

ten-fold but competition, particularly from Continental European countries, is becoming keener; our diplomatic relations already cover a good part of the continent; the Latin American bloc, particularly in the field of economics and international finance, is becoming more and more restive at the United Nations, and even the political leadership of the United States is at times questioned. These, and other factors, must be taken into consideration when discussing this problem.

5. There may, however, be other valid reasons why an invitation to accept observer status should not be encouraged at this time. I doubt that the reason advanced by the Canadian Ambassador in Venezuela in his despatch No. 370 of October 20th is one of them. Personally, I also believe that the line taken by the United Press correspondent in the attached article is misleading although one must recognize that, in view of the lack of guidance in this matter, any interpretation is as good as the other.

6. These considerations are motivated by the fact that too negative an approach to this problem may be harmful to the sort of cooperation we want to develop with Latin American countries individually. Whatever way we look at our relations with Latin America over the next ten years or so, I feel that it is in Canada's interest that they become more and more intimate. If a more forthcoming attitude towards the OAS helps us at all in this respect, then the most serious consideration should be given to the invitation which has been extended to the Canadian Government by the State Department.

JULES LÉGER

## 2° PARTIE/PART 2

### RELATIONS AVEC DES PAYS PARTICULIERS RELATIONS WITH INDIVIDUAL COUNTRIES

#### SECTION A

BRÉSIL: ARRIÉRÉS COMMERCIAUX  
BRAZIL: COMMERCIAL ARREARS

1099.

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 53

Ottawa, August 20, 1953

CONFIDENTIAL

#### COMMERCIAL ARREARS

The debts owed by Brazil to Canadian firms are now estimated at about \$12 million, of which about \$4 million represent amounts covered by the Export Credits Insurance Corporation. These debts are mostly in US dollars and form part of the