

21. Removal and disposal of United States Government property shall be governed by the Agreement between the United States of America and Canada regarding Disposal of United States Excess Property in Canada effected by the Exchange of Notes signed in Ottawa, August 28 and September 1, 1961. No activities undertaken pursuant to this T&E Agreement shall be deemed "joint exercises for Canadian and United States forces" as that term is used in paragraph 6 of the Note dated August 28, 1961.

22. To the extent that existing laws, regulations and agreements, including NATO SOFA, permit, the import into Canada and purchase in Canada of equipment and goods required for T&E projects shall not be subject to customs duties, federal sales taxes and excise taxes.

23. This Agreement shall remain in force for a period of five years and will be renewed automatically for a further term of five years, subject to the following provisions:

- (a) This Agreement may be terminated in its entirety upon twelve months notice in writing by either Government, or in whole or in part, by either Government, without advance notice, should either Government consider it necessary by reason of an extreme emergency such as war, invasion, insurrection or riot, real or apprehended.
- b) In the event of the termination of this Agreement the Governments of Canada and the United States shall negotiate the settlement of outstanding financial issues.
- c) Either Government shall reserve the right to cancel, suspend, postpone or terminate any specific test and evaluation project, if in its opinion, any unforeseen imperative circumstances should so warrant. In such event the financial obligations of the parties, including reimbursement of costs incurred by a party as a result of cancellation, suspension, postponement or termination by the other party, shall be the subject of separate negotiation.
- d) This Agreement may be amended by mutual consent of the parties.

If the foregoing is acceptable to the Government of the United States, I have the honour to propose that this Note, which is authentic in English and French, and your Note in reply to that effect, shall constitute an Agreement between our two Governments which shall enter into force upon the date of your reply.

Accept, sir, the assurances of my highest consideration.

ALLAN GOTLIEB
Ambassador

The Honourable Kenneth W. Dam,
Acting Secretary of State,
Department of State,
Washington.