

9. It is understood that all the items mentioned in the four appendices, whether or not of permanent value, will be relinquished to the Canadian Government pursuant to the Exchange of Notes of January 27, 1943, hereinbefore referred to. However, such relinquishment does not affect existing arrangements for the maintenance, operation and defence of these facilities for the duration of the war. In this connection, it is relevant to quote the following extract from the Journal of the meeting of the Permanent Joint Board on Defence held April 12-13, 1944:—

In noting this decision of the two Governments (i.e. the decision of the Canadian Government to assume the costs of the installations), the Board observed that it relates only to the financial aspect of the facilities in question and has no bearing on existing arrangements for the maintenance, operation and defence of the facilities for the duration of the war. It is the Board's understanding that the existing arrangements will remain in effect for the duration of the emergency as previously agreed upon unless modified by mutual agreement between the two Governments.

10. If the foregoing is acceptable to the Government of the United States, this note and your reply thereto shall be regarded as placing on record the understanding arrived at between our Governments.

Accept, Sir, the renewed assurance of my highest considerations.

LEIGHTON McCARTHY

APPENDIX I

SUMMARY AND DETAILS RELATING TO NORTHWEST AIR FACILITIES

1.—U.S. EXPENDITURES ON AIRFIELDS

24 April, 1944

SCHEDULE "A"

Northwest Staging Route

Edmonton Air Base	.....	\$5,248,822	
Edmonton Satellite Field	.....	6,853,683	
Grande Prairie Air Base	.....	1,968,015	
Fort St. John Air Base	.....	4,415,441	
Fort Nelson Air Base	.....	6,186,892	
Watson Lake Air Base	.....	4,156,695	
Whitehorse Air Base	.....	8,297,429	
Calgary Air Base	.....	28,517	
Prince George Air Base	.....	165,732	
Sub Total	.....		\$37,320,226

Flight Strips along Alaskan Highway

Flight Strip No. 1 (Dawson Creek)	.....	428,220	
Flight Strip No. 2 (Sikanni Chief)	.....	599,947	
Flight Strip No. 3 (Prophet River)	.....	422,084	
Flight Strip No. 4 (Liard Canyon)	.....	537,584	
Flight Strip No. 5 (Pine Lake)	.....	287,162	
Flight Strip No. 6 (Squanga Lake)	.....	297,101	
Flight Strip No. 7 (Pon Lake)	.....	417,227	
Flight Strip No. 8 (Burwash)	.....	219,362	
Sub Total	.....		3,262,687
Carry forward	.....		\$40,582,913