

NOTE: Exchange of Notes of June 27 and 29, 1942¹; Exchange of Notes of August 14 and 15, 1942²; Exchange of Notes of June 7, 1944³; Exchange of Notes of February 26, 1945⁴; Exchange of Notes of December 21, 1945 and January 3, 1946⁵.

7. Disposition of Four-inch Pipeline from Skagway to Whitehorse

In the event that notice is given by the United States of the termination of operation of the existing four-inch pipeline between Skagway and Whitehorse, the United States will transfer to Canada, if requested by Canada, without compensation, any equity which it may have in that part of the pipeline located in Canada and, to the extent that it lies within the power of the United States, will undertake under such terms and conditions as shall be mutually agreed upon, to make available for the use by Canada that part of the four-inch pipeline from the Canadian border to Skagway as well as the terminal and pumping facilities at that port.

8. Construction

(a) Canadian contractors will be extended equal consideration with United States contractors in the awarding of contracts, and Canadian contractors and United States contractors shall have equal consideration in the procurement of materials, equipment and supplies in either Canada or the United States.

(b) Any contractors awarded a contract for construction in Canada will be required to give preference to qualified Canadian labor for such construction in Canada. The rates of pay and working conditions for all labor employed in such construction will be set after consultation with the Canadian Federal Labor Department and will be not less than in accordance with the Canadian Fair Wages and Hours of Labor Act of 1935.

(c) Canadian materials will be used on the Canadian portion of the line as far as possible.

(d) Canadian law (e.g., tax laws, labor laws, workmen's compensation, unemployment insurance, etc.) will apply.

(e) Subject to the agreement of the appropriate Canadian authorities, the United States may be granted permission to use, without charge, timber, gravel, and other construction material on Federal Crown lands; these materials to be used only for construction in Canada.

(f) The United States will be responsible for the satisfactory disposal of any construction camps and materials abandoned in Canada after completion of the pipeline.

(g) Canada will take the necessary steps to facilitate the admission into the territory of Canada of such United States citizens as may be employed on the construction or maintenance of the pipeline, it being understood that the United States will undertake to repatriate at its expense any such persons if the contractors fail to do so.

9. Maintenance

Qualified Canadian civilian labor will be used as far as feasible for the maintenance by the United States of the Section of the Haines-Fairbanks pipeline within Canada.

¹Treaty Series 1942, No. 23

²Treaty Series 1942, No. 24

³Treaty Series 1944, No. 16

⁴Treaty Series 1945, No. 3

⁵Treaty Series 1946, No. 1