

Canadian Intermediate Tariff in return for its ordinary General Tariff and any existing conventional duties. This arrangement was renewed, first for nine months, and on Jan. 1, 1934, for an indefinite period, subject to termination on six months' notice. A Provisional Trade Agreement, including exchange of most-favoured-nation treatment and a payments agreement, on account of the control exercised by Germany over exchange for payment of goods, were entered into on Oct. 22, 1936 (see page 465 of the 1939 Year Book). An Order in Council (P.C. 2512) of Sept. 5, 1939, passed under the War Measures Act, brought into force regulations that prohibit trading with the enemy during the War. The enemy was defined as any State or sovereign of a State at war with His Majesty. Order in Council (P.C. 2586) of Sept. 8, 1939, relating to "apprehended state of war" specified the German Reich as an enemy State. In this way the Trade Agreements with Germany were automatically suspended.

Guatemala.—A Guatemalan law of Jan. 25, 1936 (renewing with slight changes a surtax law of Jan. 26, 1935), provided for increasing by 100 p.c. the customs duties on goods from countries whose trade balances are adverse to Guatemala and who had increased their exports to Guatemala by 100 p.c. or more in 1935 as compared with 1934. A Trade Agreement between Canada and Guatemala, signed Sept. 28, 1937, by exchange of most-favoured-nation treatment, exempted Canadian goods from the customs surcharge and entitled Canada to reduced duties provided for some items in a Guatemalan Agreement of Apr. 24, 1936, with the United States. Pending ratification of the Agreement, an Exchange of Notes on the same date established most-favoured-nation treatment reciprocally as from Oct. 14, 1937. A Canadian Act ratifying the Agreement was assented to on May 25, 1938. Ratifications were exchanged bringing the Agreement into force as from Jan. 14, 1939. It is drawn for three years and thereafter until terminated on six months' notice.

Haiti.—Haiti reduced duties on some United States products in a Trade Agreement of Mar. 28, 1935, and on Apr. 9, 1935, adopted a new Maximum Tariff (double the Minimum) which would have applied to Canada, if by Exchange of Notes of June 10, 1935 (renewed Apr. 6, 1936, and Apr. 15, 1937) Canada and Haiti had not exchanged most-favoured-nation treatment in tariff matters. A Canadian-Haiti Trade Agreement signed Apr. 23, 1937, and approved by a Canadian Act assented to on May 25, 1938, confirms this tariff arrangement. The Agreement is for one year and thereafter until terminated on six months' notice. Ratifications were exchanged bringing the Agreement into effect in both countries on Jan. 10, 1939.

Hungary.—Article 20 of the United Kingdom-Hungary Treaty of Commerce and Navigation of July 23, 1926, affording means for exchange of most-favoured-nation treatment in tariff matters between Canada and Hungary, was accepted by the Canadian Trade Agreements Act of June 11, 1928. Hungary has in force various conventional rates lower than her General Tariff, resulting from treaties with other countries.

Italy.—A Convention of Commerce between Canada and Italy of Jan. 4, 1923, provided for exchange of most-favoured-nation treatment in tariff matters. The General Tariff of Italy is applicable to imports from all countries except where reduced rates for many goods have been established by commercial treaties.

Japan.—A Treaty of Commerce and Navigation between the United Kingdom and Japan on a most-favoured-nation basis, signed Apr. 3, 1911, was accepted by Canada (with minor provisos) in an Act of Apr. 10, 1913. Certain surtaxes were imposed by Japan on July 20, 1935, and by Canada on Aug. 5, 1935, against each