

ARTICLE IV

The products of either of the Contracting Parties which are imported into the territory of the other Contracting Party, shall not be subject, directly or indirectly, to internal taxes or other charges of any kind, other or higher than those which are applied directly or indirectly to similar national products.

ARTICLE V

(a) The present Agreement shall terminate and replace, in respect of their application by Canada, the provisions of Articles, 5, 6, 7, 8, 10, 13 and 24 of the Treaty of Commerce and Navigation between the United Kingdom and Spain, signed at Madrid on October 31, 1922, as modified by Articles 2 and 4 of the Convention signed at London on April 5, 1927. The other provisions of the aforementioned Treaty and Convention shall remain in force pending the conclusion of a new Agreement covering all the matters included therein.

(b) Spain shall continue to apply to Canada the treatment specified in Articles II and III of the present Agreement as well as the remaining provisions of the Treaty of Commerce and Navigation of October 31, 1922, and the Convention of April 5, 1927, insofar as they do not conflict with the provisions contained in the present Agreement.

ARTICLE VI

Each Contracting Party shall accord to the products of the other Contracting Party which have been in transit through the territory of any third country receiving Most-Favoured-Nation treatment, preferential treatment, or through trade agreement countries, treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through the territory of such third country. Nonetheless, either Contracting Party shall be free to maintain its requirements of direct consignment existing on the date of the present Agreement in respect of any goods in regard to which such direct consignment has relation to the Contracting Party's prescribed method of valuation for duty purposes.

ARTICLE VII

Each Contracting Party undertakes not to establish discriminatory practices with respect to the products of the other Contracting Party in the application of any import or exchange restrictions which it may impose, except for the purpose of safeguarding its external financial position and balance of payments.

Should either Contracting Party, under the exception provided above, impose discriminatory import or exchange restrictions, such restrictions shall be applied in such a way

- (a) as to avoid unnecessary damage to the commercial or economic interests of the other Contracting Party
- (b) as not to result, directly or indirectly, in discriminations as between countries whose currencies are or become convertible into dollars.