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*The First Deputy Minister of Foreign Affairs of the Hungarian
People's Republic to the Canadian Minister of Trade
and Commerce*

HEAD OF THE DELEGATION OF THE HUNGARIAN PEOPLE'S REPUBLIC

June 11, 1964.

Sir,

On the occasion of signing today the Trade Agreement between the Government of the Hungarian People's Republic and the Government of Canada, I have the honour to confirm that, in pursuance of the desire of the Government of the Hungarian People's Republic and the Government of Canada to expand trade between the two countries, we have reached the following understandings:

The Government of the Hungarian People's Republic will see to it that the appropriate Hungarian Foreign Trade Enterprises shall buy in Canada under normal commercial conditions Canadian goods of their choice from Canadian firms or their agents to a value of \$24 million during the three years of the current Agreement, with purchases in each of the first and second years of the Agreement of not less than \$4 million and \$5 million respectively. These purchases shall include Canadian wheat in the quantities and under the conditions indicated hereunder:

The Government of the Hungarian People's Republic will see to it that the Hungarian Foreign Trade Enterprise, Agrimpex, shall buy, and the Government of Canada undertakes to supply through the Canadian Wheat Board or its agents, during the three years of the current Agreement, 250,000 metric tons of Canadian wheat for shipment from Canada. At buyer's option, all or part of the above mentioned quantity of wheat may be taken in flour equivalent.

It is further agreed that any cash purchases in Canada of Canadian feed barley by Agrimpex, up to 125,000 metric tons during the three years of the current Agreement, shall be accepted against the total Hungarian wheat purchase commitment.

In recognition of the possible variation in Hungary's annual import needs for wheat it is understood that the quantities of wheat purchased by Agrimpex under the above commitment may vary from year to year. However, it is agreed that, in each of the first two years of the Agreement, the Hungarian purchase of wheat as such shall be not less than 30,000 metric tons.

Quantities of Canadian wheat which may be purchased by Agrimpex and supplied by the Canadian Wheat Board in excess of the 250,000 metric tons mentioned above, will be subject to negotiation between the two parties.

It is the wish of the two Governments that trade between Canada and Hungary should progressively expand on both sides to a mutually satisfactory level. It is agreed that each Government will give sympathetic consideration to any representations the other Government may wish to make with respect to the development of this trade.

Accept, Sir, the assurances of my highest consideration.

PETER MOD

The Honourable Mitchell Sharp,
Minister of Trade and Commerce,
Ottawa.