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THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS OF CANADA
TO THE MINISTER OF FOREIGN AFFAIRS OF NEW ZEALAND

Ottawa, July 26th, 1973

MY DEAR MINISTER OF FOREIGN AFFAIRS,

I refer to your letter to me dated July 26th, the first paragraph of which reads as follows:

"With reference to the Agreement on rates and margins of preference concluded today between our two Governments by exchange of letters, I would like to place on record the New Zealand Government's understanding that the terms 'margin of preference' and 'margins of preference' when used in that Agreement refer to the margin or margins of preference between the MFN or equivalent rate in force in Canada or New Zealand as the case may be and the preferential rate applied in accordance with the terms of the aforesaid Agreement to the goods of one of the countries by the Government of the other country."

I have the honour to confirm that the foregoing represents my Government's understanding of the Agreement reached between our two Governments on this matter.

Yours sincerely,

MITCHELL SHARP

The Right Honourable Norman E. Kirk,
Minister of Foreign Affairs,
Wellington,
New Zealand.