

TRADE AGREEMENTS WITH CHILE, ARGENTINA AND BRAZIL

Chile.—A Trade Agreement signed at Santiago on Sept. 10, 1941, provisionally operative for one year beginning Oct. 15, pending coming into force of the agreement, definitively, brought Canada and Chile into reciprocal most-favoured-nation relationship in matters concerning import duties, subsidiary charges, and customs formalities, as well as laws or regulations affecting the sale or use of imported goods. Chilean goods were formerly subject to the General or highest tariff of Canada, and there were in Chile, mainly in consequence of a Trade Agreement of 1936 with France, some rates of duty lower than the tariff then applicable to Canadian goods. Advantages extended by Canada to the British Empire and by Chile exclusively to the contiguous countries of Argentina, Bolivia and Peru are not subject to the terms of the agreement. In matters relating to control of foreign exchange and imports, each government guarantees the other as favourable treatment as that accorded to any other foreign country under like circumstances. Nitrate of soda and iodine, important natural products of Chile, are protected from any quantitative control, duties or charges in Canada less favourable than would apply to like articles, natural or synthetic, from any other foreign country. Nothing in the agreement is to be construed so as to prevent enforcement of such measures as the Government of either country may adopt relating to neutrality or to public security, or should it be engaged in war.

Argentina.—The tariff relationship between Canada and Argentina, which has been governed by a treaty of 1825 between the United Kingdom and Argentina, was placed on a more secure and better-defined basis in a Trade Agreement signed at Buenos Aires on Oct. 2, 1941. The agreement went into force provisionally on Nov. 15, the provisional application being terminable on three months' notice. Argentine tariff concessions granted to the United Kingdom in a 1933 treaty had been extended to all countries, but reductions in duty conceded to the United States in an agreement of Oct. 14, 1941, were not so generalized. These latter reductions are definitely applicable to Canada under the new agreement. It provides, reciprocally, for most-favoured-nation treatment in all matters pertaining to customs duties and subsidiary charges, rates and allocations of foreign exchange, made available for commercial transactions, and to allotment of quotas either in respect of exchange or quantitative control of imports. Exceptions are made with regard to advantages accorded by Canada to other parts of the British Empire or accorded by Argentina exclusively to Bolivia, Brazil, Chile, Paraguay, or Uruguay, as well as Argentine exchange privileges extended to Peru, or concessions which either party may accord in granting foreign exchange as a consequence of financial or payments arrangements with another country. If either country maintains a monopoly for importation, production or sale of a commodity or grants exclusive privileges to any agency, it assures the commerce of the other country fair and equitable treatment in respect of foreign purchases. Nothing in the agreement is to be construed so as to prevent enforcement of such measures as the Government of either country concerned may see fit to adopt relating to neutrality.

Brazil.—An exchange of Notes of June 12, 1937, under which Canada and Brazil accorded each other most-favoured-nation treatment in tariff matters, was superseded by a formal Trade Agreement, more extensive in scope, signed at Rio de Janeiro on Oct. 17, 1941, and in force, provisionally, from that date, the provisional application being terminable on three months' notice. The new agreement pro-