

Uruguay, from the reserve in foreign exchange obtained by Uruguay through her exports to the United States”.

3. This interpretation of the Treaty imposes, of course, a very restrictive conception of the commercial relations which should exist between countries. Your comments on this point would be greatly appreciated, not only for our enlightenment in the present discussion, but mostly for our future guidance in this respect. Both the Bank of the Republic and the Head of the Economic Division insist in private conversations, on the necessity for us to individualize more our purchases from Uruguay as for instance in the purchases of Uruguayan wool from Boston. It would help materially to build the foreign exchange reserve so badly needed in cases such as those mentioned in your letter under reference. At the present time, our wool purchases made in Boston are credited in US dollars to the United States, and unless our imports from Uruguay are clearly defined and reported it seems that we may run again against this difficulty.

4. I remain at your disposal for whatever further action you may consider desirable in this case.

FULGENCE CHARPENTIER
Chargé d’Affaires

[PIÈCE JOINTE/ENCLOSURE]

*Le ministre des Relations extérieures d’Uruguay
au chargé d’affaires en Uruguay [Traduction]*

*Minister of External Relations of Uruguay
to Chargé d’Affaires in Uruguay [Translation]*

[Montevideo, n.d.]

Mr. Chargé d’Affaires,

I have the honour to refer to your note regarding the allocation of foreign exchange for the importation of goods by Uruguay, and the provisions of the Trade Agreement existing between our two countries respecting this question.

In this connection our Department has communicated with the Bank of the Republic asking for a report on an apparent case of discrimination in the recent allocations of foreign exchange.

The following answer has been received from the Bank of the Republic:

“In the opinion of this General sub-administration the provisions invoked (by the Canadian Embassy) cannot have another meaning than to a given volume of commercial exchanges between two or more countries should correspond an equal allocation of foreign exchange in each instance. It is evident that if we did act otherwise one or the other would suffer a prejudice.

“But such is not the situation in the present case, if we cast a glance at the commercial exchanges between Uruguay and Canada during the years 1949, 1950 and 1951: