

beer, malt and malt syrup imported from abroad are subject to special taxes, nor shall they affect the applicability to goods produced or manufactured in the United States of America of special excise taxes imposed under existing provisions of the Special War Revenue Act. In these respects, however, most-favoured-nation treatment shall apply.

#### ARTICLE VII

No prohibitions, import or customs quotas, import licenses, or any other form of quantitative regulation, whether or not operated in connection with any agency of centralized control, shall be imposed by 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, nor by 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 specifically provided for in the said Schedules.

The foregoing provision shall not apply to quantitative restrictions in whatever form imposed by either country on the importation or sale of any article the growth, produce or manufacture of the other country in conjunction with governmental measures operating to regulate or control the production, market supply, or prices of like domestic articles, or tending to increase the labour costs of production of such articles. Whenever the Government of either country proposes to establish or change any restriction authorized by this paragraph, it shall give notice thereof in writing to the other Government and shall afford such other Government an opportunity within thirty days after receipt of such notice to consult with it in respect of the proposed action; and if an agreement with respect thereto is not reached within thirty days following receipt of the aforesaid notice, the Government which proposes to take such action shall be free to do so at any time thereafter, and the other Government shall be free within fifteen days after such action is taken to terminate this Agreement in its entirety on thirty days' written notice.

#### ARTICLE VIII

In the event that Canada or the United States of America establishes or maintains a monopoly for the importation, production or sale of a particular commodity or grants exclusive privileges, formally or in effect, to one or more agencies to import, produce or sell a particular commodity, the Government of the country establishing or maintaining such monopoly, or granting such monopoly privileges, agrees that in respect of the foreign purchases of such monopoly or agency the commerce of the other country shall receive fair and equitable treatment. To this end it is agreed that in making its foreign purchases of any product such monopoly or agency will be influenced solely by those considerations, such as price, quality, marketability, and terms of sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in purchasing such product on the most favourable terms.

#### ARTICLE IX

The tariff advantages and other benefits provided for in this Agreement are granted by Canada and the United States of America to each other subject to the condition that if the Government of either country shall establish or maintain, directly or indirectly, any form of control of foreign exchange, it shall administer such control so as to insure that the nationals and commerce of the other country will be granted a fair and equitable share in the allotment of exchange.