

against us. Although no reply has been received to our letter of December 1st, it may be that a change of heart has taken place on the part of the Uruguayan authorities.

5. For these considerations, and the Commercial Secretary's memorandum on this subject (copy enclosed) supports these views, it may prove more profitable to hold your letter in abeyance unless the Import and Export Control Board reverts to their objectionable practice. If and when a recurrence of discrimination against Canada happens, immediate use will be made of your letter.

FULGENCE CHARPENTIER
Chargé d'Affaires

[PIÈCE JOINTE/ENCLOSURE]

*Note du secrétaire (Commerce) en Uruguay
au chargé d'affaires en Uruguay*

*Memorandum from Commercial Secretary in Uruguay
to Chargé d'Affaires in Uruguay*

Montevideo, January 8, 1954

URUGUAYAN IMPORT CONTROLS

Referring to: Letter from the Under-Secretary of State of External Affairs dated December 17th 1953.

1. While agreeing entirely that the theory the Uruguayan Authorities follow in granting foreign exchange on a bilateral basis is unsatisfactory, I am not sure that in practice this theory is always followed. Just at present I don't think Canada can complain.

2. You will recall that when we called on the Head of the Economic Section of the Uruguayan Department of External Relations, the bilateral theory was strongly defended, and when we called on the Central Bank it was again defended; when, however, we visited the Foreign Exchange Control Board Chief,¹⁴ we were relieved to find that that individual felt that as far as he was concerned there was no difference between Canadian and American dollars.

3. Subsequently, when the next case came to my notice of an import quota being made available from the United States but not from Canada, you protested to the chief of the Uruguayan Import and Export Control Board. I suggested this for two reasons. Firstly, he was the most sympathetic to our point of view. Secondly, it is he who is in the firing line, as it were. In other words, the Economic Section of the Department of External Affairs formulates policy, the Central Bank makes the amounts of Foreign Currency available, *but* it is the Import and Export Control Board which, as far as I could ascertain, decides what to do with the monies made available by the Bank.

¹⁴ L'annotation suivante a été dactylographiée sur notre copie du document:

The following was typed on this copy of the document:

i.e. Import & Export Control Board.