

EXCHANGE OF NOTES (JUNE 7, 1944) BETWEEN CANADA AND THE UNITED STATES OF AMERICA RECORDING AN AGREEMENT CONCERNING THE DISCOVERY AND DEVELOPMENT OF OIL FIELDS IN NORTHWESTERN CANADA

I

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

EMBASSY OF THE UNITED STATES OF AMERICA

OTTAWA, CANADA, June 7, 1944.

No. 156.

Sir:

I have the honour to refer to previous correspondence and specifically, to the exchanges of notes of June 27 and 29, 1942,* August 14 and 15, 1942,† and December 28, 1942-January 13, 1943,‡ as well as to recent conversations which have taken place with officials of your Government, all with regard to the Canol project.

2. My Government, desiring to arrange for an early withdrawal from activities in the Northwest Territories having to do with discovery and development of oil fields and at the same time to provide for an adequate supply of oil to meet present and future military needs, proposes the following, namely, that it: (a) terminate its contract with the Nobel Drilling Company for exploration work in the Northwest Territories; and, (b) modify its contract with Imperial Oil Limited for the discovery and development of oil fields and the production of oil in accordance with the terms of the letter of intent dated April 11, 1944, a copy of which is enclosed.

3. The Government of the United States asks the Canadian Government to agree to the proposals set forth above and further to agree: (a) that the provision of the August 14-15, 1942, exchange of notes as to the disposition of the Skagway-Whitehorse pipeline will apply also to the gasoline distribution lines to Watson Lake and Fairbanks; (b) that after the United States disposes of its works, installations and facilities of the Canol project as provided in existing agreements, the owners and/or lessees thereof will be granted adequate enjoyment of the sites, rights of way, and riparian rights required for satisfactory utilization and that the Canadian Government or its assigns will permit the aforesaid works, installations, and facilities to be used, on equitable terms, for the transportation and refining of crude petroleum purchased by the United States in the Northwest Territories and for the distribution of such petroleum and the products thereof both within and without the boundaries of Canada; (c) that no export or other tax, or embargo affecting the United States Government will be placed upon the export of oil purchased by the United States in accordance with the terms of this note.

*For the text of the Notes of June 27 and 29, 1942, see *Canada Treaty Series*, 1942, No. 23.

†For the text of the Notes of August 14 and 15, 1942, see *Canada Treaty Series*, 1942, No. 24.

‡For the text of the Notes of December 28, 1942, and January 13, 1943, see *Canada Treaty Series*, 1943, No. 18.