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*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 433

London, February 21, 1951

RESTRICTED. IMMEDIATE.

Following for Abbott from McKinnon, Begins: Re your GATDEL No. 3 of February 10, 1951. Since its arrival on the 13 instant we have carried on exploratory talks with the Cubans necessarily feeling them out on both alternatives but without committing ourselves to either, or to quantities. Resulting from yesterday's meeting we can now state definitely that the Cuban position is that they want to negotiate on the basis of an allocated, repeat allocated, bulk purchase. Since they are firm on this point we cannot profitably pursue discussions until informed (a) if government is prepared to use bulk purchase device, and (b) if so, is prepared to contemplate allocation. Relevant consideration for you apart from matter of mechanics is that other important non-preferential suppliers may later similarly seek allocation. In the interests of our commercial relations with such suppliers and the principles of GATT any such representations could not be ignored.

2. Following definite advice as to Cuban preference re method we held exploratory talk with special representative of colonial office sent from London for purpose. As we had expected we found him greatly perturbed at prospect of any deal but emphatically favouring bulk purchase over tariff quota, which latter we warned was still alternative possibility. This dislike of tariff quota method undoubtedly would hold with other Commonwealth producers, none of whom as yet we have consulted.

3. Colonial office representative confirmed in general Cuban statement already reported to you that United Kingdom is giving consideration to large bulk purchase of Cuban raws. He revealed also that their firm hope and expectation had been that higher priced preferential raws would continue to supply entire Canadian requirements.

4. Since Cuban emphasis on allocation will continue regardless of technique to be followed, we would appreciate urgent reply.