

ANNEX

II

*The Ministry of Foreign Affairs of the Islamic Republic of Pakistan to the
Embassy of Canada*

Islamabad, August 2, 1975.

No. EC(I)-22/35/74

The Ministry of Foreign Affairs presents its compliments to the Embassy of Canada, Islamabad, and with reference to their Note No. 392 dated October 9, 1974 and correspondence resting with this Ministry's Note of even number dated October 23, 1974, has the honour to state that the authorities concerned, who were consulted in the matter, have furnished their comments which are reproduced below:—

“Article 4 of the draft agreement entitles the Export Development Corporation of Canada to collect insurance premia in rupees in Pakistan and these rupees would become available to the Canadian Government to meet its local expenses. This would mean a loss of inward remittance to Pakistan. Similarly, if a Canadian firm in Pakistan collects war risk damages in rupees from the Government of Pakistan these rupees become virtually converted to Canadian dollars if the agreement between the firm and the Export Development Corporation of Canada provides that such rupees be given to the Corporation”.

2. It has, therefore, been proposed by the authorities concerned that article 4 of the draft agreement may be deleted.

3. This Ministry shall be grateful if the aforesaid comments are conveyed to the authorities concerned in Canada and their reactions intimated to this Ministry in order to further examine the draft agreement.

4. The Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

A. A.

The Embassy of Canada
in Pakistan,
Islamabad.