

EXCHANGE OF NOTES (FEBRUARY 13 AND MARCH 19, 1952) BETWEEN CANADA AND THE UNITED STATES OF AMERICA CONFIRMING THE RECOMMENDATION OF MARCH 28-30, 1950, MADE BY THE PERMANENT JOINT BOARD ON DEFENCE CONCERNING LEASED BASES IN NEWFOUNDLAND.

In force March 19, 1952.

I

*The Canadian Ambassador to the United States of America
to the Acting Secretary of State of the United States of America.*

WASHINGTON, D.C.,

FEBRUARY 13, 1952.

No. 109

SIR,

I have the honour to refer to the Recommendation made on March 30, 1950, by the Permanent Joint Board on Defence relating to the Agreement of March 27, 1941 between the Governments of the United Kingdom and of the United States of America concerning bases in Newfoundland leased to the United States, the text of which Recommendation is annexed hereto.

As you know, the Canadian Government approved this Recommendation on March 21, 1951. I understand that the President of the United States of America approved it on August 1, 1950.

Paragraph (a) of the section of the Recommendation dealing with income taxation said that certain provisions should be included in the then proposed revised United States-Canadian Double Taxation Convention. The suggested provisions were, in fact, included in the revised convention between our Governments, which was signed on June 12, 1950⁽¹⁾ and came into force on November 21, 1951.

Several provisions of the Recommendation of the Board were to the effect that, by Exchange of Notes, certain changes should be made in the application of the Leased Bases Agreement of 1941. I propose, therefore, that this Note and your favourable reply shall as from the date of the reply constitute an Exchange of Notes within the meaning of the annexed Recommendation, modifying the Leased Bases Agreement of 1941 in the manner set forth in the Recommendation so far as the application of that agreement concerns Canada and the United States.

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

HUME WRONG

ANNEX

**PERMANENT JOINT BOARD ON DEFENCE
RECOMMENDATION OF MARCH 28-30, 1950**

The Board decided to make the following Recommendation:

TAXATION

(a) That there be included in the proposed revised United States-Canadian Double Taxation Convention, on a reciprocal basis, the exemption from Canadian income taxation (on income derived from outside Canada) of:

(1) U.S. Service personnel serving in Canada,

(1) *Canada Treaty Series 1951, No. 22.*