

of Canada. During the twelve months ended June 30, 1940, Canada exported goods to New Zealand to the value of \$8,464,987 as against imports into Canada from New Zealand valued at \$4,812,658.

4. *ARRANGEMENT BETWEEN THE GOVERNMENTS OF CANADA AND OF THE UNITED STATES TO GIVE EFFECT TO ARTICLE III OF THE AIR TRANSPORT ARRANGEMENT ENTERED INTO BETWEEN THE TWO GOVERNMENTS ON AUGUST 18, 1939*

By an exchange of notes between the Chargé d'Affaires ad interim of Canada, and the Secretary of State, the Governments of Canada and the United States entered into an arrangement accepting the recommendations of the competent aeronautical authorities of the two Governments resulting from a meeting of the representatives of these authorities held at Ottawa, Canada, on September 9 and 10, 1940. The note of the Secretary of State, is dated November 29, 1940, and the reply of the Chargé d'Affaires ad interim of Canada is dated December 2, 1940. The arrangement became effective on December 3, 1940.

It was provided in Article III of the air transport arrangement between Canada and the United States entered into on August 18, 1939, that the details of the application of the principle of reciprocity with respect to the operation of air transport services between Canada and the United States should be the subject of amicable adjustment between the competent aeronautical authorities of the two countries. As a result of the meeting at Ottawa in September, 1940, these authorities recommended that Article III of the arrangement of August 18, 1939, should be given effect in accordance with the following enumerations:—

“International air transport services actually in operation between the two countries, for which certificates and permits have been issued by the respective Governments, to be confirmed. Services with respect to which applications for formal certificates or permits are now pending, other than those services specifically listed below, shall be subject to disposition at the sole discretion of the appropriate agency of the Government before which such applications are pending.

“With respect to new services:

“Each Government to take the appropriate steps to permit the operation by air carrier enterprises of the other, holding proper authorization from their own Governments, respectively, during the