

expressly stipulates otherwise. It would appear, therefore, that the Uruguayan authorities seem to feel free to discriminate as between the United States and Canada.

3. Article II of the Canada-Uruguay Trade Agreement provides for equal treatment in the allocation of dollar exchange. It reads "The Contracting Parties will grant each other in all matters pertaining to the allocation of exchange made available for commercial transactions or in the allocation of quotas, either in respect of exchange or in respect of quantitative control of imports, treatment not less favourable than is granted to any other country".

4. As the ability of Canadian firms to compete in the Uruguayan market is impaired by this discrimination, and moreover as it is not in accordance with our Trade Agreement with Uruguay, I should be grateful if you would bring this matter to the attention of the Uruguayan Government and let me know what reply you receive. In addressing your note to the Foreign Ministry, it should state our concern about this discriminatory treatment and express our hope that Uruguay will in future ensure equality of treatment for Canadian goods in the allocation of dollar exchange.

A.E. RITCHIE
for the Secretary of State
for External Affairs

1112.

DEA/4905-40

L'ambassade en Uruguay
au sous-secrétaire d'État aux Affaires extérieures
Embassy in Uruguay
to Under-Secretary of State for External Affairs

LETTER NO. 194

Montevideo, October 13, 1953

CANADA-URUGUAY TRADE AGREEMENT — ADDITIONAL PROTOCOL

Reference: Your letter No. 143 of September 30, 1953.†¹³

After waiting three months we have finally received an answer to the official protest which you had asked me to address to the Department of Foreign Relations concerning a concrete case of discrimination against Canadian goods in the allocation of foreign exchange. You will find enclosed a copy of the reply in the original language (Spanish)† and my own translation in English of the said text.

2. The Bank of the Republic, which is the competent authority in this matter, states, in substance, that the terms of the Trade Agreement existing between the two countries cannot be interpreted in any other way than that "to a given volume of commercial exchanges between two or more countries should correspond an equal allocation of foreign exchange in each instance". Elaborating on this point, the Bank authorities add that "Canada benefitted, for the payment of her exports to

¹³ Cette référence concerne en fait le document 1111; voir le paragraphe 1 du document 1113.
This reference should actually be to Document 1111; see paragraph 1 of Document 1113.