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*Le chef de la délégation du commerce
au directeur par intérim de la Direction des Relations
internationales du commerce du ministère du Commerce*

*Head of Trade Delegation
to Acting Director, International Trade Relations Division,
Department of Trade and Commerce*

San Jose, November 19, 1950

Dear Dr. Weeks:

MODUS VIVENDI WITH COSTA RICA

Following our letter of November 14, negotiations with Costa Rica proceeded smoothly and rapidly, and on November 17th we sent you a cablegram† en clair detailing the various Articles adopted from the drafts prepared in Caracas. Early on the morning of Nov. 18th we received the cable of Nov. 17th† from the Department of External Affairs and were able to clear with the Costa Rican Minister of Finance that there would be no publicity until 9 p.m. on the evening of Monday, Nov. 20th.

Dealing with this point only, it subsequently turned out that a newspaper man stole copies of the modus vivendi from the office of one of the negotiators. The Minister of Finance himself recovered one copy from one newspaper man, but *La Prensa Libre* although approached personally by the negotiator concerned, refused to cooperate by withholding publication. That newspaper published most of the text on Saturday evening. The Sunday morning papers withheld publication and merely noted that an agreement had been signed. We do not yet know whether the San Jose leakage on Saturday was actually conveyed to Canada.

In our cablegram en clair of Nov. 18th† we explained the procedure followed in Costa Rica whereby such agreements require formal approval of the Costa Rican Legislative Assembly. In our coded cablegram of Nov. 18th† we gave further information and background.

In addition to the information cabled to you, we have subsequently learned from conversation with Mr. F. Cunningham, the local U.S.A. Commercial Attaché, that when Costa Rica got into exchange difficulties, it adopted certain exchange controls which were inconsistent with its agreement with the United States. This was the reason why the U.S.A. temporarily suspended the commercial agreement in April, 1950, so as to free the Costa Rican Government to take the measures which appeared to be necessary. This temporary suspension, in the opinion of Mr. Cunningham, is unlikely to continue beyond April 1, 1951, but it is expected that Costa Rica will find it necessary to continue the exchange restrictions at least until next September. This means that between April and September the Costa Rican authorities will again be acting in breach of their agreement with the United States. While Mr. Cunningham himself feels that a new agreement with Costa Rica would be in