ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension of the bilateral agreement between
Canada and Hungary

Note by the Chairman

Attached is a notification received from Canada of an extension of its agreement with Hungary for the period 1 January 1992 to 31 December 1992.

1 The bilateral agreement is contained COM.TEX/SB/1371.

* English only/Anglais seulement/Inglés solamente
Dear Ambassador Raffaelli:

Pursuant to (i) Article 4 of the Arrangement Regarding International Trade in Textiles (MFA), done at Geneva on December 20, 1973; (ii) the Protocol extending the MFA, done at Geneva on July 31, 1986; and (iii) the Protocol Maintaining in Force the MFA, done at Geneva on July 31, 1991, I have the honour to notify you that, through bilateral negotiations, an extension to the existing Memorandum of Understanding has been agreed between the Governments of Canada and the Republic of Hungary. The relevant exchange of diplomatic notes is attached.

Exports to Canada of Hungarian products covered by the Memorandum of Understanding are subject to restraint through December 31, 1992. Otherwise, the terms of the Memorandum of Understanding, including those relative to growth rates and flexibility, remain unchanged.

Yours sincerely,

[Signature]

John F. Donaghy, Counsellor
The Ministry of International Economic Relations of the Republic of Hungary presents its compliments to the Embassy of Canada and has the honour to acknowledge receipt of note No. 0024 dated Budapest, February 7, 1992, which reads as follows:

"Note No. 0024

The Embassy of Canada presents its compliments to the Ministry for Foreign Affairs of the Republic of Hungary and has the honour to inform the Ministry that Canadian authorities wish to refer to discussions held in Montreal on December 23, 1991 between officials of the Government of Canada and Hungarian authorities concerning the one-year extension of the Canada/Hungary Textiles Agreement (MOU). Canadian authorities wish to confirm acceptance by the Government of Canada of the extension of the Memorandum of Understanding for the period of January 1, 1992 to December 31, 199[2] as modified in accordance with the attached revised annex.

The Government of Canada agrees that either Government may request consultations on any provision of the Agreement in the event that a new regime for textiles trade is agreed in the context of the Uruguay Round of GATT negotiations or upon the expiration of the 1991 Protocol of Extension to the arrangement regarding international trade in textiles on December 31, 1992.

All other terms and conditions of the existing Memorandum of Understanding will remain unchanged. The Government of Canada proposes that this Note, together with the reply from the Hungarian authorities confirming their acceptance give effect to the extension of the Memorandum of Understanding.

The Embassy of Canada avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Republic of Hungary the assurances of its highest consideration.

BUDAPEST, 7 February 1992
### REVISED ANNEX I - RESTRAINT LEVELS

<table>
<thead>
<tr>
<th>CATEGORY NO.</th>
<th>SHORT DESCRIPTION</th>
<th>RESTRAINT LEVEL</th>
<th>GROWTH</th>
<th>CARRY-OVER/CARRY FORWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fine suits, sportscoats and blazers</td>
<td>67,183 Units MB</td>
<td>4%</td>
<td>10% (5%)</td>
</tr>
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The Ministry of International Economic Relations of the Republic of Hungary has the honour to confirm that the foregoing proposal is acceptable to the Government of the Republic of Hungary and that the above note and this note of confirmation shall constitute an agreement between our Governments.

The Ministry of International Economic Relations of the Republic of Hungary takes this opportunity to extend to the Embassy of Canada the assurances of its highest consideration.

The Ministry of International Economic Relations of the Republic of Hungary

Budapest, February 12, 1992
Note No. 0024

The Embassy of Canada presents its compliments to the Ministry for Foreign Affairs of the Republic of Hungary and has the honour to inform the Ministry that Canadian authorities wish to refer to discussions held in Montreal on December 23, 1991 between officials of the Government of Canada and Hungarian authorities concerning the one-year extension of the Canada/Hungary Textiles Agreement (MOU). Canadian authorities wish to confirm acceptance by the Government of Canada of the extension of the Memorandum of Understanding for the period of January 1, 1992 to December 31, 1992 as modified in accordance with the attached revised annex.

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