

ARTICLE II

The present Agreement shall be applied only to merchandise transported from a port of Honduras to a port of Canada directly or in transit through a country which enjoys the benefits of the British Preferential Tariff or the Most-Favoured-Nation Tariff of Canada and likewise to merchandise transported from a port of Canada to a port of Honduras, directly or in transit through countries indicated above.

ARTICLE III

Each of the Contracting Parties shall accord to the other treatment no less favourable than that accorded to any other foreign country in all matters relating to the allocation of foreign exchange for commercial transactions and to the assignment of quotas for the quantitative control of imports or exchange respectively.

ARTICLE IV

The provisions of this Agreement relating to most-favoured-nation treatment shall not be applicable to:

- a) Advantages that have been accorded or may in future be accorded by Canada or by Honduras exclusively to contiguous countries to facilitate frontier traffic, or to advantages accorded solely to members of any future Customs Union in which Canada or Honduras may take part.
- b) Advantages that have been accorded or may in future be accorded by Honduras to other Central American countries.
- c) Advantages that have been accorded or may in future be accorded by Canada exclusively to members of the British Commonwealth of Nations, including their dependent overseas territories, or to the Republic of Ireland.

ARTICLE V

Provided that, under like circumstances and conditions, there shall be no arbitrary discrimination on the part of either country in favour of any other foreign nation, and without prejudice to the provisions of paragraphs (a) and (b) of Article VII, the provisions of this Agreement shall not be applicable to prohibitions or restrictions relating:

- (a) to public security;
- (b) to the protection of public health or on moral or humanitarian grounds;
- (c) to the protection of animal or vegetable life or health, including any measures of protection against diseases, degeneration or extinction, as well as measures taken against harmful seeds, plants or animals;
- (d) to articles made in prisons;
- (e) to the enforcement of police laws or regulations;
- (f) to the protection of the national artistic, historic or archaeological heritage;
- (g) to the import or export of gold or silver;
- (h) to the control of the import, export or sale for export of arms, munitions, or instruments of war and, in exceptional circumstances, of any other military supplies.