Quotas provided under items Ex 222, Ex 224, and Ex 522 are supplementary to those already granted by the Additional Protocol of February 26, 1935.

On the other hand the French Government note the following concessions granted by the Canadian Government:—

(1) Liquorice fibres, dried or not, cleaned, cut to dimension, ground or sifted, listed under item 235 of the Canadian Customs Tariff, the rate of the Intermediate Tariff will be decreased from 17½ per cent to 10 per cent ad valorem.

The Intermediate Tariff duty levied on liquorice paste not sweetened listed under item 235a of the Canadian Customs Tariff, is decreased from 15 per cent to 12½ per cent ad valorem.

Finally the Intermediate Tariff duty levied on liquorice in sticks not sweetened, listed under item 235b of the Canadian Customs Tariff, is brought down from 20 per cent to 15 per cent ad valorem.

- (2) The Canadian Government agree no longer to avail themselves, while the present Agreement is in force:—
- (a) of the provisions of Schedule F to the Additional Protocol of February 26, 1935, as regards the grant of special quotas on electrical heating apparatus (Item 524 bis K of the French Customs Tariff) and on vacuum cleaners (Item Ex 524 bis M of the French Customs Tariff);
- (b) of the provisions of Schedule E to the Additional Protocol of February 26, 1935, as regards the grant of quotas referred to in the said Protocol of passenger automobiles (Item Ex 614 ter A of the French Customs Tariff) such renunciation to take effect as from July 1, 1936.

Taking note of the intention expressed by the Canadian Government to modify and consolidate in a broader agreement the present conventional provisions in force between Canada and France, the Governments of France and Canada consider that the said agreement should intervene before March 31, 1938, negotiations to take place either in Paris or Ottawa as the Canadian Government may choose.

During the conversations which just took place in Paris looking to the conclusion of the present exchange of notes the representatives of the Canadian Legation have pointed out that the broader agreement referred to in the preceding paragraph might, among other things, provide for the consolidation of conventional duties now levied on French products imported into Canada.

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