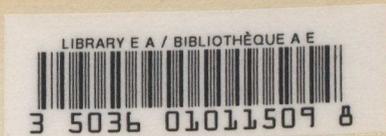


(Translation)

DIVISION OF POLITICAL ECONOMY
ECONOMICS BRANCH
No. 773-E



CARACAS, March 26, 1941.

Monsieur le Ministre,

In accordance with instructions received by me from my Government, I have the honour to place on record in this note that, as a result of the conversations between Your Excellency and myself, it has been agreed between the Government of the United States of Venezuela and the Government of Canada to regulate the commercial relations between the two countries, pending the conclusion of a commercial treaty, by means of the following *modus vivendi*:—

(1) Articles the growth, produce or manufacture originating and proceeding from one of the Contracting Parties shall not be subject on importation into the Territory of the other Contracting Party, to the payment of duties or charges greater than those levied on the importation of products of the same category originating and proceeding from any other foreign country.

(2) The present agreement shall be applied only to merchandise transported from a port in Venezuela to a sea, lake or river port in Canada without transshipment, or in transit through a country which enjoys the benefits of the British preferential or Intermediate Tariff of Canada; and also to merchandise transported from a port in Canada to a port in Venezuela without transshipment or in transit through a country which enjoys the benefits of the British preferential or Intermediate Tariff of Canada.

(3) The Government of each of the Contracting Parties shall grant to the Government of the other Contracting Party no less favourable treatment than that which is accorded to any other foreign country, in all matters relating to the concession of foreign exchange for commercial transactions and to the assignment of quotas for the quantitative control of imports and exchange.

The Government of each of the Contracting Parties shall give careful consideration to any representations which the Government of the other Contracting Party may make in respect of the application of the provisions of this article.

(4) The present agreement shall not affect the regulations laid down by the laws of Venezuela in regard to imports the produce of the West Indies or other colonial possessions.

This note and Your Excellency's reply will constitute an agreement which shall enter into force two weeks from the date hereof and shall remain in force for the period of one year with the option of renewal, with or without modification, before its expiry.

This renewal shall be made by means of an interchange of notes and both parties shall signify their intention of renewing this agreement or of terminating it by notice of three months before the end of each year.

Moreover the present arrangement shall be terminated by the entry into force of the commercial treaty to be negotiated between the two Contracting Parties.

I avail myself, etc.

E. GIL BORGES