

SECRET

Ottawa, May 28, 1942

CANADIAN WHEAT FOR RUSSIA

22. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the position in respect of Canadian wheat shipments to the U.S.S.R. had been complicated by the recent U.S.-U.K. Protocol for supplies to Russia, to take effect from July 1st next. The list of items to be supplied under the Protocol included 2,400,000 tons of U.S. wheat, to be made available under Lease-Lend.

Meantime, Canadian wheat was being shipped to the U.S.S.R., and, in that connection, credit arrangements were still in process of negotiation in London. Presumably the Russians would not wish to buy Canadian wheat after July 1st, when American wheat would become available under Lease-Lend.

23. The War Committee, after some discussion, agreed that, in the circumstances, there was no reason for the Wheat Board to continue credit negotiations with the U.S.S.R., in London. Canadian wheat shipped prior to July 1st would probably have to be regarded as a gift, either to the United Kingdom, or to Russia.

The settlement of this question was left to the Departments of External Affairs, Finance and Trade and Commerce.