

issued by the President under the terms of the Trade Agreements Act.* The Agreement will remain in force, subject to certain contingencies provided for in Articles VII, X and XIV, until Dec. 31, 1938, and thereafter unless terminated by the Government of either country upon six months' notice.

The Agreement is designed to create wider markets for Canadian producers and to lower the living costs for Canadian consumers which, combined, should lead to an increase in the purchasing power of the people of Canada. The effect desired is to increase demands in the home markets for the products of other Canadian industries with consequent increased employment. Any improvement brought about in the position of the primary industries will logically be felt throughout the whole economic structure and particularly in the field of transportation. This objective the Agreement would attain by assuring the continuance of existing markets and the opening of new markets for the stated period.

Exchange of Notes with Japan.—An exchange of Notes on Dec. 26, 1935, between the Government of Canada and the Government of Japan effected adjustments in the tariff treatment of goods exported from one country to the other. The Japanese Government, as from Jan. 1, 1936, removed a 50 p.c. *ad valorem* surtax brought into force on July 20, 1935, on some principal Canadian exports to Japan, notably, wheat, wheat flour, lumber, woodpulp, and packing paper. In the exchange of Notes the Canadian Government cancelled, as from Jan. 1, 1936, a surtax of 33 $\frac{1}{2}$ p.c. *ad valorem* imposed on Japanese goods as from Aug. 5, 1935, under Section 7 of the Tariff. The Canadian Government gave an undertaking that in the case of goods imported from Japan of a class or kind made or produced in Canada (*i.e.*, sufficiently to supply at least 10 p.c. of normal Canadian consumption), the value for duty of the Japanese money unit, the yen, during the year 1936, would be 39.5 cents (average exchange value 1930-34). The value for succeeding years was to be computed on a corresponding basis, except that current exchange value if higher would prevail. Current exchange value of the yen was taken as regards Japanese goods of a class or kind not made or produced in Canada. Some Canadian assurances were given as to customs valuations, established under Section 43 of the Customs Act.

Summary of Tariff Arrangements with Foreign Countries.—Arising out of some old British treaties, later British treaties or favoured-nation clauses sanctioned by Canadian Acts of Parliament, in consequence of purely Canadian conventions of commerce or exchange of Notes, Canada extends, on a reciprocal basis, most-favoured-nation customs treatment, except where otherwise indicated, to the goods of the following countries:—

Country.	Treaty or Convention.	Terms.
Argentine Republic.....	Treaty of Amity, Commerce and Navigation with the United Kingdom of Feb. 2, 1825.....	Exchange of most-favoured-nation treatment.
Austria.....	Exchange of Notes. Canadian Orders in Council of July 5, 1933, Dec. 29, 1933, and Jan. 14, 1935, latter for an indefinite period subject to termination on three months' notice.	Canadian intermediate tariff exchanged for most-favoured-nation treatment in Austria.
Belgium and Luxembourg, Belgian colonies, possessions and mandated territory.	Convention of Commerce with Canada of July 3, 1924.	Exchange of most-favoured-nation treatment.
Bolivia.....	Canadian Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment.
Brazil.....	Exchange of Notes of Dec. 4, 1931.	Canadian intermediate tariff exchanged for most-favoured-nation treatment in Brazil.

*The exchange took place at Ottawa on May 14th.