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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*

Quito, November 2, 1950

Dear Dr. Weeks:

NEGOTIATIONS WITH ECUADOR

With reference to your letter of October 26,† your file 30810-A, it seems useful to make reference to some earlier exchanges. In our cable of October 26† we advised you that negotiations had commenced that day, and enquired as to whether your comments on the Ecuadorian draft agreement might contain any urgent information useful in our discussions. We wish to thank you for your cable of October 27 reading:

“RETEL twentysixth full comments also press release similar Venezuela sent yesterday stop Draft Ecuador Treaty Articles one four five six nine unsuitable”.

We had already rejected the Articles you enumerated.

At the time we sent our cable of October 26 it appeared that there would be no unusual delay and we had reason to anticipate that the negotiations for a Modus Vivendi might well be concluded by about Monday, October 30. However progress was not as rapid as expected, and on Oct. 30 we sent you a further cable reading:

“No developments in time for publication Foreign Trade this week but hope cable further news before leaving November fourth”.

We were not very optimistic, but prospects were not definitely negative. By November 1 the situation had reached the stage where it seemed worthwhile to stay an additional week, and we sent you our cable of November 1st reading:

“Have decided that local prospects justify our staying Quito until November eleven writing stop Please advise our offices and families”.

You may find it of interest if we try to summarize in a few paragraphs the course of developments during our visit to Ecuador.

Ecuador is, as you know, a relatively undeveloped country with a population of some three millions, most of whom are engaged in agriculture, and have a low standard of living. They consider that their export industry in most need of help is bananas. They export coffee, cocoa, and rice, but they told us that they have no difficulty in disposing of exportable surplus. They also have small exports of panama hats, vegetable ivory, balsa wood, and a few other items, but they have emphasized to us throughout that their one important export article is bananas and that their major interest in the trade agreement would be the question as to what it might