

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.—The Trade Convention with Italy was abrogated by the outbreak of war as explained under "War Measures", pp. 386-387.

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 other's goods. An Exchange of Notes on Dec. 26, 1935, effected the removal of the surtaxes by both countries and stated the basis for Canadian customs valuations on Japanese goods. (See p. 489 of the 1936 Year Book.)

Latvia (*Pre-War Status).**—Article 26 of the United Kingdom-Latvia Treaty of Commerce and Navigation of June 22, 1923, providing means for exchange of most-favoured-nation treatment in tariff matters between Canada and Latvia, was accepted by the Canadian Trade Agreements Act of June 11, 1928. Latvia has a minimum schedule of duties and a maximum schedule twice as high, as well as some rates of duty fixed by conventions with other countries.

Lithuania (*Pre-War Status).**—Article 4 of the United Kingdom-Lithuania Agreement of May 6, 1922, providing means for exchange of most-favoured-nation treatment in tariff matters between Canada and Lithuania, was accepted by the Canadian Trade Agreements Act of June 11, 1928. Lithuania has in force a Maximum Tariff on certain specified items double the Ordinary Tariff. There are rates lower than the Ordinary Tariff on a few items resulting from treaties.

Netherlands (*Pre-War Status).**—A Canadian-Netherlands Convention of Commerce of July 11, 1924, provided for exchange of most-favoured-nation treatment in tariff matters between Canada, Netherlands, Netherlands Indies, Surinam, and Curaçao. The Netherlands Tariff consists of a single schedule of duties, without tariff preference to any country.

Norway (*Pre-War Status).**—A Convention of Commerce and Navigation between the United Kingdom and Norway (and Sweden) of Mar. 18, 1826, is applicable to British territories to the extent of still providing exchange of most-favoured-nation treatment in tariff matters between Canada and Norway. Norway has a single-tariff schedule but there exist provisions for imposing penalty duties on non-reciprocating countries.

Panama.—Article 12 of a United Kingdom-Panama Treaty of Commerce and Navigation, signed Sept. 25, 1928, affording means for reciprocal most-favoured-nation relations with Panama, was accepted by Canadian Order in Council of July 20, 1935. A Canadian Order in Council of Dec. 29, 1936, conceded the Canadian Intermediate Tariff to the Panama Canal Zone. Duties in Panama apply equally to imports from all countries.

Paraguay.—By Exchange of Notes, May 21, 1940, effective one month later, to remain in force until terminated on three months' notice, Canada extended her Intermediate Tariff to products of Paraguay in return for assurance of most-favoured-nation tariff rates on Canadian goods. Paraguay has a single-column tariff but there is provision for a 50 p.c. surcharge on imports from countries whose measures

* See under "War Measures", pp. 386-387.