

and "foreign currency on deposit" or "deposit" means any amount in foreign currency of which a resident has a right to obtain payment by reason of a deposit, credit or balance of any kind at or with a bank, savings bank, trust company, loan company, stockbroker, investment dealer or other similar depository or any other person or institution designated by the Canadian Foreign Exchange Control Board as a depository.

I have the honour to suggest that if an agreement in the sense of the foregoing paragraphs is acceptable to the Government of the United States this note and your reply thereto in similar terms shall be regarded as placing on record the understanding arrived at between the two Governments concerning this matter.

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

O. D. SKELTON,

*for the Secretary of State for External Affairs.*

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

OTTAWA, CANADA, June 18, 1940.

No. 7.

SIR:

I have the honor to refer to your note of to-day's date proposing an agreement between the Government of the United States of America and the Government of Canada concerning the extension to individuals ordinarily resident in Canada who are nationals of the United States and are not British subjects of certain exemptions from orders and regulations now or hereafter in force respecting the acquisition and disposition of foreign exchange and foreign securities in the following terms:

1. Such individuals will be exempt from any required declaration or sale of, and will be permitted freely to use or dispose of, foreign currency and foreign securities held by them (in which no non-exempted resident has any beneficial interest) which were

- (a) acquired by them before the time of the coming into force of the Foreign Exchange Control Order, viz., before September 16, 1939; or
- (b) acquired by them subsequent to such time from non-residents of Canada, excluding any foreign currency and foreign securities so acquired (1) in connection with exports from or imports into Canada of property not exempted by this agreement, or (2) as the result of business carried on in Canada.

2. The foregoing paragraph shall apply to private individuals and not to corporations, companies, associations, firms or partnerships.

3. Any of the exemptions mentioned above shall lapse if and when such individual becomes a British subject or ceases to be a United States national.

4. In the event similar exchange control measures should be enforced in the United States with respect to individuals ordinarily resident in the United States who are nationals of Canada and are not nationals of the United States, without