

POSTWAR DISPOSITION OF DEFENSE FACILITIES

Exchange of notes at Ottawa January 24 and March 2, 1948, supplementing agreement of March 30, 1946

Entered into force March 2, 1948; operative from April 1, 1947

Supplemented by agreement of April 9 and 14, 1948¹

Expired June 30, 1948

62 Stat. 3912; Treaties and Other
International Acts Series 1981

The Secretary of State for External Affairs to the American Ambassador

DEPARTMENT OF
EXTERNAL AFFAIRS
CANADA

No. 20

OTTAWA, *January 24th, 1948*

EXCELLENCY,

I have the honour to refer to the Exchange of Notes of March 30, 1946² (No. 44 from this Department to you and your Note No. 470) on the subject of war surpluses and related matters.

2. Paragraph 10 of Note No. 44 referred to reads as follows:

“At the request of the Canadian Government, and in order to provide equipment necessary for the training programs of the Canadian armed forces, the United States Government will endeavour to make available surplus military type equipment, up to April 1, 1947, in such quantities and at such prices as may be negotiated between the two Governments up to a maximum cost of \$7,000,000 (U.S.). The Canadian Government will make a payment on account into a suspense account of the United States Government of \$7,000,000 (U.S.) to apply against such purchases. If the United States Government is unable to provide under this agreement the amount of equipment that the Canadian Government desires to purchase and therefore the payment on account should exceed the amount finally determined to be payable, the excess remaining in the suspense account will be returned to the Canadian Government.”

¹ TIAS 1981, *post*, p. 470.

² TIAS 1531, *ante*, p. 407.

3. In my Note No. 126 of October 10, 1947, the request was made that steps be taken to reduce to U.S. \$6,000,000 the Canadian deposit of U.S. \$7,000,000 paid into a suspense account of the United States Government as a result of these arrangements, and, in your Note No. 783 of December 4, 1947, you replied that U.S. \$1,000,000 had been returned to the relevant Canadian authorities in accordance with my request.

4. As a recent Order-in-Council of my Government has limited to U.S. \$3,800,000 the amount to be spent on purchases of the surplus military equipment in question, I should appreciate it if the United States Government would now arrange to return to my Government U.S. \$2,200,000 of the amount remaining in the above-mentioned suspense account.

5. It would appear that paragraph 10 of this Department's Note No. 44 of March 30, 1946, at least in so far as it relates to the intention of the United States Government to make available surplus military equipment, ceased to have effect after April 1, 1947. On the other hand, successive Orders-in-Council of my Government have extended beyond that date the period of time within which the Canadian Armed Forces are permitted to complete the purchases envisaged in the Exchange of Notes of March 30, 1946. Under the recent Order-in-Council mentioned in paragraph 4 above, this period has now been extended to June 30, 1948.

6. The availability of the equipment that the Canadian Armed Forces still wish to purchase has already been determined. Additional time is, however, required to permit completion of negotiations for the purchases contemplated. Consequently, my Government would appreciate it if your Government would agree to the terms of the paragraph quoted in paragraph 2 above continuing in effect until June 30, 1948.

7. If the United States Government is agreeable to this proposal, it is the suggestion of my Government that my present Note, together with your Note replying thereto, constitute an agreement effective from the date of your reply and retroactive to April 1, 1947.

Accept, Excellency, the renewed assurances of my highest consideration.

ESCOTT REID
for
*the Secretary of State
for External Affairs*

His Excellency,
THE UNITED STATES AMBASSADOR TO CANADA,
*United States Embassy,
Ottawa.*

The American Ambassador to the Secretary of State for External Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
Ottawa, March 2, 1948

No. 55

EXCELLENCY:

I have the honor to refer to your Excellency's note No. 20, dated January 24, 1948, concerning the exchange of notes of March 30, 1946 on the subject of war surpluses and related matters.

The proposal contained in your note No. 20 for an extension until June 30, 1948 of the provisions of paragraph 10 of your note No. 44, dated March 30, 1946, in order to provide additional time for the completion of purchases contemplated in paragraph 10 is acceptable to my Government, and this note, together with your note No. 20, are considered as constituting an agreement effective from this date and retroactive to April 1, 1947.

As soon as I receive further instructions from my Government, I shall reply with regard to your request for the return of \$2,200,000 of the amount remaining in the suspense account.³

Please accept, Excellency, the assurances of my highest consideration.

RAY ATHERTON

His Excellency

The Right Honorable

THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
Ottawa, Canada.

³ For an exchange of notes at Ottawa Apr. 9 and 14, 1948, see TIAS 1981, *post*, p. 470.