

2. At that time it was recognized that there were certain measures which were mutually considered to be practically necessary or desirable and, at the same time, to be consistent with the underlying objective of the Rush-Bagot Agreement, though not strictly consistent with its technical scheme or definitions. In various instances of this character which had occurred in the past, the two Governments had concurred and made appropriate dispositions by means of correspondence. It was also agreed that such a procedure, which appeared to be essentially inherent in the underlying spirit and objective of the Agreement, should be pursued as regards any new practical measures, concerning naval vessels on the Great Lakes, which might be contemplated.

3. Certain special questions including "number and size of the vessels", "disposition of the vessels", "functions of the vessels", and "armaments" were discussed and dealt with in the correspondence. A further particular question was also raised, namely, the construction of naval vessels in shipyards situated on the Great Lakes. The practice and procedure that should be followed in the case of such construction was formulated along lines that met with the approval of the two Governments.

4. The practice that was then approved included the following elements:—

- (a) That each Government should provide the other with full information concerning any naval vessels to be constructed in Great Lakes ports prior to the commencement of construction.
- (b) That such vessels should be removed from the Lakes upon their completion.
- (c) That no armaments whatever should be installed until the vessels reached the seaboard.

5. A new aspect of this question has arisen owing to the congestion at the Atlantic seaboard shipyards and it is the desire of the Canadian Government to have the vessels in the most complete form practicable while still on the Great Lakes. This might involve equipment with gun mounts and with guns which would be so dismantled as to be incapable of immediate use so long as the vessels remained in the Great Lakes.

6. It is therefore suggested that a further interpretation of the Rush-Bagot Agreement might be made in conformity with the basic intent of the Agreement that important naval vessels should not be built for service on the Great Lakes. This would involve recognition that armament might be installed on naval vessels constructed on the Great Lakes provided that:—

- (a) The vessels are not intended for service on the Great Lakes;
- (b) Prior to commencement of construction, each Government furnish the other with full information concerning any vessel to be constructed at Great Lakes ports;
- (c) The armaments of the vessels are placed in such condition as to be incapable of immediate use while the vessels remain in the Great Lakes; and
- (d) The vessels are promptly removed from the Great Lakes upon completion.

I should be grateful if you would let me know, in due course, whether the above suggestion commends itself to your Government.

Yours sincerely,

O. D. SKELTON.

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