

[PIÈCE JOINTE/ENCLOSURE]

Aide-Mémoire

Ottawa, November 28, 1958

This is to inform that the Government of the USSR, having in view Article IX of the Trade Agreement between Canada and the USSR signed on the 29th of February, 1956, is willing to extend for a further three-year period the validity of the above-mentioned Trade Agreement as well as the letters concerning the terms of duty fixing.

Provided the Government of Canada also gives its consent, an agreement on the term of validity of the above Trade Agreement could be made through the signing of a corresponding Protocol or an exchange of letters.

523.

DEA/6226-A-40

*Le sous-ministre du Commerce
au ministre du Commerce*

*Deputy Minister of Trade and Commerce
to Minister of Trade and Commerce*

[Ottawa], December 9, 1958

PROPOSED REPLY TO SOVIET AIDE MÉMOIRE

Attached is a copy of the Soviet Aide Mémoire of November 28 concerning the renewal of the trade agreement which Mr. Lobatchev presented to you together with our proposed reply to this Aide Mémoire. The reply has been cleared with the other Departments concerned. You will note that some revisions have been made in the reply as compared with our previous draft.† These changes are merely presentational and are intended to shorten our reply without altering its substance. If you approve of this reply it is suggested that you might wish to hand it to Mr. Lobatchev when he calls on you on December 10 and propose to him that further discussions might be conducted on an official level in Ottawa.

It was felt that it may be more appropriate and effective at this stage if some of the points which were included in the previous draft were to be raised orally by yourself in your meeting with Mr. Lobatchev. These points are as follows: that the benefits of Canadian MFN treatment give the USSR access to the open and expanding Canadian market on a basis of equality with other suppliers; that in our opinion a balance of benefits accruing from an exchange of MFN treatment can, in view of the differing trading systems of the two countries, be maintained only if it is accompanied by specific Soviet commitments to make purchases of Canadian goods; that the Soviet Union should therefore undertake to make annual purchases of Canadian wheat along substantially the same lines as in the current exchange of letters; and, in addition, that the Canadian authorities hope the USSR would be in a position to undertake to import stated quantities of other Canadian products which are available for export. You might also wish to mention to Mr. Lobatchev our willingness to discuss with USSR representatives existing opportunities for developing Soviet exports to Canada.

JOHN H. ENGLISH