

**EXCHANGE OF NOTES (AUGUST 18, 1939) CONSTITUTING AN
ARRANGEMENT RELATING TO AIR TRANSPORT SERVICES
BETWEEN CANADA AND THE UNITED STATES OF AMERICA**

*The Secretary of State for External Affairs of Canada to the
United States Minister at Ottawa*

DEPARTMENT OF EXTERNAL AFFAIRS

No. 166

OTTAWA, August 18, 1939.

SIR,

I have the honour to refer to negotiations which have recently taken place between the Government of Canada and the Government of the United States of America for the conclusion of a reciprocal arrangement relating to air transport services.

It is my understanding that it has been agreed in the course of the negotiations, now terminated, that this arrangement shall be as follows:—

**ARRANGEMENT BETWEEN CANADA AND THE UNITED STATES
OF AMERICA RELATING TO AIR TRANSPORT SERVICES**

ARTICLE I

Having in mind the desirability of mutually stimulating and promoting the sound economic development of air transportation between the United States and Canada, the Parties to this Arrangement agree that the establishment and development of air transport services between their respective territories by air carrier enterprises holding proper authorizations from their respective Governments, shall be governed by the following provisions.

ARTICLE II

The present Arrangement shall apply to continental United States of America, including Alaska, and to Canada, including their territorial waters.

The privileges accorded by this Arrangement shall be available only to air carrier enterprises *bona fide* owned and controlled by nationals of the respective Parties.

ARTICLE III

Each of the Parties agrees, subject to compliance with its laws and regulations, to grant to air carrier enterprises of the other Party permits for non-stop services through the air space over its territory between two points within the territory of the other Party; provided however that inland non-stop services between the United States and Alaska shall be the subject of a separate understanding.