



Treaty Series No. 41 (1937)

[Reprint of "Canadian Treaty Series No. 1 (1936)"]

Exchange of Notes

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

respecting the

Customs Treatment of Imports

Ottawa, December 26, 1935

*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

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:

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

26 York Street, Manchester 1; 1 St. Andrew's Crescent, Cardiff;

80 Chichester Street, Belfast;

or through any bookseller

1937

Price 1d. net

Cmd. 5577

EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT IN CANADA AND THE JAPANESE GOVERNMENT RESPECTING THE CUSTOMS TREATMENT OF IMPORTS.

Ottawa, December 26, 1935.

No. 1.

The Japanese Minister at Ottawa to the Secretary of State for External Affairs of Canada.

Japanese Legation,

Sir,

Ottawa, December 26, 1935.

I HAVE the honour to inform you that the Japanese Government have decided to cancel, on the 1st January, 1936, the surtax of 50 per cent. *ad valorem* levied on certain goods the produce or manufacture of Canada under the provisions of the Imperial Ordinance No. 208, 1935, and the Proclamation No. 162 of the Department of Finance of Japan of the 20th July, 1935.

I avail, &c.

S. KATO,

Japanese Minister.

No. 2.

The Secretary of State for External Affairs of Canada to the Japanese Minister at Ottawa.

Department of External Affairs, Canada,

Sir,

Ottawa, December 26, 1935.

I HAVE the honour to inform you that the Canadian Government, in accordance with its general policy respecting trade and tariff matters, has decided to make the following modifications in its Customs regulations:—

1. The classification "goods of a class or kind made or produced in Canada," as it appears in the Customs Tariff, will be restricted to goods which are of a class or kind made or produced in Canada in quantities sufficient to supply at least 10 per cent. of the normal Canadian consumption. Adequate notice will be given of the transfer for Customs purposes of a product from the category "not of a class or kind made or produced in Canada" to the category "of a class or kind made or produced in Canada."

2. In computing the value for duty of goods of a class or kind not made or produced in Canada, the value of the yen will be the current exchange value in terms of the Canadian dollar at the time the goods were exported to Canada.

3. In computing the value for ordinary duty and for special duty under Section 6 of the Customs Tariff of goods of a class or kind made or produced in Canada, the value of the yen during the twelve months beginning the 1st January, 1936, will be at the rate of 39.5 cents; being the average exchange value of the yen, in terms of the Canadian dollar, for the five-year period 1930-34, based on the exchange rates published in the Statistical Year Book of the League of Nations. For the succeeding twelve-month period the yen will be taken at the average exchange value for the five-year period 1931-35, computed on the same basis, and similarly for each succeeding year. It is understood, of course, that if the yen should reach a value in Canadian currency higher than the value set forth or provided for above, such value would thereupon cease to apply and would be replaced by the current exchange value.

4. The values established under authority of Section 43 of the Customs Act will be cancelled on the 1st January, 1936, on an extensive list of commodities.

5. Opportunity will be afforded for appeal to the Tariff Board of Canada respecting any value for duty which may in future be established under Section 43 of the Customs Act. In the event of such an appeal the value for duty in force will, upon the expiration of three months after the date of appeal, cease to have any force or effect unless the Tariff Board, following a public enquiry, finds that such value or some lower value is required to prevent the importation of the goods into Canada from prejudiciously or injuriously affecting the interests of Canadian producers or manufacturers. If a lower value is found by the Tariff Board to be appropriate, such lower value will promptly be made effective.

The Canadian Government has decided to cancel on the 1st January, 1936, the surtax of $33\frac{1}{3}$ per cent. *ad valorem* levied on goods the produce or manufacture of Japan under the regulations made by Order-in-Council P.C. 2108 of the 22nd July, 1935, as modified by Order-in-Council P.C. 2317 of the 3rd August, 1935.

Accept, &c.

W. L. MACKENZIE KING,
Secretary of State for External Affairs.