

line about foreign countries failing to meet their international commitments. He thought this line of criticism would be very difficult to answer.

3. Weiss told us that John Evans, USA Representative in Geneva, had reported the Canadian government's intention to seek an Article 25 waiver at the next session of GATT Contracting Parties. Weiss said that presentationally this was unfortunate since it implied that the Canadian temporary measures would remain in force at least until October and probably later. He suggested that it would be helpful if Canada could reemphasize the temporary and emergency nature of the measures.

4. Weiss said that Evans in Geneva had been asked by Wyndman White to seek urgently USA Government's reaction to the suggestion that a meeting of the GATT Council should be called to discuss the emergency measures announced yesterday. Weiss reminded us that even for actions consistent with the GATT, the Council normally would be convened ten days after the action took effect. He thought it would be appropriate to apply the same timing with respect to actions which were not repeat not consistent with the GATT. Weiss was convinced that it would be useful to USA (particularly to the prospects of their trade bill) internationally and to Canada if we were to take the initiative in calling a meeting of the GATT Council as soon as possible, allowing time, however, for the IMF to arrange to have a representative attend the meeting. Johnson added that the result of the Council meeting was almost certain to be an endorsement of the Canadian Government's action; such an endorsement could be expected to contribute to the restoration of confidence which the Canadian Government was seeking.

5. The State Department would like to know not repeat not later than June 26, tomorrow, your reaction to the suggestion that Canada convene a meeting of GATT Council.

6. Other points that emerged from this morning's conversations were:

(a) At the press conference held June 24 by USA Treasury, the question had arisen whether USA would seek compensation from Canada, but the point apparently was not repeat not pursued. USA officials are apprehensive that this possibility may be raised from other quarters.⁸

(b) USA officials are concerned about the reference in the Prime Minister's statement to surplus capacity in Canada and alternative products produced in Canada which might be used to meet demands previously supplied by imports.

(c) It was made clear that in GATT USA would seek to obtain firm commitments about the temporary character of the import measures and would explore the possibility of alternative measures such as internal taxes applicable to domestic as well as imported goods.

7. In response to Weiss and Johnson we based ourselves on the Prime Minister's statement, the information provided in G-100 June 24† and the background briefing provided by Plumtpe on Sunday. We emphasized the overall objectives of the emergency program and the legislative limitations which made it necessary for the government to use the authority in existing legislation. We urged that in any public reactions the broad issues should be emphasized.

⁸ Note marginale :/Marginal note:

No comp for B[alance] of P[ayment] measures. What about their measures. [Auteur inconnu/Author unknown]