From the Secretary of State for External Affairs of Canada to the Japan
Chargé d'Affaires at Ottawa

DEPARTMENT OF EXTERNAL AFFAIRS,

OTTAWA, September 21, 1929.

SIR,—

Acknowledging the receipt of your note dated 21st September, 1929, re[illegible]ing the reciprocal exemption, as between the Dominion of Canada and Ja[illegible] from income tax on profits accruing from the operation of ships, I have [illegible] honour to inform you as follows:

(1) The Canadian Government declare that they will take the neces[illegible] steps in conformity with Section [illegible] of the Canadian Income War Tax [illegible] 1917, as amended by the Statute 18 and 19 George V, c. 12, and the Re[illegible]tions relating thereto, upon condition of reciprocity, to exempt from income [illegible] chargeable in the Dominion of Canada all income which accrue from the b[illegible]ness of shipping carried on by means of ships whose port of registry is in Ja[illegible] by an individual, whether Japanese or other, who is resident in Japan but [illegible] in the Dominion of Canada, or by a corporate body, whether Japanese or o[illegible] whose principal office or centre of actual control and management is in Ja[illegible] but not in the Dominion of Canada. The Canadian Government [illegible] that a similar exemption will also be accorded to all incomes and net pr[illegible] which arise from the business of shipping carried on by an individual or a [illegible]porate body, Japanese or other, [illegible] but not in the Dominion [illegible] Canada by means of ships whose port of registry is in a third country, prov[illegible] the said third country grants reciprocal exemption from income tax on all inco[illegible] and net profits [illegible] ships whose port of registry is in [illegible] of Canada. It is unders[illegible] that the aforesaid exemption shall be applied to such incomes, prescribed in [illegible] [illegible] provisions as have [illegible] of and after the 12th [illegible] the month of May, 1928.

(2) It is understood that the terms "the Dominion of Canada" [illegible] include all regions under the rule of the respective countries.

(3) It is understood that the term "the business of shipping" as use[illegible] the foregoing paragraphs, means the business carried on by an owner of [illegible] or ships, and for the purpose of this definition the term "Owner" includes [illegible] charterer.

(4) It is understood that if and [illegible] such exemption as is pres[illegible] under head (1) ceases to be practicable [illegible] the Dominion of Canada [illegible] of any revision or repeal of the Laws and regulations concerned, the said exe[illegible]tion shall immediately cease to have effect.

Accept, Sir, the renewed assurances of my highest consideration.

O. D. SKELTON,
For the Secretary of State for External Affairs.

Mr. Yoshio Iwate,
Chargé d'Affaires, Japanese Legation,
Ottawa.