

arising from activities conducted directly pursuant to the Project except when such damage or injury results from the wilful acts or gross negligence of the agents of Canada or ESRO. In the event of claims in respect of damage or injury arising from activities conducted directly pursuant to the Project and caused to persons not nationals of Canada or of any Member States of ESRO, the Government of Canada and ESRO agree to consult promptly on the disposal of such claims and on an equitable sharing of any payments for settlement of such claims. If an agreement on the disposal of such claims or on an equitable sharing of payments is not reached within 180 days, when the matter shall promptly be submitted to arbitration in accordance with such modalities as may be agreed by the Government of Canada and ESRO.

4. Any disputes arising out of the interpretation or application of the principles, terms and conditions contained in this Note or in the Memorandum of Understanding shall be referred for resolution in the first instance to DOC and ESRO. Should DOC and ESRO be unable to resolve the dispute, then it shall promptly be submitted to arbitration in accordance with such modalities as may be agreed by the Government of Canada and ESRO.
5. The Government of Canada and ESRO shall, in accordance with the laws and regulations applicable in Canada and the Member States of ESRO respectively, use their best efforts to obtain free customs clearance for equipment relating to the Project, and shall facilitate the admission and sojourn of nationals of the Member States of ESRO and of Canada respectively to pursue activities relating to the implementation of this Project.

I have the honour to propose that if the principles and conditions contained in this Note are acceptable to ESRO, this Note, together with the attached Memorandum of Understanding, which are authentic in English and in French, and your reply in confirmation, shall constitute an agreement between the Government of Canada and ESRO for cooperation in a joint DOC/ESRO Project on advanced space technology which shall enter into force on the date of your reply.

Accept, Excellency, the assurances of my highest consideration.

MITCHELL SHARP  
*Secretary of State  
for External Affairs.*

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