

10. The Government of the United Kingdom shall, not later than the beginning of December in each year, start to review in consultation with the Government of Canada and other principal co-operating Governments the extent to which the objectives set out in paragraphs 3 and 4 of this Letter are, having regard to all relevant factors, being achieved.

11. If it is found as a result of a review of the minimum import price arrangements under paragraph 9 that they have resulted in an appreciable distortion of the pattern of trade in the products which this Letter covers between co-operating Governments supplying the United Kingdom and in consequence have damaged or threaten to damage the trade interests of the Government of Canada, the Government of the United Kingdom shall take effective corrective action in consultation with the Government of Canada and other co-operating Governments and in accordance with the procedures outlined in paragraph 7 to remedy the situation. In addition, consultation will take place between the Government of the United Kingdom and co-operating Governments and if it is thereby found that the total imports of cereals (including the wheat equivalent of wheat flour) have shown or threaten to show an appreciable decline below the average volume of such imports during the three years preceding 1st July, 1964, and that this decline has taken place or threatens to take place because the changes outlined in paragraph 5 have failed to be effective for the purpose of maintaining that volume of imports, the Government of the United Kingdom shall take effective corrective action at the earliest practicable time to remedy the situation.

12. The Government of the United Kingdom believe that the introduction of the measures outlined in this Letter for the purpose of attaining the objectives in paragraph 4 above would further the prospects of attaining the longer term objectives set out in paragraph 3 for the attainment of which the Government of the United Kingdom and the Government of Canada will be working. Accordingly, any arrangements contained in this Exchange of Letters shall be without prejudice to, and indeed are intended to facilitate the negotiation of, international cereals arrangements embodying more comprehensive commitments by all participating countries, whether importing or exporting. Moreover, it is understood that any measures taken as a result of this Exchange of Letters shall be terminated in so far as it is mutually agreed that they may be inconsistent with, or superseded by, the provisions of such later international arrangements to which both the Government of the United Kingdom and the Government of Canada are parties.

13. It is the intention of the Government of the United Kingdom so to operate the minimum import price system that it shall not result in an impairment of the benefits enjoyed by preferential suppliers from their existing preferences in the United Kingdom market. Moreover in the case of wheat-flour it is the intention of the Government of the United Kingdom not to provide under minimum import price arrangements any additional advantages to millers in co-operating countries or in the United Kingdom. If it is found that either of these intentions is not fulfilled or threatens not to be fulfilled, the Government of the United Kingdom shall take effective corrective action after consultation with other co-operating Governments.

14. In the light of all these considerations it is the understanding of the Government of the United Kingdom that the Government of Canada will co-operate so far as practicable in the operation and observance of minimum import prices prescribed for the products covered in the Annex to this Letter subject to the understandings set out herein.