

9. Trans-Canada Air Lines operations shall be conducted in accordance with Air Regulations of Canada, and the Air Defence Regulations and Customs and Immigration Regulations prevailing from time to time in Newfoundland.

10. The Government of Newfoundland shall exempt from Customs duties and taxes all aircraft, engines, parts and accessories, radio, motor tank trucks, materials for original construction and equipment of hangars and buildings at the aerodromes, and all other equipment necessary for the establishment and operation of the Service which may be imported by Trans-Canada Air Lines or by the Government of Canada. Provided that this exemption from duties shall not apply to vehicles or equipment of any class used on public high-roads other than motor tank trucks, nor to other articles or materials not specified above, e.g., office supplies and equipment, consumable stores, wearing apparel of all kinds, foodstuffs imported by or for the Company or to be used in any hostel or by its employees or passengers.

11. The Government of Newfoundland shall permit the entry, free of duty and taxes, of special aviation fuel and petroleum products necessary for the operation of the aircraft on the service.

I have the honour to be, Sir,

Your obedient servant,

C. J. BURCHELL,

High Commissioner for Canada.

II

The Acting Commissioner for Public Utilities of Newfoundland to the High Commissioner for Canada in Newfoundland

DEPARTMENT OF PUBLIC WORKS

ST. JOHN'S, NEWFOUNDLAND, 7th February, 1942.

SIR,

I have the honour to inform you that your letter to me of the 6th instant, No. 9, was considered in Commission by the Government this morning and I am instructed to say that, subject to the approval of the Right Honourable Secretary of State for Dominion Affairs and subject to the slight modification mentioned below, the Government accepts the offer therein contained.

The modification suggested, and to which I understand you agreed orally on the telephone, is to para. 9, the words "defence regulations" being eliminated so that it will then read "Trans-Canada Air Lines operations shall be conducted in accordance with Air Regulations of Canada, the Air, Customs and Immigration Regulations prevailing from time to time in Newfoundland".

The Secretary of State's approval is being sought by cable and I will communicate with you as soon as I hear from him.

I am to add that the Government appreciates very much the spirit of friendly co-operation displayed throughout these negotiations and feel sure that the agreement now consummated will add another link in the happy relations between our two countries.

I have the honour to be, Sir,

Your obedient servant,

L. E. EMERSON,

Commissioner for Public Utilities (Acting).