

**EXCHANGE OF NOTES (JULY 28, 1938) RECORDING AN AGREEMENT  
BETWEEN CANADA AND THE UNITED STATES OF AMERICA  
RELATING TO AIR NAVIGATION**

*From the United States Secretary of State to the Canadian Minister to the  
United States*

July 28, 1938.

SIR:

I have the honour to refer to negotiations which have recently taken place between the Government of the United States of America and the Government of Canada for the conclusion of a reciprocal air navigation arrangement.

It is my understanding that it has been agreed in the course of the negotiations, now terminated, that this arrangement shall be as follows:—

**ARRANGEMENT BETWEEN THE UNITED STATES OF AMERICA  
AND CANADA RELATING TO AIR NAVIGATION**

**ARTICLE I**

(a) The present arrangement between the United States of America and Canada relates to the operation in either country of civil aircraft duly registered in territory of the other country in accordance with its requirements as to registration.

(b) The term "civil aircraft" shall for the purposes of this arrangement be understood to mean all aircraft other than military, naval, customs and police aircraft.

**ARTICLE II**

The present arrangement shall apply to continental United States of America, including Alaska, and to Canada, including their territorial waters.

**ARTICLE III**

(a) Each of the Parties to the present arrangement shall grant, in time of peace, liberty of passage above its territory to aircraft of the other Party duly registered in the territory of such other Party, provided that the conditions set forth in the present arrangement are observed.

(b) It is, however, agreed that the establishment and operation by an enterprise of one of the Parties of a regular air route or service to, over or away from the territory of the other Party, with or without a stop, shall be subject to the consent of such other Party.

(c) Any air transport enterprise of either Party applying for permission to operate such a route or service shall be required to submit its application through diplomatic channels.

**ARTICLE IV**

(a) The aircraft of each of the Parties, passengers and goods carried thereon and personnel employed on the aircraft, shall while within or over the territory of the other Party, be subject to the laws in force in that territory, including all regulations relating to air traffic applicable to foreign aircraft, the transport