

EXCHANGE OF NOTES (JUNE 27 AND 29, 1943) BETWEEN CANADA AND THE UNITED STATES OF AMERICA CONSTITUTING AN AGREEMENT FOR THE CONSTRUCTION OF A PIPELINE AND A REFINERY IN THE YUKON TERRITORY.

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

LEGATION OF THE UNITED STATES OF AMERICA

No. 710

OTTAWA, Canada, June 27, 1942.

Sir:

1. I have the honor to refer to recent conversations which have taken place with officials of the Department of External Affairs regarding the desire of the United States Government to take steps for extending the fuel supply for the United States Army in Canada and Alaska.

2. My Government, faced with the necessity of obtaining an increased fuel supply without delay, desires to propose the following project, to wit: that it:

(a) Make surveys and construct a pipeline either by United States Army Engineers or by contract, of a size sufficient to deliver three thousand barrels of oil daily from Norman Wells, Northwest Territories, Canada, to Whitehorse, Yukon Territory, Canada;

(b) Sign a contract with a Canadian company to drill additional wells, upon its leases obtained under the Petroleum and Natural Gas Regulations applicable to Dominion Lands or upon permits obtained by it under the Oil and Gas Regulations covering land in the vicinity of Norman Wells. Under this contract the United States War Department would provide the necessary equipment and would purchase the total flow of the additional wells during the war at an agreed price. The wells would remain part of the leasehold or permit property of the Canadian company and would be regarded as having been drilled under the provisions of the Dominion Regulations noted in this clause;

(c) Arrange for the establishment at Whitehorse of facilities for refining crude oil with a capacity of three thousand barrels per day under a contract awarded with a view to insuring the execution of the work in the shortest possible time without regard to whether the contractors are Canadian or American;

(d) Contract with a company or companies to store for the future use of the United States Army, all of the gasoline which may be produced by the refinery at Norman Wells during the operating season of 1942 in excess of what is required for the maintenance of services and enterprises in the Mackenzie District, to operate the pipeline to Whitehorse and to operate the refinery there unless it is operated by the United States Government.

3. My Government further proposes that the pipeline and the refinery 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