

ernment can not make any commitment as to whether it will be possible to agree to a reduction in the rates of duty on particular products, each of which must be carefully studied in the light of existing economic conditions before any decision can be reached. This is the procedure which has been adopted and followed in connection with the trade agreement negotiations with other Governments. Correspondingly, it is understood that your Government will wish to give the same study to individual products upon which this Government may request reductions in the Canadian rates of duty.

I suggest that to the proposed outline of discussions there be added the question of methods of determining the value of merchandise for duty purposes in either country, a matter which I consider of importance in the proposed negotiations.

On the basis of these general observations, this Government holds itself in readiness to begin immediate preparations for trade agreement negotiations.

Accept, Sir, the renewed assurances of my highest consideration.

(Sgd.) CORDELL HULL.

The Honourable

WILLIAM DUNCAN HERRIDGE, K.C., D.S.O., M.C.,

Minister of the Dominion of Canada.