

## II

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

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, December 30, 1946.

No. 168

EXCELLENCY,

I have the honour to acknowledge the receipt of your note No. 593 of November 7 in which you make certain proposals with regard to the disposal of the Canol Project.

2. The proposals made in your note under reference have been examined by the appropriate authorities of the Canadian Government and it gives me pleasure to inform you that those proposals are accepted. It is therefore agreed that the provisions of your note and this reply constitute an agreement between our two Governments which shall be effective at a date mutually to be agreed upon, such date to be not before January 29, 1947, thirty days from the date of this note. It is further agreed that the arrangement shall be effective only if neither Government has, before the effective date of this arrangement, expressed a desire for any change in the lettered paragraphs A through D of your note No. 593.

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

R. M. MACDONNELL,  
*For the Secretary of State  
for External Affairs.*

## III

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

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, December 30, 1946.

DEAR MR. ATHERTON,

May I refer to the exchange of notes dated November 7 and December 30, 1946, which provides for the disposal of the Canol crude oil facilities, and particularly to section ID of your note No. 593.

It is the understanding of the Canadian Government that neither Section ID nor any other provision of your note under reference imposes on Canada any responsibility for the custody of any of the Canol facilities at any time in the future. Further, it is our understanding that the Canadian Government does not accept responsibility for the payment of fair compensation to the United States Government should, at any time after the two-year period, it be brought to our attention that any of the Canol facilities are being put to beneficial use by private interests.

I should be grateful if you would confirm that this is the interpretation which has been placed on this agreement by your Government.

Yours sincerely,

R. M. MACDONNELL,  
*Acting Under Secretary of State  
for External Affairs.*