

1100.

DEA/2588-40

L'ambassadeur au Brésil au secrétaire d'État aux Affaires extérieures
Ambassador in Brazil to Secretary of State for External Affairs

TELEGRAM 49

Rio de Janeiro, August 27, 1953

CONFIDENTIAL

COMMERCIAL ARREARS

Reference: Your telegram No. 53 of August 20.

Note delivered personally to the Chief of the Economic Division Ministry of External Relations, August 25th. His only comment without reading the note was, does it suggest any method of settlement.

1101.

DEA/2588-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur au Brésil
Secretary of State for External Affairs to Ambassador in Brazil

TELEGRAM 64

Ottawa, November 3, 1953

CONFIDENTIAL

COMMERCIAL ARREARS

Reference: Your telegram No. 49 of August 27th.

We are concerned that there has been no reply to our last note on this subject. We have observed that, apart from its use of funds from the Export-Import bank loan, Brazil is also reported to be drawing on its own dollar resources for the settlement of arrears and that, under the new Brazilian import and exchange regulations, 30% of all exchange earnings are being set aside for debt liquidation. In addition, it would appear that arrears owing to United States exporters are being progressively liquidated and that Brazil has agreed to settle outstanding debts owing to the United Kingdom.

In the circumstances, Canadian exporters are at a serious and growing disadvantage with respect to their competitors and we feel that further early representations are desirable.

It would be appropriate if you could approach the Brazilian authorities as soon as possible after you have presented your credentials to express the concern with which the Canadian Government views the long delay in settling debts owing to Canadian exporters and to express our hope that it may soon be possible for the Brazilian authorities to resume payment of Canadian accounts. In general, we suggest that it would be advisable to follow substantially the same line adopted in our last note (the text of which was contained in our telegram No. 53 of August 20.)