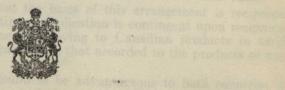
EXCHANGE OF NOTES

(March 29 and 30, 1933)

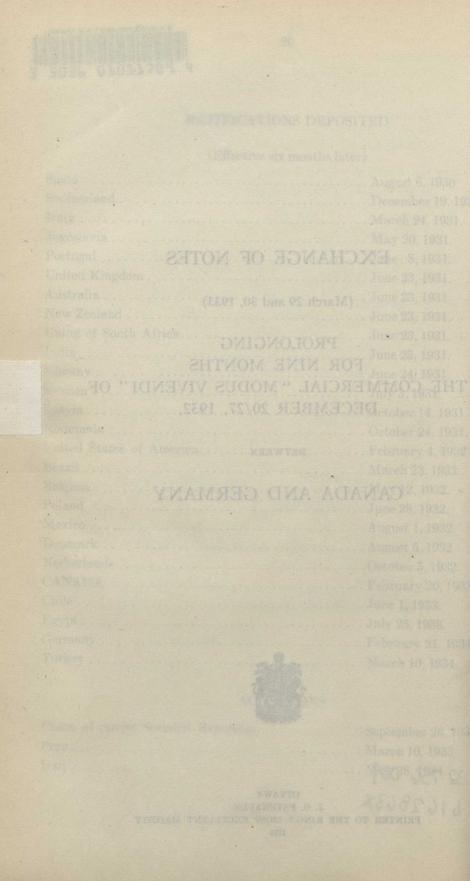
PROLONGING FOR NINE MONTHS THE COMMERCIAL "MODUS VIVENDI" OF DECEMBER 20/27, 1932,

BETWEEN

CANADA AND GERMANY



32 756 059 b162863X J. O. PATENAUDE PRINTER TO THE KING'S MOST EXCELLENT MAJESTY 1935



Exchange of Notes (March 29 and 30, 1933), Prolonging for Nine Months the Commercial "Modus Vivendi" of December 20 and 27, 1932, Between Canada and Germany

The Secretary of State for External Affairs of Canada to the German Consul General for Canada

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

Оттаwa, March 29, 1933.

SIR,

I have the honour to refer to your letter dated the 21st March, 1933, in which you submit certain proposals designed to provide for the establishment of de you submit certain proposals designed to provide for the establishment. of de_{facto} "most favoured nation" treatment between Canada and Germany,

for a limited period of time.

The Canadian Government is in agreement with the views expressed by you on behalf of the German Government as to the desirability of providing for a for a modus vivendi, based upon the establishment of *de facto* most favoured nation modus vivendi, based upon the establishment of the Canadian Government, nation treatment in tariff matters. To this end the Canadian Government, acting treatment in tariff matters. acting under statutory authority, will provide for the application of the inter-mediat mediate tariff to the natural and manufactured products of Germany. The rates of the natural and manufactured products of germany. rates of the intermediate tariff are the lowest tariff rates which are now accorded to approach the intermediate tariff are the lowest tariff rates which are now accorded to any foreign country. For this purpose a draft recommendation to the Governor General in Council has been drawn up according the benefit of inter-mediate to the foreign country in the foreign purpose a draft recommendation to the second purpos mediate tariff to German goods, for a period of nine months from the 1st April, 1933 A tariff to German goods, for a period of nine months from the 1st April, 1933. A copy of the draft recommendation is enclosed and, if the considera-tions set tions set forth therein are in accord with the views of your Government, I shall recommendation is Council in such terms.*

recommend the immediate passing of an Order in Council in such terms.* You will observe that the recommendation provides for its extension for ried will observe that the recommendation provides at an earlier date, in a period of nine months, subject, however, to termination at an earlier date, in the event of nine months, subject, however, to accord most favoured nation the event that the German Government ceases to accord most favoured nation treatment that the German Government ceases differs slightly from that treatment that the German Government ceases to accord most favoured inter-treatment to Canada in tariff matters. This clause differs slightly from that suggested in your letter, but it would seem to be desirable to have the arrange-ment extern your letter, but it would seem to be desirable to have the arrangement extend for a period of nine months and the two Governments will then be in a period of nine months and the two Governments will then be in a position to take up the question of what further action should be taken with receipt

with regard to the matter.

You will observe that provision is made for another clause along the general s successful to the matter logitimate trade against hard-Ines suggested by your letter, in order to protect legitimate trade against hard-ships which might result from a sudden withdrawal of the lower tariff rates.

You will also understand that the basis of this arrangement is reciprocal You will also understand that the basis of this arrangement is reciprocal action by the formation of the products in the product of the products in the product of the prod action by the German Government in giving to Canadian products in tariff matters treatment not less favourable than that accorded to the products of any

other foreign country.

Such an arrangement will doubtless be advantageous to both countries in arrangement arrange-Such an arrangement will doubtless be advantageous to both countries ment the period preceding the conclusion of some more permanent arrange-nent. You period preceding the doubtless be advantageous to both countries understand that the acceptance of a temporary ment. You will, of course, understand that the acceptance of a temporary * P.C. 598, March 31, 1933. See CANADA GAZETTE, April 8, 1933.



arrangement of this character will not preclude the Canadian Government from urging the inclusion of conventional rates adapted to the special requirements of Canadian trade in any permanent arrangement that may be negotiated at " later date.

Yours sincerely,

R. B. BENNETT,

Secretary of State for External Affairs.

L. KEMPFF, Esq., German Consul General for Canada, Montreal, P.Q. farch 29, 1923

The German Consul General for Canada to the Secretary of State for External Affairs of Canada.

GERMAN CONSULATE GENERAL FOR CANADA

Montreal, March 30, 1933.

SIR,

Referring to your letter of March 29th, I have the honour to make, on beha of my Government, the following declaration:

The German Government agree to an arrangement under which de fact most-favoured-nation treatment is to be extended from April 1st, 1933, for period of nine months, subject, however, to termination at an earlier date in event that the rates of the Intermediate Tariff cease to be the lowest rate accorded by Canada to the natural or manufactured products of any forely country. The German Government will, therefore, within the limits of the abo period, grant to the natural and manufactured products of Canada, upon impo tation into Germany, the rates of the Conventional Tariff of Germany, and those items, on which there are no conventional rates, the rates of the Germany, and Tariff for such time of Germany, and the conventional rates, the rates of the Germany, and the conventional rates of the Germany, and the conventional rates of the conventional rates of the conventional rates of the conventional rate Tariff, for such time as German products are not treated less favourably Canada than those of any other foreign country.

In the event that Canada is removed from the list of most-favoured natio at a date prior to the expiration of the said period of nine months, pursuant the provisions of the preceding clauses, the increased rates applicable by action shall not apply to goods imported into Germany on or before the exp tion of thirty days after such date, provided that such goods have been bond contracted for and purchased in Canada for the purpose of exportation to for many prior to such date

I have the honour to be, sir,

Your obedient servant,

L. KEMPFF, German Consul General.

R. B. BENNETT, K.C., P.C., The Right Honourable Secretary of State for External Affairs, Ottawa.