



Treaty Series No. 19 (1936)

[Reprint of "Canadian Treaty Series No. 1 (1933)"]

## Exchange of Notes

between His Majesty's Government in Canada and  
the German Government

regarding

# Commercial Relations between Canada and Germany

Ottawa, December 20/27, 1932

*Presented by the Secretary of State for Foreign Affairs  
to Parliament by Command of His Majesty*

LONDON

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

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Adastral House, Kingsway, London, W.C.2; 120 George Street, Edinburgh 2;

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1936

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Cmd. 5231

EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT IN CANADA AND THE GERMAN GOVERNMENT REGARDING COMMERCIAL RELATIONS BETWEEN CANADA AND GERMANY.

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Ottawa, December 20/27, 1932.

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

*Department of External Affairs, Canada,*

Sir,

*Ottawa, December 20, 1932.*

I HAVE the honour to refer to your conversations of the 8th December and the 15th December with the Under-Secretary of State for External Affairs and other Departmental officials respecting the negotiation of a Treaty of Commerce and Navigation between Canada and Germany.

In reply I have the honour to inform you that the Canadian Government, realising the force of your Government's view that it would require several months to draw up a complete Treaty of Commerce and Navigation, particularly if it were to include Conventional rates on products of special interest to the commerce of Canada and Germany, are in cordial agreement with the views expressed by your Government as to the desirability of concluding, as soon as may be practicable, a *modus vivendi* based on the exchange of most-favoured-nation treatment in tariff matters.

I have the honour to state, however, after examining the statutes on the subject, that the Canadian Government are not authorised to enter into an Agreement explicitly according most-favoured-nation treatment to any country without the approval of Parliament. Consequently they would not be authorised to effect an exchange of notes in the terms of the draft note which you presented to the Under-Secretary of State for External Affairs on the occasion of your recent interview.

Under Section 4 of the Customs Tariff, however, the Governor-General in Council is empowered to extend to any country, in consideration of satisfactory benefits, the Intermediate Tariff which in fact is now the lowest tariff accorded to any foreign country. Accordingly, the Canadian Government are disposed to view with favour your alternative suggestion that as a temporary expedient, a separate Declaration be made, on the part of each Government, that *de facto* most-favoured-nation treatment in tariff matters be accorded natural and manufactured products of the other. For this purpose a draft recommendation to Council has been drawn up

according the benefit of the Intermediate Tariff to German goods for a period of three months from the 1st January, 1933. A copy of the draft recommendation is enclosed, and if the considerations set forth therein are in accord with the views of your Government, I will recommend the passing of an Order in Council in such terms.<sup>(1)</sup>

While it is not practicable to write such an undertaking into the Order in Council, you are authorised to inform your Government that, if any rates lower than the Intermediate Tariff are accorded to any other foreign country during this period, they will also be extended to Germany.

The Canadian Government take note of the view of your Government that the temporary regional tariff preferences which it is proposed to accord to limited quantities of wheat, barley for feeding purposes, and Indian corn, by treaties with Roumania, Bulgaria, Jugo-Slavia and Hungary, should be regarded as a recognised exception from most-favoured-nation treatment, but consider that, since the proposed temporary Agreement will not be based explicitly on the exchange of most-favoured-nation treatment, but rather on the exchange of the Intermediate Tariff of Canada for the Conventional Tariff of Germany, the question does not arise at this time.

I should be grateful to have the views of your Government on these matters at your earliest convenience.

I have, &c.

GEORGE H. PERLEY,

*Acting Secretary of State for External Affairs.*

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

*German Consulate-General  
for Canada, Montreal,*

Sir,  
p.t. Ottawa, December 27, 1932.

In your letter of the 20th December you state that the Canadian Government is disposed to view with favour the alternative suggestion of the German Government that, as a temporary expedient, a separate Declaration be made, on the part of each Government, that *de facto* most-favoured-nation treatment in tariff matters be accorded natural and manufactured products of the other. You state, furthermore, that the Canadian Government is accordingly ready to grant to natural and manufactured products of Germany, upon importation into Canada, for the period of the 1st January to the 1st March, 1933, the rates of the Canadian Intermediate Tariff, in accordance with the enclosed draft of an Order in Council, and that if any rates lower than the Intermediate Tariff are accorded to any other foreign country during this period, they will also be extended to Germany.

<sup>(1)</sup> P.C. 2807, December 27, 1932. See *Canada Gazette*, January 7, 1933.

In view of the above, I have the honour to state, on behalf of my Government, that the German Government will grant to natural and manufactured products of Canada, upon importation into Germany, the rates of the German General and Conventional Tariffs for the above-mentioned period.

I have, &c.

L. KEMPF, *F*

*German Consul-General.*