

Washington, August 1, 1989

Excellency:

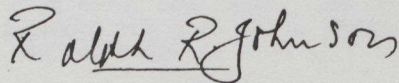
I have the honor to refer to your Note of March 30, 1989, which refers to the conclusion of discussions between officials of our two Governments concerning the rate of tolls, the division of toll revenue between the St. Lawrence Seaway Authority in Canada and the Saint Lawrence Seaway Development Corporation in the United States and revised Tariff definitions and further to the signature by the two Seaway entities of the Memorandum of Agreement enclosed with your Note.

I have the further honor to inform you that the proposal in your Note is acceptable to the Government of the United States and to confirm that your Note, together with the enclosed Memorandum of Agreement, and this reply shall constitute an Agreement between the two Governments which shall enter into force on the date of this Note.

I wish to refer as well to the ongoing bilateral discussions concerning the long-term financial needs of the Seaway, the object of which discussions is eliminating or reducing tolls.

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

For the Secretary of State



R. R. Johnson

His Excellency

Derek Burney,

Ambassador of Canada.