

OTTAWA, November 16, 1938.

SIR,

I have the honour to acknowledge your letter of to-day's date setting forth the understanding of His Majesty's Government in the United Kingdom of the arrangements discussed between His Majesty's Governments in Canada and in the United Kingdom for the modification of the terms of the Canada-United Kingdom Trade Agreement of 1937, in accordance with the provisions of Article 17 thereof, with a view to facilitating the conclusion of Trade Agreements between the United States of America and the United Kingdom and between the United States and Canada. I desire on behalf of His Majesty's Government in Canada to confirm their agreement with the arrangements indicated in your letter and its enclosures.

I should be glad to receive the United Kingdom Government's formal confirmation of our understanding that they have waived until August 20th, 1940, their rights under Schedule I of the Canada-United Kingdom Trade Agreement of February 23rd, 1937, to impose a duty on eggs, poultry, butter, cheese and other milk products produced in and imported from Canada. At the same time I understand that they agree that no quantitative restrictions will be imposed on the importation into the United Kingdom of such products from Canada, unless imports should be such as to lead to instability in the market for those products in the United Kingdom.

I have the honour to be,

Sir,

Your obedient servant,

W. L. MACKENZIE KING

SIR GERALD CAMPBELL, K.C.M.G.,

*High Commissioner for the United Kingdom, Ottawa.*

(III)

OTTAWA, November 16, 1938.

SIR,

In acknowledging the receipt of your letter of to-day's date in regard to the United States trade negotiations I wish on behalf of His Majesty's Government in the United Kingdom to express their agreement with what is stated therein.

I have the honour to be,

Sir,

Your obedient servant,

GERALD CAMPBELL

THE RT. HON. W. L. MACKENZIE KING, M.P.,

*Secretary of State for External Affairs, Ottawa.*