

"B: All movable facilities built or provided in Canada by the Government of the United States shall within one year after the cessation of hostilities, unless otherwise agreed by the two Governments at the option of the United States Government:

- (1) be removed from Canada; or
- (2) be offered for sale to the Government of Canada, or with the approval of the Government of Canada, to the Government of the appropriate Province at a price to be fixed by a Board of two appraisers, one to be chosen by each country and with power to select a third in the case of disagreement.

"C: In the event that the United States Government has foregone its option as described in B(1), and the Canadian Government or the Provincial Government decides to forego its option as described in B(2), the facility under consideration shall be offered for sale in the open market, any sale to be subject to the approval of both Governments.

"D: In the event of no sale being concluded the disposition of such facility shall be referred for recommendation to the Permanent Joint Board on Defence or to such other agency as the two Governments may designate.

"The principles outlined above shall reciprocally apply to any defence projects and installations which may be built in the United States by the Government of Canada.

"All of the foregoing provisions relate to the physical disposition and ownership of projects, installations, and facilities and are without prejudice to any agreement or agreements which may be reached between the Governments of the United States and Canada in regard to the post-war use of any of these projects, installations, and facilities."

I have today been directed to inform you that this Recommendation has been approved by the Government of the United States of America, which would welcome confirmation from you that it has likewise been approved by the Government of Canada.

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

LEWIS CLARK,
Chargé d'Affaires ad interim.

II

*The Secretary of State for External Affairs, Ottawa,
to the United States Chargé d'Affaires ad Interim*

DEPARTMENT OF EXTERNAL AFFAIRS

No. 7

Ottawa, January 27, 1943.

SIR,

I have the honour to acknowledge receipt of your Note of January 27, 1943, No. 827, in which you referred to recent discussions relating to the post-war disposition of various defence projects, installations and facilities being or to be constructed in Canada by the Government of the United States with the consent and approval of the Government of Canada.

It is noted with satisfaction that the Government of the United States has approved the Twenty-Eighth Recommendation of the Permanent Joint Board on Defence which dealt with this matter and which read as follows:—