

UNITED STATES LEGATION

Ottawa, Canada, May 29, 1943.

No. 902

Sir:

Under instructions of my Government I have the honor to refer to my note No. 859 of March 23, 1943, regarding the action of provincial and municipal governments in western Canada toward imposing taxation, license fees and other charges upon United States military activities within their jurisdictions which, if imposed, would appear to be detrimental to our joint war effort.

As a part of the construction program presently being undertaken by the United States in northwestern Canada there have been constructed by my Government numerous improvements on lands owned by the Federal Government or on which a temporary lease-hold has been acquired by the United States.

Apparently it is the practice of Canadian municipalities to evaluate lands and improvements separately for purposes of taxation. Improvements constructed by the United States Government do not become a part of the reality since the United States Government reserves the right under its arrangement with the Canadian Government to remove the improvements. It has apparently been the practice of the municipalities in their routine assessments of property to place an assessment on the improvements. These assessments have been referred to the United States Division Engineer at Edmonton for review as to the amount, but usually the reference has been made too late to permit the filing of an appeal.

As pointed out in my note under reference, these impositions are not directed at sources of revenue normally available to the provincial or municipal jurisdictions. They are instead directed at activities which have been undertaken as pressing wartime necessities, projects that your Government and mine have agreed to be essential for the vigorous and successful prosecution of the war, and which have been so recognized by our two peoples.

As my Government feels that an early clarification of the entire question of provincial and municipal taxation would be advantageous to the war effort, I have been directed again to request that the Canadian Government urgently take such measures as may be possible to

2.....

The Right Honorable,
The Secretary of State
for External Affairs,
OTTAWA.