

products, Canada will be free, in respect of such product, and to the extent and for such a time as may be necessary to prevent or remedy such injury, to establish values for ordinary and special duty purposes.

2. In determining whether values should be established in respect of any product pursuant to paragraph 1 and in determining the level at which such values should be established, Canada will take into account the prices of like or directly competitive products, if any, being imported at that time from other countries.

3. Before Canada takes action pursuant to paragraph 1, it will give notice in writing to Japan as far in advance as may be practicable and will afford the latter an opportunity to consult with it in respect of the proposed action. In critical circumstances, where delay would cause damage which it would be difficult to repair, action under paragraph 1 may be taken provisionally without prior consultation, on the condition that consultation shall take place immediately after taking such action.

I have the honour to state further that in the view of the Government of Canada these provisions are consistent with the General Agreement on Tariffs and Trade and that the Government of Canada will regard these provisions as continuing to be applicable in the event that the General Agreement on Tariffs and Trade is applied between Canada and Japan."

I have the honour to state that the Government of Japan recognizes that in the application of the Agreement on Commerce signed this day, the Government of Canada has the right to establish values for ordinary and special duty purposes in accordance with the terms set forth in Your Excellency's Note referred to above. The Government of Japan concurs in the view that the provisions set forth in Your Excellency's Note are consistent with the General Agreement on Tariffs and Trade. The Government of Japan will also regard these provisions as continuing to be applicable in the event that the General Agreement on Tariffs and Trade is applied between Japan and Canada.

I avail myself, Excellency, of this opportunity to renew assurances of my highest consideration.

KOTO MATSUDAIRA

Ambassador of Japan

The Honourable L. B. Pearson,
Secretary of State for External Affairs,
Ottawa.

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OTTAWA, March 31, 1954.

YOUR EXCELLENCY,

With reference to the Agreement on Commerce between Japan and Canada which has been signed today, I have the honour to state that notwithstanding the provisions of paragraph 3 of Article III which permit certain temporary deviations from the provisions of paragraphs 1 and 2 of this Article, the Government of Japan undertakes to accord unconditional non-discriminatory treatment with respect to the importation into Japan of the nine commodities listed