N° 3910.

ETATS-UNIS D'AMÉRIQUE ET CANADA

Accord commercial, avec annexes, signé à Washington, le 15 novembre 1935, et échange de notes y relatif, Washington, les 15 et 29 novembre 1935.

UNITED STATES OF AMERICA AND CANADA

Trade Agreement, with Annexes, signed at Washington, November 15th, 1935, and Exchange of Notes relating thereto, Washington, November 15th and 29th, 1935.

No. 3910. — TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND CANADA. SIGNED AT WASHINGTON, NOVEMBER 15TH, 1935.

English official text communicated by the Canadian Advisory Officer to the League of Nations and by the Chargé d'Affaires a. i. of the United States of America at Berne. The registration of this Agreement took place June 3rd, 1936.

HIS MAJESTY THE KING OF GREAT BRITAIN, IRELAND AND THE BRITISH DOMINIONS BEYOND THE SEAS, EMPEROR OF INDIA, in respect of the Dominion of Canada, and the President of the United States of America, being desirous of facilitating and extending the commercial relations existing between Canada and the United States of America by granting mutual and reciprocal concessions and advantages for the promotion of trade, have resolved to conclude a Trade Agreement as a step toward the lowering of the barriers impeding trade between their two countries, and for this purpose have through their respective Plenipotentiaries agreed upon the following Articles:

Article I.

Canada and the United States of America will grant each other unconditional and unrestricted most-favoured-nation treatment in all matters concerning Customs duties and subsidiary charges of every kind and in the method of levying duties, and, further, in all matters concerning the rules, formalities and charges imposed in connection with the clearing of goods through the Customs, and with respect to all laws or regulations affecting the sale or use of imported goods within the country.

Accordingly, natural or manufactured products having their origin in either of the countries shall in no case be subject, in regard to the matters referred to above to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products having their origin in any third country are or may hereafter be subject.

Similarly, natural or manufactured products exported from the territory of Canada or the United States of America and consigned to the territory of the other country shall in no case be subject with respect to exportation and in regard to the above-mentioned matters to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favour, privilege or immunity which has been or may hereafter be granted by Canada or the United States of America in regard to the above-mentioned matters to a natural or manufactured product originating in any third country or consigned to the territory of any third country shall be accorded immediately and without compensation to the like product origin-

¹ The Proclamation and ratification were exchanged at Ottawa, May 14th, 1936.

¹ TRADUCTION. — TRANSLATION.

Nº 3910. — ACCORD 2 COMMERCIAL ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET LE CANADA. SIGNÉ A WASHINGTON, LE 15 NOVEMBRE 1935.

Texte officiel anglais communiqué par l'«Advisory Officer» du Canada près la Société des Nations et le chargé d'Affaires a. i. des Etats-Unis d'Amérique à Berne. L'enregistrement de cet accord a eu lieu le 3 juin 1936.

SA MAJESTÉ LE ROI DE GRANDE-BRETAGNE, D'IRLANDE ET DES TERRITOIRES BRITANNIQUES AU DELA DES MERS, EMPEREUR DES INDES, au nom du DOMINION DU CANADA, et LE PRÉSIDENT DES ETATS-UNIS D'AMÉRIQUE, animés du désir de faciliter et de développer les relations commerciales entre le Canada et les Etats-Unis d'Amérique en s'accordant des concessions et avantages mutuels et réciproques en vue d'activer les échanges, ont résolu de conclure un accord commercial de nature à atténuer les obstacles qui entravent le commerce entre les deux pays, et à cette fin, par l'intermédiaire de leurs plénipotentiaires respectifs, sont convenus des articles suivants :

Article premier.

Le Canada et les Etats-Unis d'Amérique se concèdent réciproquement le traitement de la nation la plus favorisée, sans conditions et sans réserves, par rapport à toutes les questions relatives aux droits de douane et taxes subsidiaires de toute sorte et au mode de perception des droits, et, en outre, à toutes les questions relatives aux règles, formalités et taxes imposées à propos du dédouanement des marchandises, et au sujet de toutes les lois ou de tous les règlements administratifs affectant la vente ou l'usage des marchandises importées dans leur territoire respectif.

En conséquence, les produits naturels ou fabriqués en provenance du terrifoire de l'un ou l'autre des Etats contractants ne seront, en aucun cas, assujettis, par rapport aux questions mentionnées ci-haut, à aucun impôt, taxe ou redevance autre ou plus élevé, ni à aucune réglementation ou formalité autre ou plus onéreuse que ceux auxquels sont ou pourraient être assujettis les

produits similaires en provenance de tout Etat tiers.

De même, les produits naturels ou fabriqués exportés du territoire du Canada ou des Etats-Unis d'Amérique à destination du territoire de l'autre Etat contractant ne seront, en aucun cas, assujettis, par rapport à l'exportation et au sujet des questions mentionnées plus haut, à aucun droit, taxe ou redevance autre ou plus élevé, ni à aucune règle ou formalité autre ou plus onéreuse, que ceux auxquels sont ou pourraient être assujettis les produits similaires à destination du territoire de tout Etat tiers.

Tout avantage, faveur, privilège ou immunité qui a été ou pourrait être concédé par le Canada ou les Etats-Unis d'Amérique au sujet des questions ci-haut mentionnées, à un produit naturel ou fabriqué originaire de tout Etat tiers ou à destination du territoire de tout Etat tiers sera concédé immédiatement et sans compensation au produit similaire en provenance ou à destination du

¹ Traduction du Gouvernement du Canada.

¹ Translation of the Canadian Government.

² La proclamation et la ratification ont été échangées à Ottawa, le 14 mai 1936.

ating in or consigned to the territory of the United States of America or Canada, respectively, and irrespective of the nationality of the carrier.

Article II.

Neither Canada nor the United States of America shall establish any prohibition or maintain any restriction on imports from the territory of the other country which is not applied to the importation of any like article originating in any third country. Any abolition of an import prohibition or restriction which may be granted even temporarily by either country in favour of an article of a third country shall be applied immediately and unconditionally to the like article originating in the territory of the other country. These provisions equally apply to exports.

In the event of quantitative restrictions being established by either Canada or the United States of America for the importation of any article, it is agreed that in the allocation of the quantity of restricted goods which may be authorized for importation, the other country will be granted a share equivalent to the proportion of the trade which it enjoyed in a previous representative period prior to the establishment of such quantitative restrictions.

In all matters concerning the rules, formalities or charges imposed in connection with any form of quantitative restriction on the importation of any article, Canada and the United States

of America agree to extend to each other every favour granted to a third country.

Article III.

Articles the growth, produce or manufacture of the United States of America, enumerated and described in Schedule I annexed to this Agreement, shall, on their importation into Canada, be exempt from ordinary Customs duties in excess of those set forth in the said Schedule. The said articles shall also be exempt from all other duties, taxes, fees, charges, or exactions, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement or required to be imposed thereafter under laws of Canada in force on the day of the signature of this Agreement.

Schedule I and the notes included therein shall have full force and effect as integral parts of

this Agreement.

Article IV.

Articles the growth, produce or manufacture of Canada, enumerated and described in Schedule II annexed to this Agreement, shall, on their importation into the United States of America, be exempt from ordinary Customs duties in excess of those set forth and provided for in the said Schedule. The said articles shall also be exempt from all other duties, taxes, fees, charges, or exactions, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement or required to be imposed thereafter under laws of the United States of America in force on the day of the signature of this Agreement.

Schedule II and the notes included therein shall have full force and effect as integral parts

of this Agreement.

Article V.

The provisions of Articles III and IV of this Agreement shall not prevent the Government of either country from imposing on the importation of any product a charge equivalent to an internal tax imposed on a like domestic product or on a commodity from which the imported product has been manufactured or produced in whole or in part.

Article VI.

Articles the growth, produce or manufacture of Canada or the United States of America shall, after importation into the other country, be exempt from all internal taxes, fees, charges or

exactions other or higher than those payable on like articles of national origin or any other

foreign origin.

The provisions of this Article in regard to granting of national treatment shall not affect the laws now in force in Canada whereby leaf tobacco, spirits, beer, malt and malt syrop imported from abroad are subject to special taxes, nor shall they affect the applicability to goods produced or manufactured in the United States of America of special excise taxes imposed under existing provisions of the Special War Revenue Act. In these respects, however, most-favoured-nation treatment shall apply.

Article VII.

No prohibitions, import or Customs quotas, import licenses, or any other form of quantitative regulation, whether or not operated in connection with any agency of centralized control, shall be imposed by Canada on the importation or sale of any article the growth, produce or manufacture of the United States of America enumerated and described in Schedule I, nor by the United States of America on the importation or sale of any article the growth, produce or manufacture of Canada enumerated and described in Schedule II, except as specifically provided for in the said Schedules.

The foregoing provision shall not apply to quantitative restrictions in whatever form imposed by either country on the importation or sale of any article the growth, produce or manufacture of the other country in conjunction with governmental measures operating to regulate or control the production, market supply, or prices of like domestic articles, or tending to increase the labour costs of production of such articles. Whenever the Government of either country proposes to establish or change any restriction authorized by this paragraph, it shall give notice thereof in writing to the other Government and shall afford such other Government an opportunity within thirty days after receipt of such notice to consult with it in respect of the proposed action; and if an agreement with respect thereto is not reached within thirty days following receipt of the aforesaid notice, the Government which proposes to take such action shall be free to do so at any time thereafter, and the other Government shall be free within fifteen days after such action is taken to terminate this Agreement in its entirety on thirty days' written notice.

Article VIII.

In the event that Canada or the United States of America establishes or maintains a monopoly for the importation, production or sale of a particular commodity or grants exclusive privileges, formally or in effect, to one or more agencies to import, produce or sell a particular commodity, the Government of the country establishing or maintaining such monopoly, or granting such monopoly privileges, agrees that in respect of the foreign purchases of such monopoly or agency the commerce of the other country shall receive fair and equitable treatment. To this end it is agreed that in making its foreign purchases of any product such monopoly or agency will be influenced solely by those considerations, such as price, quality, marketability, and terms of sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in purchasing such product on the most favourable terms.

Article IX.

The tariff advantages and other benefits provided for in this Agreement are granted by Canada and the United States of America to each other subject to the condition that if the Government of either country shall establish or maintain, directly or indirectly, any form of control of foreign exchange, it shall administer such control so as to insure that the nationals and commerce of the other country will be granted a fair and equitable share in the allotment of exchange.

With respect to the exchange made available for commercial transactions, it is agreed that the Government of each country shall be guided in the administration of any form of control of foreign

exchange by the principle that, as nearly as may be determined, the share of the total available exchange which is allotted to the other country shall not be less than the share employed in a previous representative period prior to the establishment of any exchange control for the settlement of commercial obligations to the nationals of such other country.

The Government of each country shall give sympathetic consideration to any representations which the other Government may make in respect of the application of the provisions of this Article.

Article X.

In the event that a wide variation occurs in the rate of exchange between the currencies of Canada and the United States of America, the Government of either country, if it considers the variation so substantial as to prejudice the industries or commerce of the country, shall be free to propose negotiations for the modification of this Agreement; and if an agreement with respect thereto is not reached within thirty days following receipt of such proposal, the Government making such proposal shall be free to terminate this Agreement in its entirety on thirty days' written notice.

Article XI.

In the event that the Government of either country adopts any measure which, even though it does not conflict with the terms of this Agreement, is considered by the Government of the other country to have the effect of nullifying or impairing any object of the Agreement, the Government which has adopted any such measure shall consider such representations and proposals as the other Government may make with a view to effecting a mutually satisfactory adjustment of the matter.

The Government of each country will accord sympathetic consideration to, and when requested will afford adequate opportunity for consultation regarding, such representations as the other Government may make with respect to the operation of Customs regulations, quantitative restrictions or the administration thereof, the observance of Customs formalities and the application of sanitary laws and regulations for the protection of human, animal, or plant life.

In the event that the Government of either country makes representations to the Government of the other country in respect of the application of any sanitary law or regulation for the protection of human, animal, or plant life, and if there is disagreement with respect thereto, a committee of technical experts on which each Government will be represented shall, on the request of either Government, be established to consider the matter and to submit recommendations to the two Governments.

Article XII.

Nothing in the Agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation or importation of gold or silver, or to prevent the adoption of such measures as either Government may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional circumstances, all other military supplies.

Subject to the requirement that there shall be no arbitrary discrimination by either country against the country in favour of any third country where similar conditions prevail, the provisions of this Agreement shall not extend to prohibitions or restrictions (1) imposed on moral or humanitarian grounds; (2) designed to protect human, animal or plant life; (3) relating to prison-made goods; (4) relating to the enforcement of police or revenue laws; (5) directed against mis-branding, adulteration, and other fraudulent practices, such as are provided for in the pure food and drug laws of either country; and (6) directed against unfair practices in import trade.

Article XIII.

Except as otherwise provided in the second paragraph of this Article, the provisions of this Agreement relating to the treatment to be accorded by Canada and the United States of America, respectively, to the commerce of the other country, shall not apply to the Philippine Islands, the Virgin Islands, American Samoa, the Island of Guam or to the Panama Canal Zone.

The provisions of this Agreement regarding most-favoured-nation treatment shall apply to articles the growth, produce or manufacture of any territory under the sovereignty or authority of Canada or the United States of America, imported from or exported to any territory under the sovereignty or authority of the other country. It is understood, however, that the provisions of this paragraph do not apply to the Panama Canal Zone.

The advantages now accorded or which may hereafter be accorded by the United States of America, its territories and possessions and the Panama Canal Zone exclusively to one another or the Republic of Cuba shall be excepted from the operation of this Agreement. The provisions of this paragraph shall continue to apply in respect of any advantages now or hereafter accorded by the United States of America, its territories or possessions or the Panama Canal Zone to the Philippine Islands irrespective of any change in the political status of the Philippine Islands.

The advantages now accorded or which may hereafter be accorded by Canada exclusively to other territories under the sovereignty of His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, or under His Majesty's suzerainty or protection, shall be excepted from the operation of this Agreement.

Article XIV.

The Government of each country reserves the right to withdraw or to modify the concession granted on any article under this Agreement, or to impose quantitative restrictions on any such article if, as a result of the extension of such concession to third countries, such countries obtain the major benefit of such concession and in consequence thereof an unduly large increase in importations of such article takes place: Provided, That before the Government of either country shall avail itself of the foregoing reservation, it shall give notice in writing to the other Government of its intention to do so, and shall afford such other Government an opportunity within thirty days after receipt of such notice to consult with it in respect of the proposed action and in respect of such compensatory modifications of the terms of the present Agreement as may be appropriate; and if an agreement with respect thereto is not reached within thirty days following the receipt of the aforesaid notice, the Government which proposes to take such action shall be free to do so at any time thereafter, and the other Government shall be free within fifteen days after such action is taken to terminate this Agreement in its entirety on thirty days' written notice.

Article XV.

The present Agreement shall be ratified by His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, in respect of the Dominion of Canada, and shall be proclaimed by the President of the United States of America.

The provisions of Article I and of Articles III and IV, respectively, shall, subject to the reservations and exceptions elsewhere provided for in this Agreement, be applied by Canada and the United States of America, on and after January 1st, 1936, pending ratification of the Agreement in respect of Canada as provided in the first paragraph of this Article.

The entire Agreement shall come into force on the day of the exchange of the proclamation and ratification at Ottawa. The Agreement shall remain in force until December 31st, 1938, subject to the provisions of Article VII, Article X and Article XIV.

Unless at least six months before December 31st, 1938, the Government of either country shall have given to the other Government notice of intention to terminate the Agreement on that date, the Agreement shall remain in force thereafter, subject to the provisions of Article VII, Article X and Article XIV, until six months from such time as the Government of either country shall have given notice to the other Government.

In witness whereof the respective Plenipotentiaries have signed this Agreement and have affixed their seals hereto.

Done in duplicate, at the City of Washington, this fifteenth day of November, 1935.

For His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, for the Dominion of Canada:

(Seal) W. L. MACKENZIE KING, Prime Minister, President of the Privy Council and Secretary of State for External Affairs of the Dominion of Canada.

For the President of the United States of America:

(Seal) Cordell HULL, Secretary of State of the United States of America.

SCHEDULE I.

(See Article III.)

Number of Canadian Tarifi Item		Description of Article	Tariff on Goods the Growth, Produce or Manufacture of the United States of America	
Ex	10 47 54 (a)	Meats, prepared or preserved, other than canned: (b) N. o. p	3 cts. Free	
Ex Ex	55 57 71 (a) 73 74	under regulations prescribed by the Minister	Free 20 cts. 50 cts. I ct Free	
Ex	75	blending operations		
$\mathbf{E}\mathbf{x}$	82 (e)	blending operations		
	83 (c)	grafting such trees		
	84	Onions, in their natural state, including onions grown with tops, shallots, and onion sets		
Ex	85	Mushrooms, fresh Provided that in no case shall any value for duty established under the authority of Section 43 of the Customs Act exceed the invoice value by more than 80 per centum of the lowest advance imposed on such goods under the authority of said section during the calendar years 1933 to 1935, inclusive.	15 p. c.	
	87	Vegetables, fresh, in their natural state: *(a) Asparagus *(b) Beans, green (c) Brussels sprouts *(d) Cabbage *(e) Carrots * Beets, n. o. p. *(f) Cauliflower Eggplant *(g) Celery.	15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c. Free 15 p. c.	

570	Doctete des trations — Necdell des Traites.	1700
Number of Canadian Tariff Item	Description of Article	
	*(h) Cucumbers *(i) Lettuce (j) Parsley *(k) Peas, green *(l) Rhubarb *(m) Spinach (n) Tomatoes Provided that the duty under any tariff less favourable than the British Preferential tariff shall at no time be less than two cents per pound, the weight of the packages to be included in the weight for duty.	15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c.
	(o) Watercress and whitloof or endive Peppers, green Radishes Artichokes Horseradish Okra (p) N.o.p. Provided that in respect of the goods dutiable under Tariff Item 87 no value for duty shall be established under the authority of Section 43 of the Customs Act except in the case of the sub-items indicated thus (*); and in no case shall any value so established exceed the invoice value by more than 80 per centum of the lowest advance imposed on like goods under the authority of said section during the calendar years 1933 to 1935, inclusive.	15 p. c. 15 p. c. 15 p. c. Free Free Free 15 p. c.
89 92	Vegetables, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty: (a) Bcans, baked or otherwise prepared per pound (b) Corn and tomatoes	2 cts. 2 cts. 2 cts. 27½ p. c. 15 p. c. 15 p. c. 15 p. c.
	*(d) Peaches *(e) Pears *(f) Plums or prunes *(g) Strawberries * Raspberries and loganberries (h) Berries, edible, n. o. p. (i) Quinces and nectarines Provided that in respect of the goods dutiable under Tariff Item 92, no value for duty shall be established under the authority of Section 43 of the Customs Act except in the case of the sub-items indicated thus (*); and in no case shall any value so established exceed the invoice value by more than 80 per centum of the lowest advance	15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c. 15 p. c.

Description of Article	
imposed on like goods under the authority of said section during the calendar years 1933 to 1935, inclusive.	
Apples, fresh, in their natural state	15 p. c.
Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty per pound Provided that in no case shall any value for duty established under the authority of Section 43 of the Customs Act exceed the invoice value by more than 80 per centum of the lowest advance imposed on such goods under the authority of said section during the calendar years 1933 to 1935, inclusive.	ı½ cts.
Cantaloupes and muskmelons	15 p. c.
Melons, n. o. p	2½ cts. 15 p. c. Free ½ ct. Free Free 10 p. c. 4 cts. 4 cts.
Nuts of all kinds, n. o. p., but not including shelled peanuts, n. o. p.	4 cts.
Nuts, shelled, n. o. p., but not including shelled almonds, peanuts or walnuts	r ct. 2 cts. 1 ct. Free 27½ p. c. 5 cts. Free Free
	imposed on like goods under the authority of said section during the calendar years 1933 to 1935, inclusive. Apples, fresh, in their natural state. Provided that in no case shall any value for duty established under the authority of Section 43 of the Customs Act exceed the invoice value by more than 80 per centum of the lowest advance imposed on such goods under the authority of said section during the calendar years 1933 to 1935, inclusive. Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty per pound. Provided that in no case shall any value for duty established under the authority of Section 43 of the Customs Act exceed the invoice value by more than 80 per centum of the lowest advance imposed on such goods under the authority of said section during the calendar years 1933 to 1935, inclusive. Cantaloupes and muskmelons. Provided that in no case shall any value for duty established under the authority of Section 43 of the Customs Act exceed the invoice value by more than 80 per centum of the lowest advance imposed on such goods under the authority of said section during the calendar years 1933 to 1935, inclusive. Melons, n. o. p. each Fruits, fresh, in their natural state, n. o. p. Fruits, fresh, in their natural state, n. o. p. Avocados or alligator pears Grapefruit, n. o. p. per pound Oranges, during the months of January, February, March and April. Lemons Olives, ripe, in brine, not bottled Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty: (a) Apricots, peaches and pears per pound (b) Pineapples per pound Nuts of all kinds, n. o. p., but not including shelled almonds, peanuts per pound Nuts, shelled, n. o. p., but not including shelled almonds, peanuts or walnuts per pound Nuts, shelled, n. o. p., but not including shelled almonds, peanuts or walnuts per pound Nuts, shelled, in bulk per peround Lobsters, fresh but not frozen Periodical publications, unb

Number of Canadian Tariff Item	Description of Article	
Ex 174	Tourist literature, printed and issued in the United States by Federal or State Governments or departments thereof, boards of trade, chambers of commerce, municipal and automobile associations, and similar organisations or associations.	
178 (a)	Provided, that on the goods specified in Item 178 and imported by mail, duties may be paid by Customs revenue stamps, under regulations by the Minister, at the rates specified in said Items, except that on each separate package weighing not more than one ounce, the duty shall be	2 cts.
181 (a)	Pictorial post cards, greeting cards and similar artistic cards or folders	32½ p. c.
184	Newspapers, unbound, n. o. p.; tailors', milliners' and mantle-makers' fashion plates, when imported in single copies in sheet form with periodical trade journals; magazines published in other than the English or the French language	Free
187	Albumenised and other papers and films chemically prepared for photographers' use, n. o. p	25 p. c.
195	Paper hanging or wall papers, including borders or bordering	
196	Newsprinting paper and all printing paper, in sheets and rolls, valued at not more than two and one-quarter cents per pound	
197	Paper of all kinds, n. o. p	22½ p. c.
197 (a)	Super-calendared or machine finish grades of book paper, not coated, when used exclusively in the production of magazines, newspapers and periodicals, printed, published or issued regularly, under regulations prescribed by the Minister	22½ p. c.
199 210	Papeteries, envelopes, and all manufactures of paper, n. o. p Peroxide of soda; silicate of soda in crystals or in solution; bichromate of soda; nitrate of soda or cubic nitre, n. o. p.; sulphide of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate	30 p. c.
213	of soda; prussiate of soda and sulphite of soda	15 p. c.
236	Surgical dressings, antiseptic or aseptic, including absorbent cotton, lint, lamb's wool, tow, jute, oakum, woven fabric of cotton weighing not more than seven and one-half pounds per one hundred square yards, whether imported singly or in combination one with another, but not stitched or otherwise manufactured; surgical trusses and suspensory bandages of all kinds; sanitary napkins, spinal braces and abdominal supports.	25 p. c.
239	Lamp black, carbon black, ivory black and bone black	Free
256	Printing ink	17½ p. c.
263	constituent by weight	5 p.c.
28 1	Fire brick containing not less than ninety per cent of silica; magnesite fire brick or chrome fire brick; other fire brick valued at not less than one hundred dollars per one thousand, rectangular shaped, the dimensions of each not to exceed one hundred and twenty-five cubic inches, for use exclusively in the construction or repair of a furnace, kiln, or other equipment of a manufacturing establishment	Free
	or other equipment of a manufacturing establishment	1,166
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Number of Canadian Tariff Item	Description of Article	
281 (a)	Fire brick, n. o. p., of a class or kind not made in Canada, for use exclusively in the construction or repair of a furnace, kiln, or other equipment of a manufacturing establishment	12½ p. c.
282 305	Building brick and paving brick	20 p. c.
306 Ex 326 (a)	Marble, sawn or sand-rubbed, not polished; granite, sawn; paving blocks of stone; flagstone and building stone, other than marble or granite, sawn on not more than two sides	20 p. c. 10 p. c.
345	Zinc dust, strip and sheets; zinc plates for marine boilers; sal ammoniac skimmings and seamless drawn tubing of zinc	Free
350 351 Ex 362 367 388 394 400 402 (a)	Wire of all metals and kinds, n. o. p	30 p. c. 27½ p. c. 30 p. c. 35 p. c. \$3.00 30 p. c. 27½ p. c. 30 p. c. 30 p. c.
409 (b)	Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the fore-	12½ p. c.
409 (c)	going	12½ p. c.
409 (d) 409 (e)	Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators including the motive power incorporated therein, and complete parts of all the foregoing	12½ p. c. 12½ p. c.
	parts of all the foregoing	
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Number of Canadian Tariff Item	Description of Article	
409 <i>(f)</i>	Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders, for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing	12½ p. c.
409 (g)	Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing	12½ p. c.
400 (h)	Hay presses and complete parts thereof	12½ p. c.
409 (h) 409 (i)	Scythes, sickles or reaping hooks, hay or straw knives, edging knives,	12½ p. c.
409 <i>(j)</i>	separators, including wind stackers, baggers and self-feeders therefor;	
409 (k)	complete parts of all foregoing	
Ex 409 (l) Ex 427	(m) Internal combustion traction engines; traction attachments designed to be combined with automobiles in Canada for use as traction engines; complete parts of all the foregoing	
Ex 409 (m) Ex 409 (n) Ex 428		
409 (n)		
Ex 409 (q)	Complete parts for repairs, under regulations prescribed by the Minister:	15 p. c.
410 <i>(l)</i>	Ex. (i) For the machinery enumerated in tariff item 409 (e) (ii) . (v) For the machinery enumerated in tariff item 409 (k) Ore crushers, rock crushers, stamp mills, grinding mills, rock drills, percussion coal cutters, coal augers, rotary coal drills, n. o. p., and complete parts of all the foregoing, for use exclusively in mining, metallurgical or quarrying operations	5 p. c. 10 p. c. 20 p. c.
411 (a)	Machinery, logging cars, cranes, blocks and tackle, wire rope, but not including wire rope to be used for guy ropes or in braking logs going down grade, and complete parts of all the foregoing, for use exclusively in the operation of logging, such operation to include the removal of the log from stump to skidway, log dump, or common or other carrier	15 p. c.
412 (a)	Machinery and apparatus, n. o. p., viz.: gun and mould apparatus for making press rollers; machines and apparatus for making electrotypes and stereotypes, engraving machines, photo-engraving apparatus, machines for graining metal plates, machines for sensitizing metal plates, machines and apparatus for transferring by photographic processes to plates or rolls for use in lithography, rotogravure and printing, machines for addressing and wrapping newspapers, magazines, periodicals, pamphlets and catalogues, and machines for embossing, bookbinding, bronzing, creasing, scoring, cutting, perforating, punching, gathering, gumming, pasting, jogging, numbering, patching, slitting rewinding, ruling, sheet-piling, stitching, stripping or varnishing,	

Nº 3910

Number of Canadian Tariff Item	Description of Article	
412 (b) 412 (c) 412 (d) 413	when for use exclusively by printers, book-binders, manufacturers of stereotypes, electrotypes and printing plates or rolls, paper converters, and by manufacturers of articles made from paper or cardboard; and complete parts of all the foregoing not to include saws, knives, and motive power. Flat bed cylinder printing presses, to print sheets of a size 25 by 38 inches or larger, and complete parts thereof; machines designed to fold or sheet-feed paper or cardboard, and complete parts thereof. Typecasting and typesetting machines and parts thereof for use in printing offices. Offset presses; lithographic presses; printing presses and type making accessories therefor, n. o. p.; complete parts of the foregoing, not to include saws, knives and motive power. Machinery and apparatus, of a class or kind not made in Canada, and parts thereof, specially constructed for preparing, manufacturing, testing or finishing yarns, cordage, and fabrics made from textile fibres or from paper, imported for use exclusively by manufacturers and scholastic or charitable institutions in such processes only.	5 p. c. 10 p. c. Free 10 p. c.
414 (c) 415 415 (a)	Adding, bookkeeping, calculating and invoicing machines and complete parts thereof, n. o. p	20 p. c.
415 (b) 424 424 (a) Ex 427	(i) Electric	30 p. c. 25 p. c. 30 p. c. 30 p. c.
Ex 427	foregoing	Free
Ex 427	Motor-driven combination units, comprising sprinklers, front and side sweepers and gatherers, for use in sweeping or cleaning streets or	
Ex 427 Ex 446 (a) et al	highways Machinery and apparatus enumerated in Tariff Item 412 (a), when for use by manufacturers of articles made from regenerated cellulose or cellulose acetate; complete parts of such machinery and apparatus, not to include saws, knives, and motive power. Motion picture projectors, arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines, motion picture screens, portable motion picture projectors complete with sound equipment; complete parts of all the foregoing, not to include electric light bulbs, tubes, or exciter lamps	Free 5 p. c. 15 p. c.
Ex 427	Veneer-drying machines, and complete parts thereof	5 p. c.

Number of Canadian Tariff Item	Description of Article	Tariff on Goods the Growth, Produce or Manufacture of the United States of America
Ex 427	Bakery machinery and apparatus, viz.: Combined suction-type sack cleaner and dust collector; flow meters with automatic or manual control for measuring of water; dough dividers, five-pocket capacity of 100 pieces per minute to eight-pocket capacity of 100 pieces per minute; combination mechanical eight-pocket roll divider and rounder, when combined with overhead dry bun proofer; adjustable roll moulder, with capacity of 100 rolls per minute; mechanical tray-type final steam proofer; trough elevators; automatic tray-type bread coolers; automatic pan-greasing machines; automatic measuring-knife type cake depositors; automatic bread-wrapping machines; automatic bread-slicing machines; automatic wafer-making machines; rotary biscuit-moulding machines; automatic wafer-making machine, automatic tunnel-type travelling-band biscuit oven with cooler, and automatic biscuit stacking machine with packing table; steam-tube heated draw-plate ovens of one or two decks; travelling tray ovens, single or double lap; travelling tunnel-type ovens, with plate, chain, rod or wire-mesh conveyor; synchronized oven feeders; and complete parts of the foregoing	
Ex 427 Ex 427 Ex 446 (a) Ex 427 427 427 (b) 428 (e) 432 (b) 432 (d) 438 (g) 439 (c) 443 445 (c) 445 (d) 445 (f)	Milk clarifiers and complete parts thereof . Wire stitchers and staplers, either hand or power type, but not including motive power; complete parts of the foregoing	Free 5 p. c. 20 p. c. 25 p. c. 27½ p. c. 25 p. c. 25 p. c. 25 p. c. 27½ p. c. 25 p. c. 27 p. c. 25 p. c.
445 (g)	Electric motors, n. o. p., and complete parts thereof	30 p. c.

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Number of Canadian Tariff Item	Description of Article	
Ex 446 (a)	Locomotive beds or frames of steel, cast in one piece; tender frames of steel, cast in one piece; cast steel cradles for the rear ends of locomotive frames; cast steel truck frames and bolsters for engines, tenders and passenger coaches; platform castings for passenger coaches; all the foregoing, whether in the rough or semi-manufactured, for use on railway rolling stock	
446 (a)	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n. o. p	25 p. c.
500	Logs and round unmanufactured timber, handle, heading, stave and shingle bolts, n. o. p.; firewood, hop poles, fence posts and railway ties	Free
502	Mexican saddle trees and stirrups of wood, treenails; hub, last, wagon, oar and gun blocks, and all like blocks or sticks, rough hewn, or sawn only; felloes of hickory or oak, not further manufactured than rough sawn or bent to shape; staves of oak, sawn, split or cut, not further manufactured than listed or jointed; shingles of wood; spokes of hickory or oak, not further manufactured than rough turned, and not tenoned, mitred or sized, and scale board for cheese	Free
503 504 505 506 520	Planks, boards, clapboards, laths, plain pickets and other timber or lumber of wood not further manufactured than sawn or split, whether creosoted, vulcanized, or treated by any other preserving process, or not Planks, boards and other lumber of wood, sawn, split or cut, and dressed on one side only, but not further manufactured	Free Free 20 p. c. 20 p. c.
573	fabrics	Free
578 Ex 598 (a)	matting or carpets	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$
599	Hides and skins, raw, whether dry, salted, or pickled; and raw pelts.	Free
601	Fur skins of all kinds, not dressed in any manner	Free
624 (a)	(i) Dolls; toys of all kinds, n. o. p	30 p. c. 30 p. c. 30 p. c. Free
663 Ex 711	Fertilizers, compounded or manufactured, n. o. p	7½ p. c. Free

SCHEDULE II.

(See Article IV.)

United States Tariff Act of 1930 Paragraph	Description of Article	Rate of Duty
	Note: The provisions of this Schedule shall be construed and given the same effect, and the application of collateral provisions of the Customs laws of the United States to the provisions of this Schedule shall be determined, in so far as may be practicable, as if each provision of this Schedule appeared respectively in the paragraph of the Tariff Act of 1930 or the section of the Revenue Act of 1932 noted in the column at the left of the respective descriptions of articles. In the case of articles enumerated in this Schedule, which are subject on the day of the signature of this Agreement to additional or separate ordinary Customs duties, whether or not imposed under the statutory provision noted in the column at the left of the respective description of the article, such separate or additional duties shall continue in force, subject to any reduction indicated in this Schedule or hereafter provided for, until terminated in accordance with law, but shall not be increased.	
I	Acetic acid containing by weight more than 65 per centum of acetic acid	1 ½ cts. per lb.
2	Vinyl acetate, polymerized or unpolymerized, and synthetic resins made in chief value therefrom, not specially provided for	3 cts. per lb. and 15% ad val.
II	Synthetic resins made in chief value from vinyl acetate, not specially provided for	3 cts. par lb. and 15% ad val.
29	Cobalt oxide	10 cts. per lb.
52	Sperm oil, crude	2½ cts. per gal.
71	Acetylene black, dry or ground in or mixed with oil or water, and not specially provided for	15% ad val.
201 (a)	Fire brick, not specially provided for	15% ad val.
203	Limestone (not suitable for use as monumental or building stone), crude, or crushed but not pulverized	2½ cts. per 100 lbs.
203	Lime, not specially provided for	7 cts. per 100 lbs., including the weight of the container.
203	Hydrated lime	8 cts. per 100 lbs., including the weight of the container.
207	Crude feldspar	35 cts. par ton.
209	Talc, steatite or soapstone: Ground, washed, powdered, or pulverized (except toilet preparations), valued at	25 % ad val.

United States Tariff Act of 1930 Paragraph	Description of Article	Rate of Duty
214	Dead-burned basic refractory material containing 6 per centum or more of lime and consisting chiefly of magnesia and lime	27½% ad val.
	Note: The existing Customs classification treatment of the merchandise described in this item as provided for in paragraph 214, Tariff Act of 1930, in accordance with the ruling announced in Treasury Decision 45041 (60 Treasury Decisions 114) shall be continued during the effective period of this Agreement.	
302 (d)	Ferromanganese containing not less than 4 per centum of carbon, on the metallic manganese contained therein	3/8 ct. per lb., plus 1 1/4 times the lowest rate of ordinary Customs duty provided for manganese ore containing in excess of 10 per centum of metallic manganese the product of any foreign country except Cuba, at the time such ferromanganese is entered, or withdrawn from warehouse, for consumption; but not more than 15/8 cents per pound
302 (i)	Ferro silicon, containing 8 per centum or more of silicon and less than 30 per centum	pound. 1½ cts. per lb. on the silicon
302 (m) 353	Ferrotitanium, ferrovanadium, and ferrouranium Cooking stoves and ranges, having as an essential feature an electrical heating element, and parts thereof; any of the foregoing, finished or unfinished, wholly or in chief value of metal, and not specially provided for.	contained therein, 15% ad val.
401	Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber not specially provided for; all the foregoing, if of fir, spruce, pine, hemlock, or larch	50 cts, per thousand feet, board measure.
402 412 503 701	Provided, That any of the foregoing sawed timber and lumber of Douglas fir or Western hemlock entered, or withdrawn from warehouse, for consumption, in any calendar year after 1935 in excess of an aggregate quantity of 250,000,000 feet, board measure, shall not be subject to this provision. Maple (except Japanese maple), birch, and beech: Flooring	4% ad val. 20% ad val. 4 cts per lb. 1½ cts. per lb. 2 cts. per lb. 1½ cts. per lb.

United States Tariff Act of 1930 Paragraph	Description of Article	Rate of Duty
707	Provided, That none of the foregoing entered, or withdrawn from warehouse, for consumption in excess of the quantities respectively specified below in any calendar year after 1935 shall be subject to the above provisions: Cattle, weighing less than 175 pounds each; ¼ of I per centum of the average annual total number of cattle (including calves) slaughtered in the United States during the calendar years 1928 to 1932, both inclusive, (51,933 head). Cattle, weighing 700 pounds or more each and not specially provided for: ¾ of I per centum of the average annual total number of cattle (including calves) slaughtered in the United States during the calendar years 1928 to 1932, both inclusive, (155,799 head). Cows, weighing 700 pounds or more each and imported specially for dairy purposes: (20,000 head). Cream, fresh or sour	35 cts. per gal.
710	Cheddar cheese in original loaves	5 cts. per lb., but not less
711 712 714 717 (a) 719	Birds, live: Chickens, ducks, geesc, turkeys, and guineas Birds, dead, dressed or undressed, fresh, chilled, or frozen: chickens and guineas. Horses, unless imported for immediate slaughter, valued at not more than \$150 per head. Fish, fresh or frozen (whether or not packed in ice), whole, or beheaded or eviscerated or both, but not further advanced (except that the fins may be removed): Halibut. Salmon. Swordfish (not including naturally or artificially frozen swordfish). Eels. Chubs, fresh-water mullet (catostomus), jacks, lake trout, saugers, tullibees, whitefish, and yellow pike. Fish, pickled or salted (except fish packed in oil or in oil and other substances and except fish packed in airtight containers weighing with their contents not more than 15 pounds each):	than 25% ad val. 4 cts. per lb. 6 cts. per lb. \$20 per head I cent par lb. I ½ cts. per lb. I ½ cts. per lb. ½ ct. per lb. 3/4 ct. per lb.
720 (a)	Salmon	20% ad val. 3/4 ct. per lb. net weight 5/8 ct. per lb. 1 1/2 cts. per lb.

United States Tariff Act of 1930 Paragraph	Description of Article	Rate of Duty
721 (b) 726 729 730 730	Razor clams (siliqua patula) packed in air-tight containers	15% ad val. 8 cts. per bu. of 32 lbs. 10% ad val. 10% ad val.
731	or other grains or seeds: Unground or ground	10% ad val.
73 ² 734 736 736 737 (l) 763 769	Cereal breakfast foods, and similar cereal preparations, by whatever name known processed further than milling, and not specially provided for	15% ad val. 15 cts. per bu. of 50 lbs. 3/4 ct. per lb. 25% ad val. 1 ct. per lb. 4 cts. per lb. 2 cts. per lb. 2 cts. per lb. 1 ct. per lb. 2 '/2 cts. per lb. 2 cts. per lb.
773 779 802	entered for consumption during the period: From December 1st to the last day of the following February, inclusive, in any years	60 cts. per 100 lbs. 45 cts. per 100 lbs. 12½ cts. per 100 lbs. \$3 per ton of 2,000 lbs. \$2.50 per proof gal.

<i></i>		
United States Tariff Act of 1930 Paragraph	Description of Article	Rate of Duty
1402	entered, or withdrawn from warehouse, for consumption. Pulpboard in rolls for use in the manufacture of wallboard, not plate finished, supercalendered or friction calendered, laminated by means of an adhesive substance, coated, surface stained or dyed, lined or vat-lined, embossed, printed, decorated or ornamented in any manner, nor cut into shapes for boxes or other articles and not specially provided for	5% ad val.
1413 1502 1502 1530 (b)	Pulpboard in rolls for use in the manufacture of wallboard, surface stained or dyed, lined or vat-lined, embossed, or printed	15% ad val. 15% ad val. 15% ad val. 10% ad val. 10% ad val.
1601 1604	Sulphuric acid or oil of vitriol	Free Free
1641 1652 1667 1672 1681 1716 1734	Asbestos, unmanufactured, asbestos crudes, fibers, stucco, and sand and refuse containing not more than 15 per centum of foreign matter	Free Free Free Free Free Free Free Free
	or recurrencing its surpliment to the Officed States, as "Crude	

396 Société des Nations — Recueil des Traités.				
United States Tariff Act of 1930 Paragraph	Description of Article	Rate of Dut	у	
	in accordance with the decision of the United States Court of Customs and Patent Appeals, published as Treasury Decision 45725 (61 Treasury Decisions 1215), shall be continued during the effective period of this Agreement.			
1756	Sea herring and smelts, fresh or frozen, whether or not	Eman		
1760	packed in ice, and whether or not whole	Free Free		
1761	Lobsters, fresh or frozen (whether or not packed in ice), or prepared or preserved in any manner (including pastes and sauces), and not specially provided for.	Free		
1761	Clams, quahaugs, oysters (except seed oysters), and crabs, fresh or frozen (whether or not packed in ice),			
1761	and not specially provided for	Free Free		
1772 1803 (1)	Standard newsprint paper Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber, not further manufactured than planed, and tongued and grooved; all the foregoing, if not of balsa or teak, and not spe-	Free		
1803 (2)	cially provided for	Free		
1804	provided for	Free		
	and telegraph poles of cedar or other woods	Free		

Pickets, palings, hoops, and staves of wood of all kinds $% \left(x\right) =\left(x\right) +\left(x\right) +\left$

1805

Free

398	Société des Nations — Recueil des Traités.	
Revenue Act of 1932 Section		Rate of Import Tax
601 (c) (6)	Lumber, rough, or planed or dressed on one or more sides, except flooring made of maple (except Japanese maple), birch, and beech	\$1.50 per thousand feet, board measure.

Certified to be a true copy of the original:

O. D. Skelton, Under-Secretary of State for External Affairs.

EXCHANGE OF NOTES.

Communicated by the Chargé d'Affaires a. i. of the United States of America at Berne and by the Canadian Advisory Officer to the League of Nations, July 27th, 1936.

I.

DEPARTMENT OF STATE.

WASHINGTON, November 15th, 1935.

SIR,

With reference to Article XIII of the Trade Agreement signed this day between the United States and Canada, the Government of the United States, as an exceptional measure, will refrain from claiming any advantages now accorded or which may hereafter be accorded by Canada exclusively to territories under His Majesty's mandate and administered as integral portions of territory under His Majesty's sovereignty.

Accept, Sir, the renewed assurances of my high consideration.

Cordell HULL.

Mr. Hume Wrong,

Chargé d'Affaires ad interim of Canada.

II.

CANADIAN LEGATION.

No. 159.

Washington, November 15th, 1935.

SIR.

At the moment of signature of the Trade Agreement between Canada and the United States of America, I am directed by the Secretary of State for External Affairs to state for the information of your Government that it is the intention of His Majesty's Government in Canada to invite Parliament at its next session to enact legislation amending the provisions of the Customs Act presently fixing the methods of determining the value of merchandise for duty purposes, as a step toward the realization of their declared objective of eliminating arbitrary executive interference with the normal courses of trade. They propose, at the first opportunity, to press forward with the reform of the administrative provisions of the Customs Act with this end in view, and believe that the modifications which they have had in mind and which have been discussed with representatives of your Government will stabilize and safeguard the value of the mutual concessions in rates of duty incorporated in to-day's Agreement.

In revising the methods of determining the value of merchandise for duty purposes the following principles, among others, will be incorporated in the contemplated amendments to the Customs Act of Canada:

(a) The value for duty established under authority of Section 36 (2) will not include an advance for selling cost or profit greater than that which in the ordinary course of

¹ TRADUCTION, — TRANSLATION.

ÉCHANGE DE NOTES

Communiqué par le chargé d'Affaires a. i. des Etats-Unis d'Amérique à Berne, et par l'« Advisory Officer » du Canada près la Société des Nations, le 27 juillet 1936.

I.

DÉPARTEMENT D'ETAT.

WASHINGTON, le 15 novembre 1935.

MONSIEUR LE CHARGÉ D'AFFAIRES,

En ce qui concerne l'article XIII de l'Accord commercial signé ce jour entre les Etats-Unis et le Canada, le Gouvernement des Etats-Unis s'abstiendra, par mesure exceptionnelle, de revendiquer les avantages qui sont ou seront par la suite accordés par le Canada exclusivement aux territoires placés sous mandat de Sa Majesté et administrés comme parties intégrantes d'un territoire placé sous la souveraineté de Sa Majesté.

Veuillez agréer, etc.

(Signé) Cordell Hull.

Monsieur Hume Wrong, Chargé d'Affaires par intérim du Canada.

TT.

Légation du Canada. Nº 159.

WASHINGTON, le 15 novembre 1935.

Monsieur le Secrétaire d'Etat.

Au moment de la signature de l'Accord commercial entre le Canada et les Etats-Unis d'Amérique, je suis chargé par le secrétaire d'Etat aux Affaires étrangères de déclarer, aux fins d'information, à votre gouvernement, que le Gouvernement de Sa Majesté au Canada a l'intention de proposer au Parlement, lors de sa prochaine session, de voter un amendement à la loi douanière qui fixe actuellement la méthode à employer pour déterminer la valeur des marchandises soumises aux droits de douane, conformément à son intention ouvertement déclarée d'éliminer progressivement toute intervention arbitraire des organes exécutifs susceptible de gêner l'exercice normal du commerce. Mon gouvernement se propose, à la première occasion, de hâter une réforme dans ce sens des clauses administratives de la loi douanière, et il est persuadé que les modifications qu'il se propose d'apporter et qui ont été discutées avec les représentants de votre gouvernement, stabiliseront et sauvegarderont la valeur des concessions qui ont été mutuellement consenties sur les tarifs et qui ont été incorporées dans l'accord d'aujourd'hui.

En revisant les méthodes permettant de déterminer la valeur des marchandises soumises aux droits de douane, les principes suivants, notamment, seront insérés dans les amendements

prévus à la loi douanière du Canada:

a) La valeur douanière conformément à l'article 36 (2) ne comprendra pas de majoration pour frais de vente ou bénéfices plus élevée que celle qui, dans le cours ordinaire

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

business under normal conditions of trade is added, in the case of goods similar to the particular goods under consideration, by manufacturers or producers of goods of the

same class or kind in the country of export.

(b) No rate of discount established under Section 37 will operate to increase the value for duty of any goods beyond the price at which such or similar goods are freely offered for sale to purchasers at the time and place of shipment in the country of export, in the usual quantities and in the ordinary course of trade.

(c) In the case of any value for duty which may be established under authority of Section 43, other than those provided for in Schedule I of the Trade Agreement signed to-day, opportunity will be afforded for appeal to the Tariff Board respecting any such value in order to ascertain and make public the finding whether, to what extent, and for what period, such value may be required to prevent the importation of the goods into Canada from prejudicially or injuriously affecting the interests of Canadian manufacturers and producers.

(d) In interpreting the words "of a class or kind made or produced in Canada", provision will be made to make it clear that the phrase "made or produced in Canada" in this context means "made or produced in Canada in commercial quantities" and arrangements will be made for giving adequate notice of the transfer, for Customs purposes, of a product from the category "not of a class or kind made or produced in Canada"

to the category "of a class or kind made or produced in Canada".

Pending the entry into force of amendments to the Customs Act incorporating the substance of the foregoing principles, the competent Departments of the Canadian Government will, to the extent of their administrative discretion, give the fullest possible effect to these general principles in the administration of the Act.

In the meantime, and pending the entry into force of the legislative changes foreshadowed in this Note, the Canadian Government are prepared as from the 1st January 1936, to cancel the values for duty purposes, established under authority of Section 43 of the Customs Act of Canada and now applicable to the undermentioned goods, the produce or manufacture of the United States, on importation into Canada:

Meats, fresh, prepared or preserved Eggs, frozen, desiccated, powdered, etc. Loganberries, dried Slack cooperage stock Lime Doors of hardwood Women's and children's clothing Fabrics of cotton or of artificial silk Fringes, gimps and tassels Electric light fixtures; lamps and shades Roses, cut Canned asparagus Eggs in the shell Baby chicks Peas, dried Beans, dried Market poultry Livestock Canned salmon Sugar of milk.

I am further directed to state that the Canadian Government propose to invite Parliament to permit the entry free of duty and charges of incidental purchases by residents of Canada returning from the United States of America, not exceeding the value of one hundred dollars, under regulations,

particularly as to the frequency of such entry and duration of visits, to be prescribed, for such time as treatment substantially equivalent to that now in effect is accorded by the Government of the United States of America to incidental purchases by residents of that country returning from Canada.

I have the honour to be, with the highest consideration, Sir, your most obedient, humble servant,

H. H. WRONG, Chargé d'Affaires.

The Hon. Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

III.

DEPARTMENT OF STATE.

WASHINGTON, November 29th, 1935.

SIR,

The receipt is acknowledged of your note No. 150 of November 15th, 1935, which was handed to me on the occasion of the signing of the Trade Agreement between our two Governments and which informed me that, pursuant to the discussions between our respective representatives, the Canadian Parliament will be invited, at its next session, to enact legislation amending the provisions of the Customs Act presently fixing the methods of determining the value of merchandise for duty purposes.

As I informed Mr. Herridge in my note of December 27th, 1934,¹ this question is considered of importance by the United States Government and I am therefore gratified to receive the assurance set forth in your note under acknowledgment. I wish to thank you particularly for your assurance that, pending the entry into force of the legislation in question, the Canadian authorities will, to the extent of their administrative discretion, give the fullest possible effect to the principles agreed upon

It is also noted with appreciation that, in accordance with our recent understanding, the Canadian Parliament will be invited to permit, under regulation, the entry free of duty and charges of incidental purchases by residents of Canada returning from the United States, not exceeding one hundred dollars in value.

Accept, Sir, the renewed assurances of my high consideration.

Cordell Hull.

Mr. Hume Wrong, Chargé d'Affaires ad interim of the Dominion of Canada.

Certified to be true and complete textual copies of the original Agreement in the sole language in which it was signed and of Notes exchanged in connection therewith.

For the Secretary of State of the United States of America:

C. E. MacEachran.

Chief Clerk and Administrative Assistant.

¹ Not reproduced.