



THE SECRETARY OF THE TREASURY

WASHINGTON

May 16, 1988

Dear Mr. Wilson:

I have the honor to refer to your letter of May 12, 1988, which reads as follows:

(See Canadian Note of May 12, 1988)

I have the honor to confirm, on behalf of my Government, that your letter expresses our understanding of Canada's investment policies concerning the oil and gas and uranium mining industries.

I further have the honor to confirm that your letter of May 12, 1988 and this reply constitute an agreement between our two Governments that will enter into force on this day and that it shall be considered an integral part of the Free Trade Agreement when the latter enters into force.

Sincerely,

James A. Baker, III

The Honorable Michael H. Wilson
Minister of Finance of Canada
Ottawa, Ontario