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Under the recent Order-in-Council... above this period has now been extended to June 30, 1948.

SUPPLEMENTARY EXCHANGE OF NOTES (JANUARY 24, MARCH 2, APRIL 9 AND 14, 1948) BETWEEN CANADA AND THE UNITED STATES OF AMERICA CONCERNING WAR SURPLUSES AND RELATED MATTERS

*The Secretary of State for External Affairs
to the United States Ambassador to Canada*

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, January 24, 1948.

No. 20

EXCELLENCY,

I have the honour to refer to the Exchange of Notes of March 30, 1946, (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."

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 now in question, I should appreciate it if the United States Government would 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

* For the text of the Exchange of Notes of March 30, 1946, see *Canada Treaty Series, 1946, No. 12.*