

President's anticipated difficulty in obtaining the approval of the Cuban Congress. We were informed, however, that there would be no objection if Canada desired to proceed with the appointment of an ambassador in Havana.

3. Owing to Mr. Vaillancourt's departure from Havana for Belgrade, the question was reconsidered in the Department. We were reluctant to take the initiative again, since at that time the United Kingdom, which only maintains a legation in Havana, was undertaking certain negotiations with the Cuban Government and did not wish to agree to the raising of their respective missions unless these negotiations were concluded in a manner satisfactory to the United Kingdom. We did not wish any action on our part to weaken any bargaining power which the United Kingdom might have had in their discussions. A further reason was that we ourselves were making important representations on the question of taxation of Canadian insurance companies and might have wished to make use of this step.

4. Now that we have been approached by the Cubans, the question has been given further consideration. At the present moment there seems no likelihood that further delay will assist either the United Kingdom or Canada in current negotiations with Cuba. The United Kingdom's discussions have reached a stalemate. One of the Canadian insurance companies — the Manufacturers' Life — has already received a bill for back taxes, but the new Minister of Finance is reported by both Dr. Coleman and the insurance companies concerned to be willing to adopt a more favourable attitude to our representations. I think that acceptance of the Cuban proposal at this time would certainly not prejudice our position in this question and might even to some extent contribute toward insuring a more equitable solution. I think that the same would apply to other fields such as telecommunications, where Cuba's cooperation is of importance to us. Moreover, Dr. Coleman has had informal conversations with the United Kingdom Minister and reports that in his opinion the proposed elevation of the Canadian mission would not have any adverse effect on United Kingdom-Cuban relations or on United Kingdom-Canadian relations in Cuba. He has also pointed out that in any event the Cuban Congress has not approved the raising of the Cuban mission in the United Kingdom. Finally, I think that, in view of our earlier initiative in the matter, it would be difficult to return a negative answer to this informal approach.

5. Accordingly I recommend that Dr. Coleman be instructed to inform the Cuban authorities that the Canadian Government accepts their proposal for the raising of the missions to the rank of embassy. However, as the United Kingdom legation in Havana for many years looked after Canadian interests in Cuba and United Kingdom consuls continue to perform certain consular services for us in various parts of Cuba, I suggest that we send advance notice to the United Kingdom, through the Canadian High Commissioner in London, of our intention.<sup>3</sup>

<sup>3</sup> Note marginale :/Marginal note:

I agree. L.B.[earson].

Le Cabinet a approuvé la nomination le 4 septembre 1950.

The appointment was approved by Cabinet on September 4, 1950.