

**EXCHANGE OF NOTES (JUNE 17 AND 18, 1949) BETWEEN CANADA  
AND THE UNITED STATES OF AMERICA CONSTITUTING AN  
AGREEMENT REGARDING THE SETTLEMENT OF CLAIMS  
AND ACCOUNTS ARISING OUT OF THE DISPOSAL OF WAR  
SURPLUSES**

I

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

EMBASSY OF THE UNITED STATES OF AMERICA

OTTAWA, June 17, 1949.

No. 154

EXCELLENCY,

I have the honour to refer to the procedures established for disposal of United States war surplus property located in Canada under terms of the exchanges of notes of November 22, 1944 and of December 20, 1944, Note 44 of March 30, 1946, Note 470 of March 30, 1946, Note 94 of July 11, 1946 and Note 535 of July 15, 1946\*. In order to arrive at a mutually satisfactory final settlement of all matters provided for in the above references, discussions took place in Ottawa between representatives of our two governments in December 1948. As a result of these discussions, the steps listed below were agreed upon which I, under instructions from my government, should like to propose as the terms of final settlement in this matter.

(1) The United States Government having designated in writing to the Canadian Government such articles as have been withdrawn for the use of United States armed forces, and representatives of the two governments having determined the value of these articles by application of the same formulae used in determining their sales values in the negotiations in connection with Note 44, the United States Government undertook to pay and has paid to the Canadian Government, under the provision of paragraph 5, Note 44, the sum of \$74,769.32 in final adjustment of the purchase price of the property transferred under Note 44.

(2) The Government of Canada holds for the account of the United States Government, after deduction of legitimate costs of sales, the sum of \$576,562.38 from sales of property made pursuant to the terms of the exchanges of Notes mentioned in the first paragraph above and will pay this sum to the Government of the United States.

(3) All remaining unsold property declared surplus to the Government of Canada for sale for the account of the United States Government is hereby transferred to the Government of Canada for the sum of \$4,437.00.

\*For the texts of these exchanges of notes, see Canada Treaty Series 1944, No. 35, 1946, Nos. 12 and 31 respectively.