

- " VII - " V, Paragraphs 1, 2 and 3, draft trade agreement.  
 " VIII - " VI of draft modus vivendi.

On Sunday we invited the three Costa Rican officials who met us at the airport (at least two of whom are on the Costa Rican delegation) to have lunch with us on Monday. The luncheon went very well indeed, and we placed in the hands of the Costa Ricans four copies in Spanish of the new draft, "tailor-made" for Costa Rica.

This morning we had a meeting lasting approximately one and a half hours with the Costa Rican Minister of Finance & Commerce, together with his two officials who had met us, and the chief legal advisor of his Department. It was clear that our draft had met with their approval in principle, and there seemed little objection to the draft, with the possible exception that they may wish to re-draft Article VI. It is not likely though not impossible, that they may wish to do something to Article IV. There was some discussion of the theoretical possibility that they might wish to give conditional m.f.n. treatment in the form of a special tariff on one or several specific commodities, but this was purely theoretical and the Minister himself indicated that this would not be likely to occur under the present Government. All in all we feel that we can send you this draft as a reasonably close indication of what may ultimately be agreed upon.

The Minister is inclined to place the projected modus vivendi before Congress, which is at present sitting, or at least before a Committee of Congress, as it is his view that Congress would like to have an opportunity of examining the draft even though it is also his view that Congress is hardly likely to raise any objection. It has not yet been decided what procedure will be adopted, but in any event in the next 24 hours he plans to discuss the draft for the second time with the President of Costa Rica and to discuss it also with the Minister of Foreign Relations. We are to be advised perhaps tomorrow, Wednesday, of any final decision, although the decision may not be final for a day or two in the sense that Costa Rica may request a few minor changes.

We shall of course cable you as soon as there is anything definite. Meanwhile we hope that you will have this letter in your hands by Friday morning.

Perhaps events are moving too quickly for you to have sent on a draft press release, or perhaps it will arrive by Friday. In any event unless something extraordinary occurs, it would appear that the standard form of press release will serve the purpose without any embroidery such as was requested by the last country we visited.

Yours faithfully,  
 H. LESLIE BROWN