

to the operation of customs regulations, control of foreign exchange, 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 health or life.

3. If agreement is not reached after due consultation as described above, either Government shall be free to terminate this Agreement in whole or in part on thirty days' written notice.

4. Greater than nominal penalties shall not be imposed by Canada or Mexico in connection with the importation of articles the growth, produce or manufacture of the other country because of errors in documentation which are obviously clerical in origin or with regard to which good faith can be established.

#### *Article VI*

1. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either country against the other country in favour of any other foreign country, and without prejudice to the provisions of paragraphs 1 and 2 of Article V, the provisions of this Agreement shall not extend to prohibitions or restrictions:

- (a) relating to public security;
- (b) imposed for the protection of public health or on moral or humanitarian grounds;
- (c) imposed for the protection of plants or animals, including measures for protection against disease, degeneration or extinction as well as measures taken against harmful seeds, plants or animals;
- (d) relating to prison-made goods;
- (e) relating to the enforcement of police laws or regulations; or
- (f) imposed for the protection of national treasures of artistic, historic or archæological value.

2. Nothing in this Agreement shall be construed to prevent the adoption or enforcement of such measures as the Government of either country may see fit to adopt:

- (a) relating to the importation or exportation of gold or silver; or
- (b) relating to the control of the import or export or sale for export of arms, ammunition, or implements of war, and, in exceptional circumstances, all other military supplies.

3. It is understood that the provisions of this Agreement relating to laws and regulations affecting the sale, taxation or use of imported articles within Canada and Mexico are subject to the constitutional limitations on the authority of the Governments of the respective countries.

#### *Article VII*

1. The advantages now accorded, or which may hereafter be accorded, by Canada or Mexico to adjacent countries in order to facilitate frontier traffic, and advantages accorded by virtue of a customs union to which either country may become a party, shall be excepted from the operation of this Agreement.

2. The advantages now accorded, or which may hereafter be accorded, by Canada exclusively to other territories under the sovereignty of His Majesty