

tioning the long outstanding question of the liquidation of the Canadian debts. Mr. Ellis-Rees said that he had ascertained that the Spanish Exchange authorities (the Instituto Español de Monéda Extranjera) has agreed to a scheme of liquidation but that nothing had been done. It had been hinted to him that this was on account of political differences with Canada, but in any event he would like to tell the Canadians what was holding things up.

Señor Navasques replied that Spain's diplomatic relations with Canada were not normal. They felt that the Canadians had treated them badly and that if they could not normalize relations, the Spanish Government would find it difficult to normalize financial matters. He added that he had no objection to our informing the Canadian Government of the reason for holding up the debt settlement which in the ordinary way would give them no trouble at all.

Yours sincerely,

PRISCILLA WELLS
p.p. K. S. Weston

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*Le délégué commercial au Portugal au directeur, le service
des délégués commerciaux, le ministère du Commerce*

*Trade Commissioner in Portugal to Director, Trade Commissioner Service,
Department of Trade and Commerce*

Lisbon, December 10, 1946

Dear Mr. Heasman,

I have for acknowledgment your telegram of November 28th[†] enquiring as to the present situation in Spain concerning the importation of Canadian seed potatoes. The situation in Spain is precisely that which exists in Portugal, in that the import of potatoes of whatever class or kind are prohibited from the North American continent due to the prevalence of the Colorado potato beetle. I was aware of this fact from unofficial sources and I had been endeavouring through the same means to discover what the possibilities are of obtaining a change in the existing regulations in Spain. I did not reply to your cable earlier as I was fully aware of the fact that you required official information rather than my unofficial or hearsay knowledge and it was only yesterday that I received a definite reply from Spain to the effect that potatoes from North America were not allowed to enter that country.

In view of the very strong attitude which has been taken by Canadian delegates to U.N.O. who, despite the fact that we had no diplomatic mission or other diplomatic or governmental source of information in Spain, have categorically condemned the Spanish regime, I have felt most hesitant about taking or asking that there be taken any steps to place our case as regards seed potatoes or, for that matter, any other official question before the Spanish authorities. I would therefore like to have your direct instructions