

for the purchase of articles, produced or manufactured in Canada, up to the monthly amounts provided for in Articles II and III. These foreign exchange certificates shall entitle the German importers to acquire from the offices of the Reichsbank or from the foreign exchange banks the foreign exchange required for the payment of articles, produced or manufactured in Canada.

ARTICLE V

In order to meet as far as possible the practical requirements of trade, the Supervising Offices (Ueberwachungsstellen) shall be authorized to grant in advance foreign exchange certificates for a period up to six months. The monthly amount of such foreign exchange certificates shall not exceed the monthly average of exports to Canada in the year 1935 of articles, produced or manufactured in Germany. If it should be found that, on the basis of the receipts of foreign exchange from Canada computed in accordance with the provisions of Paragraph 2 of Article I, the amount of foreign exchange certificates granted in advance is greater or less than the amount of foreign exchange which should be made available for the month in question in accordance with the provisions of Articles I and II, foreign exchange certificates shall be granted in the following months to a correspondingly lesser or greater amount.

ARTICLE VI

In the allocation of the amounts of available foreign exchange among the various classes of import commodities, the goods enumerated in the Schedule to this Agreement shall be dealt with on the basis of the percentages specified therein, up to the maximum annual amounts set forth in Column 3. The German Government will allocate the remainder of such foreign exchange for the purchase of any Canadian goods.

ARTICLE VII

Since an orderly execution of this Agreement is assured only if the foreign exchange resulting from German exports to Canada is available to the fullest extent, the German Government shall no longer permit in general any other kind of payment for the export to Canada of articles, produced or manufactured in Germany, such as compensation, Aski or blocked marks.

Notwithstanding the provisions of the preceding paragraph the German Government during the first six months this Agreement is in force may permit compensation transactions for the exchange of articles, produced or manufactured in Germany, against an equal value of articles, produced or manufactured in Canada, provided that such compensation transactions shall not conflict in any manner with the basis of allocation set forth in Article VI and the Schedule to this Agreement.

ARTICLE VIII

The provisions of this Agreement shall apply only to articles, produced or manufactured in Canada, which are shipped or sent direct from Canada to Germany, whether or not through ports in third countries and whether or not through, in the name of, or for the account of, persons resident in third countries.

Likewise the provisions of this Agreement shall apply only to articles, produced or manufactured in Germany, which are shipped or sent direct from Germany to Canada, whether or not through ports in third countries and whether or not through, in the name of, or for the account of, persons resident in third countries.