



refund to the United States Government any amounts which that Government may pay to United States contractors in respect of this taxation. Any such payments made by the Canadian Government will form part of its contribution to the cost of the defence projects.

5. The Canadian Government will also reimburse the United States Government for any payments which it may have to make to United States contractors in respect of licence fees for motor vehicles employed on the United States defence projects in Canada. Any such payments made by the Canadian Government will form part of its contribution to the cost of the defence projects.

6. The Governments of the Provinces in which United States projects are being executed will be requested by the Government of Canada not to impose licence fees on non-military drivers of trucks belonging to the United States Army and not to levy head or poll taxes upon non-military personnel normally resident in the United States which is engaged on United States military projects in Canada. It appears that in the Province of Alberta the poll tax is devoted to educational purposes and the exemption of United States non-military personnel from this tax will carry with it a liability to pay school fees should any of the United States personnel wish to send their children to public schools in the province.

7. I should be glad to receive your assurance that these proposals for dealing with the problem of the burden of Provincial and municipal taxation on United States defence projects in Canada will meet the wishes of the United States Government.

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

N. A. ROBERTSON,

For the Secretary of State for External Affairs.

II

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

LEGATION OF THE UNITED STATES OF AMERICA

OTTAWA, Canada, August 9, 1943.

No. 2.

SIR:

I have the honor to acknowledge the receipt of your note No. 91 of August 6, 1943, concerning Provincial and municipal taxation levied upon the United States Government, the United States contractors engaged on the Alaska Highway, and other United States defence projects in Canada, and to confirm that the proposals outlined in your note for dealing with the problem meet with the wishes of the United States Government.

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

RAY ATHERTON.