

I understand from information furnished by our Navy Department that the following five vessels of the United States Navy are now serving on the Great Lakes:

Ship	Launched	Present Location	Displacement	Battery
<i>Dubuque</i>	1905	Detroit	1085	None
<i>Hawk</i>	1891	Michigan City	375	None
<i>Paducah</i>	1905	Duluth	1085	None
<i>Wilmington</i>	1897	Toledo	1392	4-4"/50
<i>Wilmette</i>	1903	Chicago	2600	2-3"/50 A.A. 2-1 pdr.

In a number of respects the presence there of these vessels may not be considered entirely in keeping with a literal interpretation of the Rush-Bagot Agreement. On the other hand, it seems proper to take into account the fact that the vessels of our Navy now on the Great Lakes are there with the knowledge of the Canadian Government, written permission having been obtained for the passage of four of them through the Canadian canals en route to their stations. The case of the *Wilmette* is somewhat different, this vessel having been constructed on the lakes as a commercial vessel and subsequently taken over by our Navy during the World War.

In considering the number and size, disposition, functions and armaments of naval vessels in relation to the provisions of the Rush-Bagot Agreement, it is Mr. Hull's view, with which I feel sure you will agree, that the primary concern of both Governments is to maintain at all costs the spirit which underlies that Agreement and which is representative of the feelings of the Canadian and American people toward each other. With that clear objective in mind, Mr. Hull wishes me to make the following observations.

(1) *Number and size of vessels.*—As indicated above, the United States Navy now has five vessels, all "unclassified", on the Great Lakes. In the discussion of this problem between officials of the State and Navy Departments, the fact was brought out that approximately one third of the national naval reserve personnel in the United States is concentrated in the region of which Chicago is the centre. The need for adequate training of this personnel is clear and I am given to understand that even with our present five vessels on the Great Lakes our facilities are strained. A possible alternative would be to transport these reserves to the Atlantic Coast every summer for the customary two weeks' training period, but I am told that the cost of so transporting even a small fraction of these reserves would in all probability be prohibitive. In the circumstances and in view of the fact that these five vessels have been maintained on the Great Lakes since the war without objection on the part of the Canadian Government, Mr. Hull is inclined to think that the withdrawal of one of them would not be necessary.

Mr. Hull would be reluctant, however, to see American vessels on the Great Lakes increased beyond the present number, omitting from this calculation vessels which are "retained immobile" and used solely as floating barracks for naval reserves. The Canadian Government has in the past given permission for vessels of the latter category to be maintained on the Great Lakes and, it is hoped, would give sympathetic consideration to any similar requests which might be made in the future.

It is my understanding that the *Sacramento*, a vessel of 1,140 tons launched in 1914 and similar in size and type to vessels already on the Great Lakes, is now returning from China, her usefulness as an active naval vessel in regular commission having passed. I am informed that the Navy Department will probably wish this vessel to take the place of the *Hawk*, but that this will not involve an increase in the number of our naval vessels on the lakes. A formal request of your Government for permission for this vessel to proceed to the Great Lakes through Canadian waters will be made in due course.