

Mr. Smith then returned to question of our commitments towards other areas of the world. He did not want to give impression he was thinking in terms of priorities or that cost would enter as a first element in our not joining either OAS or any other proposal made under Operation Pan America. He reviewed, however, financial commitments undertaken at Montreal Conference<sup>11</sup> and pointed out that a ten million dollar aid program to British West Indies<sup>12</sup> was striking close to Latin America. The Minister felt we had reached limit of our undertaking if we were not repeat not to get into financial difficulties or stretch our resources to point where we would cease to be effective. What he wished to underline was that there was no deliberate attempt on the part of Canadian Government to establish a scale of priorities which would exclude Latin America from our preoccupation.

(e) *Coffee Group.*

Minister told Brazilians Canadian Government was studying implications of our (group corrupt) coffee study group.

(f) Trade Minister said he had been struck by trade figures showing balance of payments unfavourable to Canada by ten million dollars and wondered if anything could be done about this. The Brazilian Foreign Minister did not comment. The Minister added Canadian market was readily accessible and that this was of assistance to Latin American countries.

Meeting was held in an atmosphere of great frankness cordiality. Brazilian Minister, his advisers were already aware of our attitude to problems of more immediate interest to them, and did not press their arguments vigorously on any particular issue.

[MARCEL] CADIEUX

527.

DEA/11253-J-40

*Le secrétaire d'État aux Affaires extérieures  
au premier ministre*

*Secretary of State for External Affairs  
to Prime Minister*

SECRET. CANADIAN EYES ONLY.

Ottawa, December 5, 1958

Dear Mr. Prime Minister,

I have just returned from my three-week goodwill visit to Latin America, and you may wish to have my general impressions on the countries I have just visited and our relations with them and Latin America generally.

Following the Colombo Plan Ministerial Meeting in Seattle, I spent two days in Vancouver with the officials of my Department who were to accompany me to Latin America, and we then flew to Rio de Janeiro via Mexico City and Lima, using Canadian Pacific Air Lines for the major part of the trip. I believe that the visit to Brazil was a success for Canada and served to strengthen the already warm relations between our two countries. I had the opportunities for very frank exchanges of views with President Kubitschek and Foreign Minister Negrao de Lima, and copies of a memorandum and a telegram<sup>13</sup> on these two conversations are attached for your information.

<sup>11</sup> Voir volume 24, chapitre III, 3<sup>e</sup> partie./See Volume 24, Chapter III, Part 3.

<sup>12</sup> Voir volume 24, les documents 445 à 453./See Volume 24, Documents 445-453.

<sup>13</sup> Voir le document précédent./See the previous document.