

**EXCHANGE OF NOTES (JANUARY 9, 1947) BETWEEN CANADA AND
THE UNITED STATES OF AMERICA RELATING TO THE DISPOSAL
OF SURPLUS PROPERTY OWNED BY EITHER OF THE TWO
COUNTRIES.**

I

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

DEPARTMENT OF EXTERNAL AFFAIRS

No. 3

OTTAWA, January 9, 1947.

Excellency:

I have the honour to refer to conversations held in 1944 between Mr. Clayton, then United States Surplus War Property Administrator, and Mr. Carswell, then President of War Assets Corporation of Canada, relating to the disposal of surplus property owned by either of the two governments.

2. It is my understanding that it has been agreed that the following arrangements should govern the sale of surplus property owned by the United States or Canada:

1. Save as hereinafter provided, the surplus disposal agencies of either country (United States and Canada) will not:

- (a) knowingly sell or offer for sale any such surplus property intended for use and/or re-sale within the territory of the other country;
- (b) cause residents of the other country to be circularized or solicited concerning the sale of any such surplus property.

2. It is further agreed that in the case of the United States the appropriate disposal agency and in the case of Canada, War Assets Corporation, will notwithstanding the foregoing, issue, on request, a certificate permitting to be done any of the matters which are set out in Para. 1 above, provided that such a certificate is given only for a purpose which is considered by the United States disposal agency or War Assets Corporation, whichever is concerned, as unlikely adversely to affect their disposal operations.

3. It is understood that any such certificate issued by War Assets Corporation will apply only to operations of that Corporation and is not to be construed in any way as a permit from any other Department of the Government of Canada should such a permit be otherwise required.

3. I shall be glad to have you inform me whether it is the understanding of your Government that the terms of the arrangements agreed to in the conversations are as above set forth. If so, it is suggested that this note and your reply shall be regarded as placing on record the agreement of our two Governments in this matter.

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

L. B. PEARSON,
For the Secretary of State for External Affairs.