

*Canada-United States Trade Agreement*

under laws of the United States of America in force on the day of the signature of this agreement.

2. Schedule II shall have full force and effect as an integral part of this agreement.

Article agreed to.

On article VIII:

1. The provisions of articles VI and VII of this agreement shall not prevent the government of either country from imposing at any time on the importation of any article a charge equivalent to an internal tax imposed in respect of a like domestic article or in respect of a commodity from which the imported article has been produced or manufactured in whole or in part.

2. Moreover, the provisions of articles VI and VII shall not be construed to embrace such reasonable fees, charges or exactions, imposed at any time by the government of either country in connection with the documentation of any shipment, as are commensurate with the cost of the services performed.

Article agreed to.

On article IX:

Sawed lumber and timbers, telephone, trolley, electric-light, and telegraph poles of wood, and bundles of shingles, the growth, produce or manufacture of Canada, imported into the United States of America, shall not be required to be marked to indicate their origin in any case where the imported article is of the same class or kind as articles which were imported into the United States of America in substantial quantities during the five-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin.

Mr. MacNICOL: Could the minister explain the significance of the five-year period in this article?

Mr. DUNNING: In order to determine what articles shall not be marked, reference is made to those which entered the United States from Canada in substantial quantities during the preceding five years without marking required.

Article agreed to.

On article X:

1. No prohibition, restriction or any form of quantitative regulation, whether or not operated in connection with an agency of centralized control, shall be imposed or maintained in Canada on the importation or sale of any article the growth, produce or manufacture of the United States of America enumerated and described in schedule I, or in the United States of America on the importation or sale of any article the growth, produce or manufacture of Canada enumerated and described in schedule II, except as otherwise expressly provided in the said schedules.

2. The foregoing provision shall not apply to quantitative regulations in whatever form which may hereafter be imposed by the government of either country on the importation or sale of any article the growth, produce or manufacture of the other, in conjunction with governmental measures or measures under governmental authority

[Mr. Dunning.]

(a) operating to regulate or control the production, market supply, quality or price of the like article of domestic growth, production or manufacture; or

(b) operating to increase the labour costs of production of the like article of domestic growth, production or manufacture;

Provided, however, that the government proposing to impose any such quantitative regulation shall have satisfied itself, in the case of measures described in subparagraph (a) of this paragraph, that such quantitative regulation is necessary to secure the effective operation of such measures, and, in the case of measures described in subparagraph (b), that such measures are causing the domestic production of the article concerned to be injuriously affected by imports which constitute an abnormal proportion of the total consumption of such article in relation to the proportion supplied in the past by foreign countries.

3. Whenever either government proposes to impose or to effect a substantial alteration in any quantitative regulation authorized by the preceding paragraph, that government shall give notice in writing to that effect to the other and shall, upon request, enter into consultation regarding the matter. If agreement is not reached within thirty days after the receipt of the notice the government giving it shall be free to impose or alter the regulation at any time, and the other government shall be free within fifteen days after such action is taken to terminate this agreement in its entirety on giving thirty days' notice in writing to that effect.

Article agreed to.

On article XI:

In respect of articles the growth, produce or manufacture of the United States of America enumerated and described in schedule I, imported into Canada, and of articles the growth, produce or manufacture of Canada enumerated and described in schedule II, imported into the United States of America, on which ad valorem rates of duty, or duties based upon or regulated in any manner by value, are or may be assessed, the general principles on which dutiable value is determined in each of the importing countries on the day of the signature of this agreement shall not be altered so as to impair the value of any of the concessions provided for in this agreement.

Article agreed to.

On article XII:

1. Nothing in this agreement shall be construed to prevent the 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;

(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;

(c) relating to neutrality or to public security; or

(d) should that country be engaged in hostilities or war.

2. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either country against articles the growth, produce or manufacture of the other country in favour of the like articles the growth, produce or manufacture of