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*The Ambassador of the Republic of Korea to the
Minister of Trade and Commerce*

EMBASSY OF THE REPUBLIC OF KOREA

OTTAWA

(Translation)

Ottawa, December 20, 1966.

EXCELLENCY,

I have the honour to refer to your letter of today's date, which reads as follows:

"With reference to the Trade Agreement between Canada and the Republic of Korea which has been signed today, it is the understanding of the Government of Canada that the Government of the Republic of Korea would wish to provide opportunities for Canadian products to compete on a commercial basis in the Korean market. In this connection, I have the honour to draw to your Excellency's attention the following goods which are of immediate export interest to Canada: wheat, barley, wheat flour, malt, breeding stock, softwood lumber, wood pulp, newsprint paper, asbestos, synthetic rubber, primary aluminum, nickel, lead and zinc.

"With respect to the above products, it is my understanding that imports into the Republic of Korea of asbestos, certain softwood lumber, ground pulp, primary aluminum, nickel and lead are under the system of automatic approval whereby imports are free of restriction and the necessary foreign exchange is freely granted. It is understood that it is the intention of the Government of the Republic of Korea except when justified on balance-of-payments grounds to maintain unrestricted access for these items within the framework of its policy of gradually liberalizing trade. It is further understood that the Government of the Republic of Korea will endeavour to include at the earliest opportunity newsprint paper, chemical wood pulp, synthetic rubber and zinc under this group of products which are not subject to restrictions and that licences will be made available for import of malt and of cattle for breeding in accordance with the pertinent trade plan in force.

"With respect to wheat and barley, it is understood that it is the intention of the Government of the Republic of Korea, as it becomes able to finance import of these products with its own foreign exchange, to develop a commercial market for imports in which Canada will be able to compete on a fully non-discriminatory basis.

"Both Governments agree to consult further with respect to these and other products which are or may become of interest to Canada with a view to providing a fair and reasonable access for Canadian goods."