

No. 3183

**CANADA
and
MEXICO**

Trade Agreement. Signed at Mexico, on 8 February 1946

Official texts: English and Spanish.

Registered by Canada on 13 March 1956.

**CANADA
et
MEXIQUE**

Accord commercial. Signé à Mexico, le 8 février 1946

Textes officiels anglais et espagnol.

Enregistré par le Canada le 13 mars 1956.

No. 3183. TRADE AGREEMENT¹ BETWEEN CANADA AND MEXICO. SIGNED AT MEXICO, ON 8 FEBRUARY 1946

The Government of Canada and the Government of the United Mexican States, desiring to strengthen the traditional bonds of friendship which unite the two countries and to facilitate further and to develop the commercial relations existing between Canada and Mexico, have resolved to conclude a Trade Agreement and have appointed for this purpose as their Plenipotentiaries :

The Government of Canada, Hugh Llewellyn Keenleyside, Esquire, Ambassador Extraordinary and Plenipotentiary of Canada to Mexico, and the Honourable James Angus MacKinnon, Minister of Trade and Commerce; and

The Government of the United Mexican States, His Excellency Doctor Francisco Castillo Nájera, Secretary of External Relations;

Who, having communicated to each other their full powers, found in good and due form, have agreed on the following Articles :

Article I

1. The Government of Canada and the Government of the United Mexican States will grant each other, reciprocally, unconditional and unrestricted most-favoured-nation treatment in all matters concerning customs duties and subsidiary charges of every kind on importation or exportation established in their respective jurisdictions, and as regards the method of levying such duties, and, further, as regards the rules and formalities connected with importation or exportation, and with respect to all laws and regulations affecting the taxation, sale, distribution or use of imported goods within the country.

2. Accordingly, articles the growth, produce or manufacture of either country imported into the other shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like articles the growth, produce or manufacture of any other foreign country are or may hereafter be subject.

3. Similarly, articles exported from the territory of Canada or Mexico and consigned to the territory of the other country shall in no case be subject, with

¹ Came into force provisionally on 8 February 1946, upon signature, and definitively on 5 June 1947, thirty days after the exchange of instruments of ratification at Ottawa, in accordance with article VIII.

respect to exportation and in regard to the above-mentioned matters, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like articles when consigned to the territory of any other foreign country are or may hereafter be subject.

4. Any advantage, favour, privilege or immunity which has been or may hereafter be granted by Canada or Mexico in regard to the above-mentioned matters, to any article originating in any other foreign country or consigned to the territory of any other foreign country shall be accorded immediately and without compensation to the like article originating in or consigned to the territory of Canada or Mexico, respectively, and irrespective of the nationality of the carrier.

Article II

Whenever the Government of either country proposes to impose or alter quantitative restrictions upon imports from the other country, or to allocate shares to the countries of export or change existing allocations, it shall give notice thereof in writing to the other Government and shall afford such other Government an opportunity to consult with it in respect of the proposed action.

Article III

If either of the two Governments establishes or maintains, formally or in effect, restrictions on the importation, exportation, sale, distribution or production of any article, in such terms that such operations or transactions are effected or conducted exclusively by particular Institutions or Organizations, the Government of the country establishing or maintaining such restrictions or practices agrees that, in respect of the foreign sales or purchases of such Agencies, the commerce of the other country shall receive fair and equitable treatment. To this end it is agreed that, in making their purchases or sales abroad, the said Institutions will be influenced solely by considerations of price, quality, marketability, transportation and terms of purchase or sale, which are ordinarily taken into account in a commercial transaction carried out by a private enterprise interested solely in the purchase or sale of such product on the most favourable terms.

Article IV

1. Articles the growth, produce or manufacture of Canada or Mexico shall, after importation into the other country, be exempt from all internal taxes, fees, charges or exactions other or higher than those payable on like articles of national origin or any other foreign origin.

2. The provisions of the previous paragraph shall not prevent the Government of Canada or the Government of the United Mexican States from imposing at any time on the importation of any article a charge equivalent to an internal tax imposed on a like domestic article or on the raw materials from which the said article may have been manufactured or produced in whole or in part.

3. The provisions of this Article in regard to granting of national treatment shall not affect the application of the laws now in force in Canada whereby leaf tobacco, spirits, beer, malt and malt syrup imported from abroad are subject to special taxes, nor shall they affect the applicability to goods produced or manufactured in Mexico of special excise taxes imposed under existing provisions of the Special War Revenue Act. In these respects, however, most-favoured-nation treatment shall apply.

4. Similarly, the provisions of this Article in regard to granting of national treatment shall not affect the application of the Mexican laws now in force which impose differential taxes on manufactured tobacco, wines and liquors imported from abroad as well as registration and certification dues on patent medicines and toilet and beauty preparations. In such cases most-favoured-nation treatment shall likewise be applied.

Article V

1. In the event that the Government of either country adopts any measure which, even though it does not conflict with the terms of this Agreement, is considered by the Government of the other country as tending to nullify or impair any of its objects, the Government which has adopted such a measure shall consider such representation and proposals as the other Government may make and shall afford adequate opportunity for consultation with a view to reaching a mutually satisfactory agreement.

2. The Government of each country shall accord sympathetic consideration to, and when requested shall afford adequate opportunity for consultation regarding, such representations as the other Government may make with respect to the operation of customs regulations, control of foreign exchange, quantitative restrictions or the administration thereof, the observance of customs formalities, and the application of sanitary laws and regulations for the protection of human, animal or plant health or life.

3. If agreement is not reached after due consultation as described above, either Government shall be free to terminate this Agreement in whole or in part on thirty days' written notice.

4. Greater than nominal penalties shall not be imposed by Canada or Mexico in connection with the importation of articles the growth, produce or manufacture of the other country because of errors in documentation which are obviously clerical in origin or with regard to which good faith can be established.

Article VI

1. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either country against the other country in favour of any other foreign country, and without prejudice to the provisions of paragraphs 1 and 2 of Article V, the provisions of this Agreement shall not extend to prohibitions or restrictions :

- (a) relating to public security;
- (b) imposed for the protection of public health or on moral or humanitarian grounds;
- (c) imposed for the protection of plants or animals, including measures for protection against disease, degeneration or extinction as well as measures taken against harmful seeds, plants or animals;
- (d) relating to prison-made goods;
- (e) relating to the enforcement of police laws or regulations; or
- (f) imposed for the protection of national treasures of artistic, historic or archæological value.

2. Nothing in this Agreement shall be construed to prevent the adoption or enforcement of such measures as the Government of either country may see fit to adopt :

- (a) relating to the importation or exportation of gold or silver; or
- (b) relating to the control of the import or export or sale for export of arms, ammunition, or implements of war, and, in exceptional circumstances, all other military supplies.

3. It is understood that the provisions of this Agreement relating to laws and regulations affecting the sale, taxation or use of imported articles within Canada and Mexico are subject to the constitutional limitations on the authority of the Governments of the respective countries.

Article VII

1. The advantages now accorded, or which may hereafter be accorded, by Canada or Mexico to adjacent countries in order to facilitate frontier traffic, and advantages accorded by virtue of a customs union to which either country may become a party, shall be excepted from the operation of this Agreement.

2. The advantages now accorded, or which may hereafter be accorded, by Canada exclusively to other territories under the sovereignty of His Majesty the King of Great Britain, Ireland, and the British dominions beyond the seas, Emperor of India, or under His Majesty's suzerainty, protection or mandate, shall be excepted from the operation of this Agreement.

Article VIII

1. The present Agreement shall be ratified and the instruments of ratification shall be exchanged at Ottawa as soon as possible. The Agreement shall come into force thirty days after the exchange of ratifications and shall remain in force for a period of two years. In case neither Government shall have given to the other Government, at least six months before the expiration of the aforesaid period, notice of intention to terminate the Agreement, it shall continue in force for a further period of one year and for further successive periods of one year each, until such time as the Government of either country shall have given to the other Government, at least six months before the expiration of one of the aforesaid periods, notice of intention to terminate the Agreement.

2. Pending the definitive coming into force of this Agreement, its provisions shall be applied provisionally by the two Governments as from the date of signature of this Agreement. The Government of either country, however, may, prior to the exchange of ratifications, terminate the provisional application of the Agreement by giving three months' notice to the other Government.

IN WITNESS WHEREOF, the above-mentioned Plenipotentiaries sign and seal this Agreement, in duplicate in English and in Spanish, at the City of Mexico, this eighth day of February, nineteen hundred and forty-six.

H. L. KEENLEYSIDE
Jas. A. MACKINNON

F. CASTILLO NÁJERA

[SEALS]
