

EXCHANGE OF NOTES (AUGUST 14/15, 1942) BETWEEN CANADA
AND THE UNITED STATES OF AMERICA FOR THE ESTABLISH-
MENT OF AN OIL SUPPLY LINE FROM SKAGWAY TO WHITE-
HORSE.

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

LEGATION OF THE UNITED STATES OF AMERICA

No. 738

OTTAWA, August 14, 1942.

Sir:

I have the honour to refer to my conversation with Mr. Keenleyside on June 26 last, in which on behalf of the Government of the United States I requested the approval of the Canadian Government for the establishment of an oil supply line which would be supplementary to that known as the Canol project which was dealt with in my note of June 27 and your reply of June 29, 1942.

As I pointed out, this supplementary project would involve the transportation in tank cars of gasoline destined for the use of the United States Army in Alaska to Prince Rupert, where authority was requested for the American Government to build by contract suitable storage and loading facilities, and thence by barge to Skagway, Alaska. From Skagway to Whitehorse a four-inch pipeline would be laid under contracts let by the American Government, and the authority of the Canadian Government was requested to lay that section of the pipeline within Canadian territory. At Whitehorse the gasoline would be stored in the facilities being built under the Canol project.

The Canadian Government was good enough to inform me orally on June 27 that it approved the establishment of the new supply line as outlined in the preceding paragraph.

My Government has instructed me to propose to the Canadian Government that the terms of the agreement reached in the exchange of notes of June 27-June 29, 1942, on the Canol project shall apply also, *mutatis mutandis*, to the supplementary project outlined above in respect of any construction within Canadian territory except as hereafter set forth. My Government proposes that the pipeline from Skagway to Whitehorse and the storage and loading facilities at Prince Rupert shall remain its property and shall be operated under contracts with it or by its agents or representatives during the war. It further proposes that at the termination of the hostilities the two governments agree that at the request of either government discussions between them shall be undertaken with a view to reaching an agreement in regard to the disposition of this pipeline and of the storage and loading facilities at Prince Rupert. Additionally, it is proposed that both governments agree that they will not themselves order or allow the dismantlement of this pipeline or of the facilities mentioned, nor will they allow their dismantlement by any company which may purchase them unless and until approval for dismantlement is recommended by the Permanent Joint Board on Defence.

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

PIERREPONT MOFFAT.