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*The Secretary of Foreign Affairs of the Philippines to the Parliamentary Secretary to the Minister of Industry, Trade and Commerce of Canada*

Manila, August 29, 1972

EXCELLENCY,

I have today received your letter dated August 29, 1972, which reads as follows:

“Excellency,

I have the honour to refer to the negotiations on the Trade Agreement between the Governments of Canada and of the Republic of the Philippines, which has been signed today, and to state the following understandings reached during the discussions between our delegations in Manila which were concluded December 2, 1971.

1. Both Governments recognize the benefits of expanded trade on a mutually advantageous basis, and to this end undertake to facilitate the exchange of goods between themselves within the framework of their respective laws and regulations, and in accordance with the principles of international trade and development agreed to by the two countries. The Canadian Government takes note of the expressed desire of the Philippines to increase their exports to Canada during the lifetime of this Agreement to a level that would bring about better equilibrium in the balance of trade between both countries, in the context of continued expansion of two-way trade.

2. With respect to the scheme for the granting of non-reciprocal tariff preferences by developed countries to developing countries, the Government of Canada confirms its intention to grant preferential tariff treatment to all countries, areas or territories which claim developing status, other than those whose exports to Canada are subject to the general tariff, provided such countries are also extended preferences by other preference-giving countries. The Government of Canada also takes note of the desire of the Philippines to have additional products of export interest to the Philippines included in the list of products to be accorded non-reciprocal generalised preferences by Canada.

3. With respect to wheat, the Republic of the Philippines agrees to provide full and equal consideration to Canada as a source of wheat for Philippine import requirements. For its part, the Government of Canada agrees to provide full and equal consideration to the supply of Philippine requirements of wheat from Canada.