

of shipments during corresponding period of last year whereas other countries, notably United Kingdom and Germany, are accorded quotas equivalent to their entire shipments during corresponding period of last year. Would appreciate if you could verify this information and, if correct or substantially correct, make representations on behalf of His Majesty's Government in Canada against application of unfair quota (which we consider is entirely unjustifiable) pointing out that Spanish goods are enjoying in Canada benefit of most-favoured-nation treatment and that no quota is being imposed on any Spanish goods by Canada.

986.

*L'ambassadeur de Grande-Bretagne en Espagne au secrétaire d'État  
aux Affaires extérieures*

*British Ambassador in Spain to Secretary of State for External Affairs*

Madrid, June 28, 1935

Sir,

I have the honour, with reference to my telegram of to-day's date, to transmit to you herewith translation of the *Note Verbale* which I have received from the Spanish Ministry of State in reply to the representations which I made on receipt of your telegram of the 28th May concerning the quota allotted to motorcar exports of Canadian origin.

I have etc.

GEORGE GRAHAME

[PIÈCE-JOINTE / ENCLOSURE]

NOTE VERBALE

TRANSLATION

No. 194

The Ministry of State presents its compliments to the British Embassy and, in reply to its Note Verbale No. 188 of the 3rd instant, has the honour to state that the Spanish Government, in fixing the imports of Canadian automobiles at 10% of its imports for a similar period of the previous year has been guided by the fact that the most-favoured-nation clause is not applicable to the régime of quotas in virtue of the provisions in force in regard to that régime. It has also taken into account the development of Spanish-Canadian exchange of goods which shows a chronic deficit against Spain, all of which circumstances prevent the Spanish Government from according more benevolent treatment to Canada.

Hitherto the Spanish Government, in fixing quotas which might be of interest to Canadian exporters, has managed to concede so far as possible