

In connection with the extension of this "modus vivendi" the Canadian Government would appreciate an assurance from your Government that, in the event of quotas being established by your Government for the importation of any class of goods, the system shall not be so administered as to cause discrimination against goods produced or manufactured in Canada and that the conditions under which import licences may be obtained for the importation of such goods shall not be less favourable than those applied in the case of similar goods the produce or manufacture of any other foreign country.

I would also request you to draw the attention of your Government to the existing high rate of duty on canned lobsters imported into Germany. Canned lobsters are a distinctly Canadian product and Canada is the chief exporter of this commodity to European countries. A year ago, when the "modus vivendi" between the two countries was first brought into force, there was a conventional duty of 200 reichsmarks per 100 kilogrammes gross weight on canned lobsters, but this conventional duty ceased to be effective on February 15, 1933, when the former German Trade Treaty with Sweden expired. This brought into force the General Tariff of 800 reichsmarks per 100 kilogrammes gross weight on canned lobsters imported from all sources. Even at par of exchange the present rate is equivalent to 86½ cents per pound (much more if converted at the current rate) and is almost a prohibitive rate of duty. This rate is four times as high as the rate in force when the "modus vivendi" was entered into last year.

I have the honour to be,

Sir,

Your obedient servant,

R. B. BENNETT

Secretary of State for External Affairs

*The German Consul General for Canada to the Secretary of State for External Affairs of Canada.*

GERMAN CONSULATE GENERAL FOR CANADA

MONTREAL, December 23, 1933.

SIR,

I have the honour to acknowledge receipt of your letter of December 21st, in which you inform me that the Canadian Government is in agreement with the proposal of the German Government to extend, indefinitely, the "modus vivendi" between Germany and Canada, which expires December 31st next, provided that the new "modus vivendi" may be terminated at any time by either Government and that in the event of such termination natural or manufactured products of either country would continue to enjoy, on importation into the other, the benefits of the Agreement for a period of six weeks from the date of notice of termination.

I have also read the draft recommendation to the Governor General in Council enclosed with your letter, and I am authorized to say that the considerations set forth therein are in accord with the views of the German Government.

I have, therefore, the honour to declare, on behalf of my Government, that in view of the said Order-in-Council to be passed, Germany will continue beyond December 31, 1933, to grant Canada most-favoured-nation treatment, reserving, however, the right to withdraw from the arrangement at any time. In the latter event the increased rates applicable by such an action shall not