been in touch again today with Ball who had said that as, if and when Foreign Assets Controls were applied to Cuba, there would be a simultaneous announcement to the effect that there would be a complete waiver for firms located in Canada who were subsidiary to or under the control of United States companies.<sup>16</sup> This procedure would not involve an application for a blanket waiver as suggested yesterday by Ball and reported in paragraph 4 of the attached telegram.

3. The State Department have asked for an immediate reaction to their suggestion, and in view of the urgency of this matter I thought you might wish to raise it in Cabinet so that we would be in a position to instruct our Ambassador this morning as to the reply he should make.

<sup>15</sup> Voir/See document 830.

<sup>16</sup> Notes marginales :/Marginal notes:  
This OK. R.B. B[ryce]

Mr. Stoner: Washington has been informed. Mr. Heeney tells me that the waiver is now expected to be part of the Presidential order and not in a separate announcement. A.E. R[itchie]