

December 21, 1979

Your Excellency,

I herewith have the honour to acknowledge receipt of Your Excellency's letter of December 21, 1979, reading as follows:

"On the occasion of the signature of the Foreign Investment Insurance Agreement between Canada and the Socialist Federal Republic of Yugoslavia, I wish to assure you that the Government of Canada is prepared at some time in the future to negotiate with the Federal Executive Council of the Socialist Federal Republic of Yugoslavia an Agreement providing for reciprocal treatment with regard to insured investments made by nationals and corporations of the Socialist Federal Republic of Yugoslavia in Canada in accordance with the Canadian laws and regulations, on the understanding that provincial concurrence and, if appropriate, legislation will be required in respect of matters which, under Canadian law, fall within the legislative jurisdiction of the provinces.

If the above is acceptable to the Federal Executive Council of the Socialist Federal Republic of Yugoslavia, I have the honour to propose that this note, which is authentic in English and French, and your reply in Serbo-Croatian to that effect will constitute an understanding between our two Governments."

I confirm herewith that the above represents the understanding reached between our two Governments.

Please accept, Excellency, the assurance of my highest consideration.

Yours sincerely,

Ing. PETAR KOSTIC
*Member of the Federal Executive
Council of the Socialist Federal
Republic of Yugoslavia and
Federal Secretary for Finance*