

paid to the United States Government by the Government of Canada, provided that the foregoing paragraphs A and B shall not apply to any facilities heretofore specifically provided for.

C—Any existing facility not included in the United States list shall, within one year after the cessation of hostilities, be relinquished, without cost, to the Crown either in the right of Canada or in the right of the Province in which the same or any part thereof lies, as may be appropriate under Canadian law.

Movables

A—The Government of the United States shall remove from Canada all those items which it desires.

B—The Government of Canada shall arrange through the appropriate governmental agencies for the purchase from the United States of such remaining items as it desires to obtain for its own use or disposition.

C—All other movables shall be transferred to a designated agency of the Canadian Government and shall be sold or disposed of by such agency, the proceeds to be paid to the Government of the United States,

provided that, in connection with items referred to in paragraph C, the United States Government shall be represented by an officer, designated by it for that purpose, who shall have an equal voice, in the setting of prices, the allocation of priorities, the assessment of legitimate sales costs and other details of the sale or other disposal of the items concerned;

and provided further that any such items remaining unsold at the end of two years from the time they are transferred to the Canadian agency concerned shall either be declared of no value and the account closed or, at the option of the United States, shall be removed from Canada by the United States authorities."

I have been directed to inform you that this recommendation has been approved by the Government of Canada, subject to the following proviso:

"That, as there are certain facilities whose disposal would entail expenses such as custody and demolition, any expense of such a character would be taken into consideration in the final accounting."

and to propose that, if the foregoing is acceptable to the Government of the United States, this note and your reply thereto shall be regarded as placing on record the understanding arrived at between the two Governments concerning this matter.

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

L. B. PEARSON,
For the Ambassador.