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Canada - United States Wartime
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Dept. of Foreign Affairs
Min. des Affaires étrangères

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CANADA - UNITED STATES

WARTIME AGREEMENTS

CUSTOMS and FINANCIAL AGREEMENTS

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Part 1 - Agreements Respecting Taxes, Duties, Currency, etc.

Exchange of Notes regarding the extension of exemptions respecting foreign currency extended to U.S. Nationals resident in Canada	<u>June 18, 1940</u>
P.C. 96/5724 concerning remission of customs duty and taxes on gifts to servicemen in Canada	<u>Oct. 17, 1940</u>
Exchange of Notes concerning remission of customs duty on war supplies	<u>Nov. 13, 1941</u> <u>Nov. 17, 1941</u>
Income Tax Convention and Protocol	<u>Mar. 4, 1942</u>
Exchange of Notes recording an agreement for transportation in bond through Southern Ontario	<u>June 25, 1942</u> <u>July 17, 1942</u>
Exchange of Notes regarding the extension of free importation privileges to American consuls and vice-consuls of career	<u>July 21, 1942</u> <u>Oct. 29, Nov. 9, 1942</u>
Treasury Board Decision concerning additional relief from customs duties	<u>Sept. 9, 1942</u>
Exchange of Notes concerning Provincial and Municipal Taxation	<u>Mar. 23, 1943</u> <u>May 29, 1943</u>
Exchange of Notes recording agreements for the exemption from provincial and municipal taxation of U.S. defense projects in Canada	<u>Aug. 6, 1943</u> <u>Aug. 9, 1943</u> <u>Oct. 23, Nov. 24, 1943</u>
Order-in-Council regarding importation of matches by United States Forces	<u>Nov. 10, 1943</u>
National Revenue Memorandum concerning importation and domestic purchases in connection with the construction of defence projects by the U.S. in Canada.	<u>Jan. 3, 1944</u>
Letter from Mr. Robertson to Mr. Atherton concerning exemptions from transportation tax.	<u>Aug. 10, 1944</u>
Convention for the avoidance of double taxation	<u>June 8, 1944</u>

Part 2 - Canadian Government Account in Federal Reserve Bank of New York.

Exchange of Notes and subsequent correspondence concerning a Canadian account in the Federal Reserve Bank of New York.	<u>Aug. 21, 1940</u> <u>Sept. 12, 1940</u> <u>June 11, 1942</u> <u>June 10, 1942</u>
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GUSTOMS AND FINANCIAL AGREEMENTS

Part 3 - Damages from Collisions

Exchange of Notes concerning costs of damages arising from collision between U.S. and Canadian war ships

May 25, 1943
May 26, 1943

Exchange of Notes concerning the position of army transports in the agreement concerning collision claims effected May, 1943

Sept. 3, 1943
Nov. 11, 1943
Feb. 15, 1944

Exchange of Notes constituting an agreement for the settlement of claims arising out of traffic accidents

Mar. 1, 1944
Mar. 23, 1944

Part 4 - Economic Collaboration

Aides-Memoire on economic and social problems arising from the expansion of wartime industries

Mar. 17, 1941
June 6, 1941
Jan. 20, Mar. 10,
Mar. 16, 1944

Hyde Park Agreement

Apr. 20, 1941

Exchange of Notes regarding conversations dealing with post-war economic settlements

Nov. 30, 1942

Press Release: North Pacific Planning Project

Jan. 25, 1943

Part 5 - Payment for Defence Facilities

Exchange of Notes concerning payment for defence facilities

May 31, 1943
July 10, 1943

Exchange of Notes concerning payment for airfields in northwest Canada

Dec. 18, 1943
Dec. 24, 1943
Feb. 24, Mar. 20
1944

Exchange of Letters between Mr. Ilesley and Mr. Morgenthau concerning Canada's holdings of U.S. dollar exchange

Mar. 24, 1944
Mar. 29, 1944

Exchange of Notes constituting an agreement respecting the payment of Expenditures on defence installations in Canada and Labrador

June 23, 1944
June 27, 1944

CUSTOMS AND FINANCIAL AGREEMENTS

Part 5 - Payment for Defence Facilities

Exchange of Letters between General Henry and Mr. Macdonnell concerning procedure for making payments for immovable installations

Jan. 1, 1945
Jan. 13, 1945

Letter from Mr. Lewis Clark enclosing a list of immovables subject to the provisions of the Thirty-Third Recommendation.

Feb. 8, 1945

DEPARTMENT OF EXTERNAL
AFFAIRS

Ottawa, June 18th, 1940.

No. 84

Sir,

With reference to recent conversations between representatives of the Government of Canada and the Government of the United States of America regarding the extension to individuals ordinarily resident in Canada who are nationals of the United States and are not British subjects of certain exemptions from orders and regulations now or hereafter in force respecting the acquisition and disposition of foreign currency and foreign securities, I have the honour to propose an agreement concerning these exemptions in the following terms:-

1. Such individuals will be exempt from any required declaration or sale of, and will be permitted freely to use or dispose of, foreign currency and foreign securities held by them (in which no non-exempted resident has any beneficial interest) which were
 - (a) acquired by them before the time of the coming into force of the Foreign Exchange Control Order, viz., before September 16, 1939; or
 - (b) acquired by them subsequent to such time from non-residents of Canada, excluding any foreign currency and foreign securities so acquired (1) in connection with exports from or imports into Canada of property not exempted by this agreement, or (2) as the result of business carried on in Canada.

2. The foregoing paragraph shall apply to private individuals and not to corporations, companies, associations, firms or partnerships.

3. Any of the exemptions mentioned above shall lapse if and when such individual becomes a British subject or ceases to be a United States national.

4. In the event similar exchange control measures should be enforced in the United States with respect to individuals ordinarily resident in the United States who are nationals of Canada and are not nationals of the United States, without like exemptions being granted such individuals, the Government of Canada shall consider themselves released from the obligation to continue to grant such of the exemptions provided for in this agreement as may not be accorded to the said individuals.

The Hon. J. Pierrepont Moffat,
Minister of the United States,
Ottawa.

5. "Foreign currency", as used in this agreement, is defined as meaning any currency (excluding coin) other than Canadian currency, including bank notes and other notes intended to circulate as money in any country outside Canada and also postal notes, money orders, cheques, travellers' cheques, prepaid letters of credit, bank drafts and other similar instruments payable in any currency other than Canadian currency, and includes any foreign currency on deposit; and "foreign currency on deposit" or "deposit" means any amount in foreign currency of which a resident has a right to obtain payment by reason of a deposit, credit or balance of any kind at or with a bank, savings bank, trust company, loan company, stockbroker, investment dealer or other similar depository or any other person or institution designated by the Canadian Foreign Exchange Control Board as a depository.

I have the honour to suggest that if an agreement in the sense of the foregoing paragraphs is acceptable to the Government of the United States this note and your reply thereto in similar terms 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.

O. D. SKELTON

(for) Secretary of State for
External Affairs

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, June 18, 1940.

No. 7

Sir:

I have the honor to refer to your note of today's date proposing an agreement between the Government of the United States of America and the Government of Canada concerning the extension to individuals ordinarily resident in Canada who are nationals of the United States and are not British subjects of certain exemptions from orders and regulations now or hereafter in force respecting the acquisition and disposition of foreign exchange and foreign securities in the following terms:

1. Such individuals will be exempt from any required declaration or sale of, and will be permitted freely to use or dispose of, foreign currency and foreign securities held by them (in which no non-exempted resident has any beneficial interest) which were

(a) acquired by them before the time of the coming into force of the Foreign Exchange Control Order, viz., before September 16, 1939; or

(b) acquired by them subsequent to such time from non-residents of Canada, excluding any foreign currency and foreign securities so acquired (1) in connection with exports from or imports into Canada of property not exempted by this agreement, or (2) as the result of business carried on in Canada.

2. The foregoing paragraph shall apply to private individuals and not to corporations, companies, associations, firms or partnerships.

3. Any of the exemptions mentioned above shall lapse if and when such individual becomes a British subject or ceases to be a United States national.

4. In the event similar exchange control measures should be enforced in the United States with respect to individuals ordinarily resident in the United States who are nationals of Canada and are not nationals of the United States, without like exemptions being granted such individuals, the Government of Canada shall consider themselves released from the obligation to continue to grant such of the exemptions provided for in this agreement as may not be accorded to the said individuals.

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

5. "Foreign currency", as used in this agreement, is defined as meaning any currency (excluding coin) other than Canadian currency, including bank notes and other notes intended to circulate as money in any country outside Canada and also postal notes, money orders, cheques, travellers' cheques, prepaid letters of credit, bank drafts and other similar instruments payable in any currency other than Canadian currency, and includes any foreign currency on deposit; and "foreign currency on deposit" or "deposit" means any amount in foreign currency of which a resident has a right to obtain payment by reason of a deposit, credit or balance of any kind at or with a bank, savings bank, trust company, loan company, stockbroker, investment dealer or other similar depository or any other person or institution designated by the Canadian Foreign Exchange Control Board as a depository.

I have the honor to inform you that an agreement in the terms of the foregoing paragraphs is acceptable to the Government of the United States of America and that this note, and your note under reference, will be regarded as placing on record the understanding arrived at between our Governments concerning this matter.

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

PIERREPONT MOFFAT

COPY

P.C. 96/5724

Certified to be a true copy of a Minute of a Meeting
of the Treasury Board, approved by His Excellency
the Governor General in Council, on the 17th
October, 1940.

NATIONAL REVENUE.

The Board recommend that authority be granted,
under the provisions of the War Measures Act,
for remission or refund of customs duty and taxes
in respect of gifts for the personal use of the
recipients, including tobacco but not including
alcoholic beverages, forwarded from British, allied
or neutral countries to individuals on service in
Canada under the Joint Air Training Plan, or on
active service in Canada in the Royal Canadian Navy,
the Canadian Active Service Force, the Royal Canadian
Air Force, or the forces of any British or allied
country.

(Sgd) A.D.F. Keeney

Clerk of the Privy Council.

COPY - R.L.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, November 13, 1941.

No. 309

Sir:

I have the honour to inform you that as a result of discussions originating through Service channels, the Canadian Government has decided to provide for the remission or refund of customs duty and excise taxes which would otherwise be payable with respect to military, naval and air supplies and equipment acquired by the Government of countries allied with the United Kingdom or by the Government of the United States or by units of their armed forces, when such goods are to become and remain the property of such governments or units. A copy of the Order in Council making provision for the said remission or refund is enclosed for your detailed information.

You will observe that Canada is taking the action outlined above without suggesting that reciprocal steps be taken by the United States. It is recognized that it is not immediately likely that any Canadian forces will be established on United States territory. Should the situation in this respect change, however, the Canadian Government assumes that a request for the extension of similar treatment to the Canadian Government or to Canadian units will be given sympathetic consideration by the Government of the United States.

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

Secretary of State for
External Affairs.

(NOELAN ROBERTSON)

The United States Minister to
Canada,
OTTAWA, Ontario.

COPY/R.M.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, November 13, 1941.

No. 209

Sir:

I have the honour to inform you that as a result of discussions originating through Service channels, the Canadian Government has decided to provide for the remission or refund of customs duty and excise taxes which would otherwise be payable with respect to military, naval and air supplies and equipment acquired by the Government of countries allied with the United Kingdom or by the Government of the United States or by units of their armed forces, when such goods are to become and remain the property of such governments or units. A copy of the Order in Council making provision for the said remission or refund is enclosed for your detailed information.

You will observe that Canada is taking the action outlined above without suggesting that reciprocal steps be taken by the United States. It is recognized that it is not immediately likely that any Canadian forces will be established on United States territory. Should the situation in this respect change, however, the Canadian Government assumes that a request for the extension of similar treatment to the Canadian Government or to Canadian units will be given sympathetic consideration by the Government of the United States.

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

Secretary of State for
External Affairs.

(NORMAN ROBERTSON)

The United States Minister to
Canada,
OTTAWA, Ontario.

COPY/R.M.

Certified to be a true copy of a Minute of a Meeting of the Treasury Board, approved by His Excellency the Governor General in Council, on the 5th November, 1941.

NATIONAL REVENUE

The Board recommend that authority be granted, under Section 3 of the War Measures Act, for the following Customs duty and Excise Tax concessions, effective August 1, 1940, with respect to military, naval, and air supplies and equipment acquired by the Governments of countries allied with the United Kingdom, or by the Government of the United States of America, or by units of their armed forces, and which goods are to become and remain the property of the aforementioned:

- (1) Remission or refund of Customs duty and Excise taxes paid or ordinarily payable on goods imported;
- (2) Remission or refund of Excise taxes paid or ordinarily payable on goods purchased from licensed manufacturers or from licensed wholesalers in Canada;
- (3) Remission or refund of Excise taxes paid or payable on goods purchased from other than licensed manufacturers or licensed wholesalers, provided that the bill or invoice for such goods is for an amount over twenty-five dollars (\$25.00).

PROVIDED, that arms and ammunition, including guns, machine-guns, submachine-guns, rifles, revolvers, signal pistols, grenades, explosives and pyrotechnics, in any form, bombs, aerial torpedoes, tail fins, fuses and detonators, may be imported or purchased in Canada only under authority, direction and control of the Minister of National Defence.

PROVIDED further, that if and when any of the said goods, in respect of which remission or refund of Customs duty or Excise taxes has been obtained, are sold otherwise disposed of, either prior to or subsequent to the close of the war, they shall become subject to any Customs duties or Excise taxes ordinarily applicable at time of their disposal, unless the goods are exported or destroyed, and the person who acquires the goods, whether by purchase or otherwise, shall pay, when he obtains possession thereof, the said duties and taxes, levied at the rates then in effect, on values as determined by a Dominion Customs Appraiser or by an Excise Tax Auditor, as the case may be.

It is also recommended that this Order in Council shall supersede and cancel Order in Council (F.C. 56/5484) dated 23rd July, 1941.

(Sgd) A.D.P. Heeney

Clerk of the Privy Council.

COPY - R.M.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, November 17, 1941.

No. 545

Sir:

I have the honor to acknowledge the receipt of your note No. 209, November 15, enclosing an Order in Council which provides for the remission or refund of customs duty and excise taxes which would otherwise be payable with respect to military, naval and air supplies and equipment acquired by the Government of countries allied with the United Kingdom or by the Government of the United States or by units of their armed forces under certain conditions.

I am bringing this note to the attention of my Government.

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

(Sgd) Pierrepont Moffat

The Right Honourable
The Secretary of State
for External Affairs,
Ottawa, Canada.

COPY/R.M.

INCOME TAX CONVENTION

March 4, 1942

(Ratifications exchanged June 15, 1942)

The Government of Canada and the Government of the United States of America, being desirous of further promoting the flow of commerce between the two countries, of avoiding double taxation and of preventing fiscal evasion in the case of income taxes, have decided to conclude a Convention and for that purpose have appointed as their Plenipotentiaries:

Mr. Leighton McCarthy, K.C., Envoy Extraordinary and Minister Plenipotentiary of Canada at Washington; and

Mr. Sumner Welles, Acting Secretary of State of the United States of America;

who, having communicated to one another their full powers found in good and due form, have agreed upon the following Articles :

Article I

An enterprise of one of the contracting States is not subject to taxation by the other contracting State in respect of its industrial and commercial profits except in respect of such profits allocable in accordance with the Articles of this Convention to its permanent establishment in the latter State.

No account shall be taken in determining the tax in one of the contracting States, of the mere purchase of merchandise effected therein by an enterprise of the other state.

Article II

For the purposes of this Convention, the term "industrial and commercial profits" shall not include income in the form of rentals and royalties, interest, dividends, management charges, or gains derived from the sale or exchange of capital assets.

Subject to the provisions of this Convention such items of income shall be taxed separately or together with industrial and commercial profits in accordance with the laws of the contracting States.

Article III

1. If an enterprise of one of the contracting States has a permanent establishment in the other State, there shall be attributed to such permanent establishment the net industrial and commercial profit which it might be expected to derive if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions. Such net profit will, in principle, be determined on the basis of the separate accounts pertaining to such establishment.

2 The competent authority of the taxing State may, when necessary, in execution of paragraph 1 of this Article, rectify the accounts produced, notably to correct errors and omissions or to reestablish the prices or remunerations entered in the books at the value which would prevail between independent persons dealing at arm's length.

3. If (a) an establishment does not produce an accounting showing its own operations, or (b) the accounting produced does not correspond to the normal usages of the trade in the country where the establishment is situated, or (c) the rectifications provided for in paragraph 2 of this Article cannot be effected the competent authority of the taxing State may determine the net industrial and commercial profit by applying such methods or formulae to the operations of the establishment as may be fair and reasonable.

4. To facilitate the determination of industrial and commercial profits allocable to the permanent establishment, the competent authorities of the contracting States may consult together with a view to the adoption of uniform rules of allocation of such profits.

Article IV

1. (a) When a United States enterprise, by reason of its participation in the management or capital of a Canadian enterprise, makes or imposes on the latter, in their commercial or financial relations, conditions different from those which would be made with an independent enterprise, any profits which should normally have appeared in the balance sheet of the Canadian enterprise but which have been, in this manner, diverted to the United States enterprise, may be incorporated in the taxable profits of the Canadian enterprise, subject to applicable measures of appeal.

(b) In order to effect the inclusion of such profits in the taxable profits of the Canadian enterprise, the competent authority of Canada may, when necessary, rectify the accounts of the Canadian enterprise, notably to correct errors and omissions or to reestablish the prices or remuneration entered in the books at the values which would prevail between independent persons dealing at arm's length. To facilitate such rectification the competent authorities of the contracting States may consult together with a view to such determination of profits of the Canadian enterprise as may appear fair and reasonable.

2. The same principle applies, mutatis mutandis, in the event that profits are diverted from a United States enterprise to a Canadian enterprise.

Article V

Income which an enterprise of one of the contracting States derives from the operation of ships or aircraft registered in that State shall be exempt from taxation in the other contracting State.

The present Convention will not be deemed to affect the exchange of notes between the United States of America and Canada, dated August 2 and September 17, 1928, providing for relief from double income taxation on shipping profits.

Article VI

Wages, salaries and similar compensation paid by the Government, or any agency or instrumentality thereof, of one of the contracting States or by the political subdivisions or territories or possessions thereof to citizens of such State residing in the other State shall be exempt from taxation in the latter State.

Pensions and life annuities derived from within one of the contracting States and paid to individuals residing in the other contracting State shall be exempt from taxation in the former State.

Article VII

1. A resident of Canada shall be exempt from United States income tax upon compensation for labor or personal services performed within the United States of America if he conforms to either of the following conditions:

- (a) He is temporarily present within the United States of America for a period or periods not exceeding a total of one hundred and eighty-three days during the taxable year and such compensation (A) is received for labor or personal services performed as an employee of, or under contract with, a resident or corporation or other entity of Canada and (B) does not exceed \$5,000 in the aggregate during such taxable year; or
- (b) he is temporarily present in the United States of America for a period or periods not exceeding a total of ninety days during the taxable year and the compensation received for such services does not exceed \$1,500 in the aggregate during such taxable year.

2. The provisions of paragraph 1(a) of this Article shall have no application to the professional earnings of such individuals as actors, artists, musicians and professional athletes.

3. The provisions of paragraphs 1 and 2 of this Article shall apply, mutatis mutandis, to a resident of the United States of America deriving compensation for personal services performed within Canada.

Article VIII

Gains derived in one of the contracting States from the sale or exchange of capital assets by a resident or a corporation or other entity of the other contracting State shall be exempt from taxation in the former State, provided such resident or corporation or other entity has no permanent establishment in the former State.

Article IX

Students or business apprentices from one of the contracting States residing in the other contracting State for purposes of study or for acquiring business experience shall not be taxable by the latter state in respect of remittances received by them from within the former State for the purposes of their maintenance or studies.

Article X

Income derived from sources within one of the contracting States by a religious, scientific, literary, educational, or charitable organization of the other contracting State shall be exempt from taxation in the State from which the income is derived if, within the meaning of the laws of both contracting States, such organization would have been exempt from income tax.

Article XI

1. The rate of income tax imposed by one of the contracting States, in respect of income derived from sources therein, upon individuals residing in, or corporations organized under the laws of, the other contracting State, and not engaged in trade or business in the former State and having no office or place of business therein, shall not exceed 15 percent for each taxable year.

2. Notwithstanding the provisions of paragraph 1 of this Article, income tax in excess of 5 percent shall not be imposed by one of the contracting States in respect of dividends paid by a subsidiary corporation organized under the laws of such State, or of a political subdivision thereof, to a parent corporation organized under the laws of the other contracting State, or of a political subdivision thereof; Provided, however, That this paragraph shall not apply if the competent authority in the former State is satisfied that the corporate relationship between the two corporations has been arranged or is maintained primarily with the intention of taking advantage of this paragraph.

3. Notwithstanding the provisions of Article XXII of this Convention, paragraph 1 or paragraph 2, or both, of this Article, may be terminated without notice on or after the termination of the three-year period beginning with the effective date of this Convention by either of the contracting States imposing a rate of income tax in excess of the rate of 15 percent prescribed in paragraph 1 or in excess of the rate of 5 percent prescribed in paragraph 2.

4. The provisions of this Article shall not be construed so as to contravene the Tax Convention between Canada and the United States of America, effective January 1, 1936, to April 29, 1941.

Article XII

Dividends and interest paid on or after the effective date of this Convention by a corporation organized under the laws of Canada to individual residents of Canada, other than citizens of the United States of America, or to corporations organized under the laws of Canada shall be exempt from all income taxes imposed by the United States of America.

Article XIII

Corporations organized under the laws of Canada, more than 50 percent of the outstanding voting stock of which is owned directly or indirectly throughout the last half of the taxable year by individual residents of Canada, other than citizens of the United States of America, shall be exempt from any taxes imposed by the United States of America with respect to accumulated or undistributed earnings, profits, income or surplus of such corporations. With respect to corporations organized under the laws of Canada not exempt from such taxes under the provisions of this Article the competent authorities of the two contracting States will consult together.

Article XIV

1. (a) The United States income tax liability for any taxable year beginning prior to January 1, 1936, of any individual resident of Canada, other than a citizen of the United States of America, or of any corporation organized under the laws of Canada, remaining unpaid as of the date of signature of this Convention may be adjusted on a basis satisfactory to the Commissioner: Provided, That the amount to be paid in settlement of such liability shall not exceed the amount of the liability which would have been determined if -

(A) the Revenue Act of 1936 as modified by the Tax Convention between Canada and the United States of America, effective January 1, 1936, to April 30, 1941 (except in the case of a corporation organized under the laws of Canada more than 50 percent of the outstanding voting stock of which was owned directly or indirectly throughout the last half of the taxable year by citizens or residents of the United States of America) and

(B) Articles XII and XIII of this Convention had been in effect for such year.

If the taxpayer was not, within the meaning of the Revenue Act of 1936, engaged in trade or business within the United States of America and had no office or place of business therein during the taxable year, the amount of interest and penalties shall not exceed 50 percent of the amount of the tax with respect to which such interest and penalties have been computed.

(b) The United States income tax liability remaining unpaid as of the date of signature of this Convention for any taxable year beginning after December 31, 1935 and prior to January 1, 1941, in the case of any individual resident of Canada, other than a citizen of the United States of America, or in the case of any corporation organized under the laws of Canada shall be determined as if the provisions of Articles XII and XIII of this Convention had been in effect for such year.

2. The provisions of paragraph 1 of this Article shall not apply -

(a) Unless the taxpayer files with the Commissioner within two years from the date of signature of this Convention a request that such tax liability be so adjusted together with such information as the Commissioner may require;

(b) In any case in which the Commissioner is satisfied that any deficiency in tax is due to fraud with intent to evade the tax.

Article XV

In accordance with the provisions of Section 8 of the Income War Tax Act as in effect on the day of the entry into force of this Convention, Canada agrees to allow as a deduction from the Dominion income and excess profits taxes on any income which was derived from sources within the United States of America and was there taxed, the appropriate amount of such taxes paid to the United States of America.

In accordance with the provisions of Section 131 of the United States Internal Revenue Code as in effect on the day of the entry into force of this Convention, the United States of America agrees to allow as a deduction from the income and excess profits taxes imposed by the United States of America the appropriate amount of such taxes paid to Canada.

Article XVI

Where a taxpayer shows proof that the action of the revenue authorities of the contracting States has resulted in double taxation in his case in respect of any of the taxes to which the present Convention relates, he shall be entitled to lodge a claim with the State of which he is a citizen or resident or, if the taxpayer is a corporation or other entity, with the State in which it was created or organized. If the claim should be deemed worthy of consideration, the competent authority of such State may consult with the competent authority of the other State to determine whether the double taxation in question may be avoided in accordance with the terms of this Convention.

Article XVII

Notwithstanding any other provision of this Convention, the United States of America in determining the income and excess profits taxes, including all surtaxes, of its citizens or residents or corporations, may include in the basis upon which such taxes are imposed all items of income taxable under the revenue laws of the United States of America as though this Convention had not come into effect.

Article XVIII

The competent authorities of the two contracting States may prescribe regulations to carry into effect the present Convention within the respective States and rules with respect to the exchange of information.

The competent authorities of the two contracting States may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

Article XIX

With a view to the prevention of fiscal evasion, each of the contracting States undertakes to furnish to the other contracting State, as provided in the succeeding Articles of this Convention, the information which its competent authorities have at their disposal or are in a position to obtain under its revenue laws in so far as such information may be of use to the authorities of the other contracting State in the assessment of the taxes to which this Convention relates.

The information to be furnished under the first paragraph of this Article, whether in the ordinary course or on request, may be exchanged directly between the competent authorities of the two contracting States.

Article XX

1. The competent authorities of the United States of America shall forward to the competent authorities of Canada as soon as practicable after the close of each calendar year the following information relating to such calendar year:

The names and addresses of all persons whose addresses are within Canada and who derive from sources within the United States of America dividends, interest, rents, royalties, salaries, wages, pensions, annuities, or other fixed or determinable annual or periodical profits and income, showing the amount of such profits and income in the case of each addressee.

2. The competent authorities of Canada shall forward to the competent authorities of the United States of America as soon as practicable after the close of each calendar year the following information relating to such calendar year:

- (a) The names and addresses of all persons whose addresses are within the United States of America and who derive from sources within Canada dividends, interest, rents, royalties, salaries, wages, pensions, or other fixed or determinable annual or periodical profits and income, showing the amount of such profits and income in the case of each addressee.
- (b) The names and addresses of all persons whose addresses are outside of Canada and who derive through a nominee, or agent, or custodian in Canada income from source within the United States of America, and who are not entitled to the reduced rate at 15 percent with respect to such income provided in Article XI of this Convention, showing the amount of such income in the case of each addressee.
- (c) The names and addresses, where available, of persons whose addresses are outside of Canada and who derive dividends during the calendar year from corporations organized under the laws of Canada, more than 30 percent of the gross income of which is derived from sources within the United States of America, showing the amount of such dividends in each case.
- (d) The names and addresses of all persons whose addresses are within the United States of America and who beneficially or of record own stocks or bonds, debentures or other securities, or evidences of funded indebtedness, of any company taxed in Canada as a Non-Resident-Owned Investment Corporation. The term "Non-Resident-Owned Investment Corporation" shall have the same meaning as when used in the Income Tax Act of Canada.

ARTICLE XXI

1. If the Minister in the determination of the income tax liability of any person under any of the revenue laws of Canada deems it necessary to secure the cooperation of the Commissioner, the Commissioner may, upon request, furnish the Minister such information bearing upon the matter as the Commissioner is entitled to obtain under the revenue laws of the United States of America.

2. If the Commissioner in the determination of the income tax liability of any person under any of the revenue laws of the United States of America deems it necessary to secure the cooperation of the Minister, the Minister may, upon request, furnish the Commissioner such information bearing upon the matter as the Minister is entitled to obtain under the revenue laws of Canada.

ARTICLE XXII

This Convention and the accompanying Protocol which shall be considered to be an integral part of the Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

This Convention and Protocol shall become effective on the first day of January 1941. They shall continue effective for a period of three years from that date and indefinitely after that period, but may be terminated by either of the contracting States at the end of the three-year period or at any time thereafter provided that, except as otherwise specified in the case of Article XI, at least six months prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period.

Done in duplicate, at Washington, this fourth
day of March, 1942.

LEIGHTON MCGARTHY

(SEAL)

SUMNER WELLS

(SEAL)

PROTOCOL

At the moment of signing the Convention for the avoidance of double taxation, and the establishment of rules of reciprocal administrative assistance in the case of income taxes, this day concluded between Canada and the United States of America, the undersigned plenipotentiaries have agreed upon the following provisions and definitions:

1. The Taxes referred to in this Convention are:

(a) for the United States of America;

the Federal income taxes, including surtaxes, and excess-profits taxes.

(b) for Canada:

the Dominion income taxes, including surtaxes, and excess-profits taxes.

2. In the event of appreciable changes in the fiscal laws of either of the contracting States, the Governments of the two contracting States will consult together.

3. As used in this Convention:

(a) the terms "person", "individual" and "corporation", shall have the same meanings, respectively, as they have under the revenue laws of the taxing State or the State furnishing the information, as the case may be;

(b) the term "enterprise" includes every form of undertaking, whether carried on by an individual, partnership, corporation or any other entity;

(c) the term "enterprise of one of the contracting States" means, as the case may be, "United States enterprise" or "Canadian enterprise";

(d) the term "United States enterprise" means an enterprise carried on in the United States of America by an individual resident in the United States of America, or by a corporation, partnership or other entity created or organized in or under the laws of the United States of America, or of any of the States or Territories of the United States of America;

(e) the term "Canadian enterprise" is defined in the same manner *mutatis mutandis* as the term "United States enterprise";

(f) the term "permanent establishment" includes branches, mines and oil wells, farms, timber lands, plantations, factories, workshops, warehouses, offices, agencies and other fixed places of business of an enterprise, but does not include a subsidiary corporation.

When an enterprise of one of the contracting States carries on business in the other contracting State through an employee or agent established there, who has general authority to contract for his employer or principal or has a stock of merchandise from which he regularly fills orders which he receives, such enterprise shall be deemed to have a permanent establishment in the latter State.

The fact that an enterprise of one of the contracting States has business dealings in the other contracting State through a commission agent, broker or other independent agent or maintains therein an office used solely for the purchase of merchandise shall not be held to mean that such enterprise has a permanent establishment in the latter State.

4. The term "Minister", as used in this Convention, means the Minister of National Revenue of Canada or his duly authorized representative. The term "Commissioner", as used in this Convention, means the Commissioner of Internal Revenue of the United States of America, or his duly authorized representative. The term "competent authority", as used in this Convention, means the Minister and the Commissioner and their duly authorized representatives.

5. The term "Canada" when used in a geographical sense means the Provinces, the Territories and Sable Island. The term "United States of America", when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

6. The term "subsidiary corporation" referred to in Article XI of this Convention means a corporation all of whose shares (less directors' qualifying shares) having full voting rights are beneficially owned by another corporation, provided that ordinarily not more than one-quarter of the gross income of such subsidiary corporation is derived from interest and dividends other than interest and dividends received from its subsidiary corporations.

7. (a) The term "rentals and royalties" referred to in Article II of this Convention shall include rentals or royalties arising from leasing real or immovable, or personal or movable property or from any interest in such property, including rentals or royalties for the use of, or for the privilege of using, patents, copyrights, secret processes and formulae, goodwill, trade marks, trade brands, franchises and other like property;

(b) the term "interest", as used in this Convention, shall include income arising from interest-bearing securities, public obligations, mortgages, hypothecs, corporate bonds, loans, deposits and current accounts;

(c) the term "dividends", as used in this Convention, shall include all distributions of the earnings or profits of corporations.

8. The term "pensions" referred to in Article VI of this Convention means periodic payments made in consideration for services rendered or by way of compensation for injuries received.

9. The term "life annuities" referred to in Article VI of this Convention means a stated sum payable periodically at stated times, during life, or during a specified number of years, under an obligation to make the payments in consideration of a gross sum or sums paid by the recipient or under a contributory retirement plan.

10. The terms "engaged in trade or business" and "office or place of business" as used in Article XI of this Convention shall not be deemed to include an office used solely for the purchase of merchandise.

11. The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance accorded by the laws of one of the contracting States in the determination of the tax imposed by such State.

12. The citizens of one of the contracting States residing within the other contracting State shall not be subjected to the payment of more burdensome taxes than the citizens of such other State.

Done in duplicate, at Washington, this fourth
day of March, 1942.

(SEAL)

LEIGHTON McCARTHY

(SEAL)

SUMNER WELLS

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, June 25, 1942.

No. 708

Sir :

May I refer to a conversation you held with the Secretary of State in Washington on April 17, 1941, during which he discussed the advantages to national defense that would ensue from being able to move goods from Detroit to Buffalo and back via motor truck in bond, as well as to subsequent conversations between Canadian and American officials in Ottawa on this general subject.

Although in your letter of August 26th you indicated the difficulties that made the Canadian Government reluctant at that time to alter its practice, the increasing volume of war supplies being turned out in the United States and the need of moving them swiftly between Detroit and Buffalo during war time has impelled the transportation authorities of my Government to hope that the Canadian Government will re-examine its position in the light of these new developments. I understand that many of the big shippers of war supplies from Detroit have expressed an interest in this accommodation and that Mr. Mastman, the Director of Transportation in the United States, has written Mr. Howe of the importance he attaches to the availability of this additional route for speedy transportation in our joint war efforts.

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

PIERRELOTT MOFFAT

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, July 17, 1942.

No. 111

Sir,

I have the honour to refer to Mr. Moffat's note No. 705 of June 25th concerning the movement of goods from Detroit to Buffalo and back via motor truck in bond through the Province of Ontario and to inform you that the Canadian Government have ordered that, for the duration of the present war, war materials in transit from a point or points in the United States of America to another point or points therein, shall be permitted to be entered for transportation "in bond" through the Province of Ontario by motor vehicles, without payment of duties and taxes, and under such regulations as the Minister of National Revenue may prescribe.

The regulations to be prescribed by the Minister of National Revenue were discussed at a meeting held in Ottawa on July 15th between representatives of Canadian Government Departments, the Department of Highways of the Province of Ontario and Mr. W. Y. Blanning, Director of Motor Vehicle Division, Interstate Commerce Commission, Mr. Burt A. Flynn, Chief, Division of Entry and Appraisal, Bureau of Customs, and Mr. Walter S. Petty, Assistant Collector of Customs, Port of Detroit. The proposed regulations governing the movement of war materials through Ontario were satisfactory to the United States representatives present.

Under the regulations, the privilege of transporting war materials in bond through the Province of Ontario will be available only to persons or firms operating motor vehicles in the transportation of goods, either on their own behalf, on behalf of one or more particular shippers, or on behalf of shippers generally. The motor vehicle operators desiring to become bonded carriers shall make application to the Commissioner of Customs, Department of National Revenue, Ottawa, for the privilege. If the operator proposes to transport war materials on behalf of one or more particular shippers or on behalf of shippers generally, the applicant shall furnish a certificate issued by the Interstate Commerce Commission to the effect that he is authorized to operate as a common carrier in the United States and over the Canadian route referred to in his application. The personnel in charge of the motor vehicles operating through Ontario shall be restricted to citizens of the United States and to citizens or residents of Canada. In the case of United States citizens they shall be in the possession of border-crossing cards, with photograph and description attached thereto, issued by the United States Immigration Service.

The United States Charge d'Affaires,
The Legation of the United States of America,
OTTAWA, Canada.

Upon approval of the application referred to above, the applicant shall be required to submit to the Department of National Revenue a bond, in approved form, of a Guarantee Company acceptable to the Canadian Government. Operators of motor vehicles authorized as bonded carriers of war materials over the highways of Ontario shall be required to pay a fee or charges to the Government of the Province of Ontario equivalent to the provincial gasoline tax. This provision is similar to that now in effect with respect to United States passenger buses operating into the Province.

The regulations are drawn so as to avoid delay and to facilitate the movement in every way possible consistent with the maintenance of necessary safeguards. The limitation of goods to war materials will be interpreted in a manner which will not impose undue restrictions upon the operation of the scheme.

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

N. A. ROBERTSON

(for) Secretary of State for
External Affairs.

Order in Council permitting war materials in transit
from the United States to be entered "in bond" through
the Province of Ontario.

P. C. 6129

AT THE GOVERNMENT HOUSE AT OTTAWA

THURSDAY, the 16th day of JULY, 1942.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

His Excellency the Governor General in Council, on the recommendation of the Minister of National Revenue, and under the authority of Section 3(d) of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, is pleased to order and doth hereby order that, for the duration of the present war, war materials in transit from a point or points in the United States of America to another point or points therein, shall be permitted to be entered for transportation "in bond" through the Province of Ontario by motor vehicles, without payment of duties and taxes, and under such regulations as the Minister of National Revenue may prescribe.

Sgd. A.D.P. Heeney

Clerk of the Privy Council.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, July 21, 1942.

No. 115

Sir,

I have the honour to refer to the suggestions made by the Legation some years ago, and renewed in the Legation's Memorandum of December 4, 1941, regarding the granting of the privilege of free import after first arrival to several categories of United States officials in Canada who do not at present receive it.

After careful consideration, the Canadian Government has decided that it would be willing to grant this privilege to Consuls and Vice Consuls of career but not to any other United States officials in Canada who do not at present receive it. The Canadian Government's proposal is, of course, conditional on reciprocity. In view of the fact that Canada does not have any Consuls or Vice Consuls in the United States, and is not likely to have a large number of them for many years, it is desired that the privilege of free import after first arrival be given to Canadian Trade Commissioners and Assistant Trade Commissioners in the United States, as well as to Canadian Consuls and Vice Consuls of career, if and when any should be appointed.

The Canadian Government has also had under consideration another aspect of the Customs Regulations, namely, the right of free entry on first arrival for United States Government employees who are not expressly given that privilege by the Regulations under Tariff Item 706 e.g. clerks of the United States Legation and of Consulates, officers, and employees of the United States Customs offices, etc. In practice such persons are given free entry on first arrival by entering them as "Settlers". I understand that in the United States a similar procedure is used to grant free entry on first arrival to non-diplomatic employees of the Canadian Government.

We propose that the privilege of free entry on first arrival should be expressly extended to all employees (of United States nationality) of the United States Government sent to posts in Canada and to all employees (of Canadian nationality) of the Canadian Government sent to posts in the United States. This free entry on first arrival should cover private automobiles, but not spirituous liquors.

I should be glad to learn whether the proposals set forth above are acceptable to the United States Government. If they are, I should like to know whether your Government desires to have a formal exchange of notes suitable for publication, or whether this Note and your reply will be sufficient.

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

N. A. ROBERTSON

For the Secretary of State for
External Affairs

The United States Minister to Canada,

United States Legation,

Ottawa.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, October 29, 1942.

No. 753

Sir:

I have the honor to refer to your note No. 113 of July 21, 1942, regarding the extension of the free importation privilege to American consuls and vice consuls of career on a basis of reciprocity, which would include on the part of Canadians in the United States, trade commissioners and assistant trade commissioners, since the Canadian Government does not now have consuls or vice consuls in the United States.

It has been noted that the Canadian Government is also willing, on a basis of reciprocity, to affirm its previous practice of granting free entry on first arrival to United States Government employees, other than diplomatic and consular officers, which would include clerks of the United States Legation and Consulates and officers and employees of the United States Customs offices. It has also been noted that the Canadian Government is unwilling to have free entry on first arrival for these employees include spirituous liquors.

I have now been instructed to inform you that my Government is prepared to accord, reciprocally, to Canadian consuls and vice consuls, should such officers be assigned to the United States, and to Canadian trade commissioners and assistant trade commissioners who are Canadian nationals and not engaged in any private occupation for gain, the privilege of importing articles, the importation of which is not prohibited, for their personal use free of duty upon their first arrival, upon their return from leave of absence spent abroad and during the time they are stationed in the United States. Furthermore, my Government is prepared to admit free of duty, on a reciprocal basis, all articles, except spirituous liquors and articles the importation of which is prohibited, imported on first arrival for their personal use by Government employees of Canada other than diplomatic and consular officers, trade commissioners and assistant trade commissioners who are Canadian nationals and not engaged in any private occupation for gain.

I shall appreciate receiving confirmation that the Canadian Government is prepared, reciprocally, to grant the same privileges to like American officers and employees, and, if this be the case, I suggest that this note and your reply thereto be considered as concluding the agreement on this subject between our two Governments, which shall remain in effect until terminated by either Government.

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

PIERREFONT MOFFAT

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

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, November 9, 1942.

No. 155

Sir:

I have the honour to refer to your Note No. 788 of October 29, 1942, regarding importation privileges for government officials and employees.

The Canadian Government agrees with the understandings set forth in your note which, with this note, shall be considered as concluding an agreement between our two Governments, which shall remain in effect until terminated by either Government.

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

LAURENT BÉAUBRY

For the Secretary of State
for External Affairs

The Honourable J. Pierrepont Moffat,
United States Minister to Canada,
Ottawa.

Certified to be a true copy of a Minute of a Meeting of the Treasury Board, approved by His Excellency the Governor General in Council, on the 9th September, 1942.

NATIONAL REVENUE

The Board had under consideration a memorandum from the Honourable the Minister of National Revenue reporting:

"THAT authority already exists for exemption from payment of Customs duties, sales and/or excise taxes in respect of importations and purchases of certain goods by the Governments of the United Kingdom, the United States of America and countries allied with them, or by units of their armed forces, or by the Department of Munitions and Supply on their behalf, provided the goods are to become and remain the property of the aforementioned governments;

"THAT representations have been received from officials of the various governments concerned expressing appreciation of concessions already granted, but pointing out that there are many other taxes imposed on goods or on services under the provisions of the Special War Revenue Act such as the tax on tickets or rights of transportation, the tax on long distance telephone calls, the tax on telegraph and cable messages, the excise tax on gasoline and on tires, the sales tax on electricity and on gas, and probably others for which there is no provision at the present time for exemption, when purchases are made by the Government of the United Kingdom, the United States of America, and countries allied with them or by units of their armed forces or by the Department of Munitions and Supply on their behalf.

NOW, THEREFORE, the UNDERSIGNED, Minister of National Revenue, has the honour to recommend that authority be granted under Section 3 of the War Measures Act for the following Customs duties, sales and/or excise taxes concessions with respect to all goods acquired by or services performed for the Governments of the United Kingdom, the United States of America and countries allied with them, or by units of their armed forces, or by the Department of Munitions and Supply on their behalf, provided the goods are to become and remain the property of the aforementioned government and that the funds expended for services performed are the funds of the respective governments and that the expenditures are for war purposes;

- (1) Remission or refund of Customs duties, special excise tax, sales tax and other excise taxes, except stamp taxes, paid or ordinarily payable on goods imported; excluding spirits;
- (2) Remission or refund of sales tax and other excise taxes paid or ordinarily payable on goods purchased from suppliers in Canada;

P.C. 53/5097

- (3) Remission of stamp taxes, except those imposed on matches, cigarette papers, cigarette paper tubes, playing cards, letters and post cards;
- (4) Remission or refund of excise taxes paid or ordinarily payable on services performed.

PROVIDED that articles and materials in respect of which remission or refund has been obtained, which remain on hand at the time of the cessation of hostilities in the present war, or which prior to that time are diverted for use other than mentioned herein, shall become subject to any customs duties and excise taxes ordinarily applicable unless they are exported or destroyed, and the scrap and salvage resulting from any such destruction shall also become subject thereto, and the person who acquires the goods, whether by purchase or otherwise, shall pay, when he obtains possession thereof, the said customs duties and excise taxes levied at the rates then in effect, computed on a valuation as determined by the Department of National Revenue.

AND FURTHER, that the Minister of National Revenue be authorized to do all such acts, matters and things, including the establishing of such regulations as may be necessary or advisable to carry out the foregoing.

It is further recommended that this Order in Council shall be effective on and after September 2nd, 1939, as respects (1) and (2) and January 1st, 1942 as respects (3) and (4) and that it shall supersede and cancel Orders in Council P.C. 26/1045 dated March 19th, 1940, P.C. 41/4600 dated June 25th, 1941, and P.C. 57/8600 dated November 3rd, 1941."

The Board concur in the above report and recommendation, and submit the same for favourable consideration.

Sgd. A.D.F. Heeney

Clerk of the Privy Council.

LEGATION OF THE UNITED STATES OF
AMERICA

Ottawa, March 23, 1943.

No. 859

Sir,

Under instructions of my Government, I have the honor to bring to your attention information reaching us to the effect that provincial governments in western Canada contemplate 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.

In an exchange of notes of March 17-18, 1942, on the construction of the Alaska military highway, the Canadian Government agreed, among other things,

"to waive import duties, sales taxes, license fees and other similar charges on all equipment and supplies to be used in the construction or maintenance of the road by the United States and on personal effects of the construction personnel"

and

"to remit income tax on the income of persons (including corporations) resident in the United States who are employed on the construction or maintenance of the highway."

Similar undertakings were given by the Canadian Government in respect of other war projects of the United States in Canada.

Considering the spirit of mutual helpfulness which motivated the decision of the federal government to grant exemption from taxation, license fees and other similar charges on such war projects, my Government is reluctant to believe that the provincial governments would wish to accord less favorable treatment. As an indication of the type of charges which are being contemplated, I may mention that the following have been brought to the attention of my Government:

- (1) taxation on improvement of property leased to the United States Government and to United States contractors for military purposes;
- (2) fees for building permits on land leased for military purposes;
- (3) license fees for motor vehicles used for military purposes;

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

- (4) license fees for non-military drivers of trucks belonging to the United States Army; and
- (5) head or poll taxes upon non-military personnel engaged on military projects.

In presenting the foregoing matter for your urgent consideration, I have been directed to point out that the impositions which are under consideration are not directed at sources of revenue normally available to the provincial jurisdiction. It is instead directed at activities which have been undertaken as pressing wartime necessities, projects which 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. It is furthermore hardly necessary to add that in all cases these activities have been found necessary to the joint defense of Canada and the United States; a purpose in which, the provinces will readily agree, the Canadian and American peoples have the widest possible mutual interest. In these circumstances, therefore, I have been directed to request that the Canadian Government take such measures as may be possible to obtain exemption from provincial taxation, license fees and other similar charges on United States military projects in Canada, equivalent to that accorded by the federal government.

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

LEWIS CLARK

Charge d'Affaires ad interim

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.

obtain exemption from provincial and municipal taxation, license fees and other similar charges on United States military projects in Canada, equivalent to that accorded by the Federal Government.

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

True copy of the
original signed by

Lewis Clark,
Charge d'Affaires a.i.

EXCHANGE OF NOTES (AUGUST 6 AND 9, 1943) BETWEEN CANADA AND
THE UNITED STATES OF AMERICA RECORDING ARRANGEMENTS FOR
THE EXEMPTION FROM PROVINCIAL AND MUNICIPAL TAXATION OF
UNITED STATES DEFENCE PROJECTS IN CANADA.

I

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

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, August 6th, 1943.

No. 91

Sir,

I have the honour to refer to your note No. 859 of March 23rd and to your subsequent note No. 902 of May 29th, concerning the possibility of exempting from Provincial and municipal taxation the United States Government and United States contractors engaged on the Alaska Highway and other United States defence projects in Canada. The Canadian Government is anxious to reach a settlement of this question which is fair to all parties concerned and which is in keeping with the spirit of mutual helpfulness which has animated both Governments with regard to the defence projects.

2. In the view of the Canadian Government the United States Government itself cannot be effectively taxed by Provincial or municipal authorities. If in any instance an attempt is made by those authorities to tax the United States Government either in respect of real property which it owns or of which it is a lessee, or in respect of licence fees on motor vehicles owned by the United States Government, the Canadian Government will intervene in the legal proceedings and request the Court to accord appropriate immunities. Should the Court hold, contrary to the expectations of the Canadian Government, that the United States Government is legally liable to pay such taxes or licence fees, the Canadian Government will, as a contribution to the general costs of the defence projects, reimburse the United States Government for any Provincial or municipal taxes levied in respect of such projects which the United States Government had been held to pay and had paid.

3. In order to keep the record clear it might be well to point out that the Canadian Government does not consider that any exemption from municipal taxation would be appropriate in the case of owners of property who have leased it to the United States Government. In cases in which improvements have been made on property so leased, assessments will normally be made against the owner who is legally bound to pay the taxes exactly as he would be if the lessee were the Canadian and not the United States Government.

4. United States contractors employed by the United States Government on its military projects in Canada are, of course, legally bound to pay whatever municipal taxes may be assessed against them as owners or lease-holders of property and whatever municipal fees may be charged for building permits in connection with these lands. The Canadian Government will undertake to refund

to the United States Government any amounts which that Government may pay to United States contractors in respect of this taxation. Any such payments made by the Canadian Government will form part of its contribution to the cost of the defence projects.

5. The Canadian Government will also reimburse the United States Government for any payments which it may have to make to United States contractors in respect of licence fees for motor vehicles employed on the United States defence projects in Canada. Any such payments made by the Canadian Government will form part of its contribution to the cost of the defence projects.

6. The Governments of the Provinces in which United States projects are being executed will be requested by the Government of Canada not to impose licence fees on non-military drivers of trucks belonging to the United States Army and not to levy head or poll taxes upon non-military personnel normally resident in the United States which is engaged on United States military projects in Canada. It appears that in the Province of Alberta the poll tax is devoted to educational purposes and the exemption of United States non-military personnel from this tax will carry with it a liability to pay school fees should any of the United States personnel wish to send their children to public schools in the province.

7. I should be glad to receive your assurance that these proposals for dealing with the problem of the burden of Provincial and municipal taxation on United States defence projects in Canada will meet the wishes of the United States Government.

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

N. A. ROBERTSON

For the Secretary of State
for External Affairs.

II

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

LEGATION OF THE UNITED STATES OF AMERICA

Ottawa, Canada, August 9, 1943.

No. 2.

Sir:

I have the honor to acknowledge the receipt of your note No. 91 of August 6, 1943, concerning Provincial and municipal taxation levied upon the United States Government, the United States contractors engaged on the Alaska Highway, and other United States defence projects in Canada, and to confirm that the proposals outlined in your note for dealing with the problem meet with the wishes of the United States Government.

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

RAY ATHERTON

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, October 23, 1943.

Dear Mr. Clark:

I am referring to the notes exchanged on August 6 and 9 on the subject of provincial and municipal taxation in connection with United States defence projects in Canada. In paragraph 6 of the note of August 6 the Canadian Government undertook to request the provinces in which United States defence projects are being executed not to impose licence fees on non-military drivers of trucks belonging to the United States Army and not to levy head or poll taxes upon non-military personnel normally resident in the United States which is engaged on United States military projects in Canada.

In accordance with this undertaking, requests have been addressed to the governments of the four western provinces and of the Province of Quebec. While the replies which have been received are not in every case conclusive, I think you will find that in substance the provinces are prepared to meet the wishes of the United States Government.

The Government of Manitoba advises that under the Highway Traffic Act all resident chauffeurs are required to take out chauffeurs' licenses at an annual fee of \$2.00. Non-residents, who hold chauffeurs' licenses in their place of residence, may drive a motor vehicle in this Province other than a motor vehicle used in a business carried on within the Province. The Government of Manitoba is not primarily concerned with the question of revenue, which is negligible, but it does desire to retain control over drivers. The suggestion is made that the Province might issue chauffeurs' licenses to all civilian drivers employed on United States projects upon application therefor by some one authorized for the purpose by the United States Government, and that an Order-in-Council might then be passed by the Province remitting the fee for such licenses.

The Government of the Province of Saskatchewan informs us that it does not at present levy any head or poll tax and that while the municipalities have power to do so they have not made use of this form of taxation. It is not the practice of the Government of Saskatchewan to impose license fees on non-military drivers of trucks belonging to the United States Army provided these drivers hold a drivers license from the state in which they resided prior to their employment in Canada.

The Government of the Province of Alberta advises that it has passed an Order-in-Council exempting all American citizens temporarily resident in Alberta and engaged in defence projects, from school, municipal and hospital poll tax. It is proposed to ratify this Order-in-Council by appropriate legislation at the next ensuing session of the Legislature. In the case of a chauffeur who has no chauffeur's license for the current year from any State in America or Province of Canada, a chauffeur's license fee is charged. No license fee is charged on any vehicle or person en route to the Alaska Highway through Alberta. In the case of American citizens who have brought their families to Alberta and are sending their children to Alberta schools, the usual non-resident's fee is charged in respect of each child attending school.

The Premier of British Columbia has expressed his wish to be helpful, and it seems unlikely that the taxes mentioned have any significance in that Province.

The Government of the Province of Quebec practice is to treat drivers of motor vehicles belonging to a foreign government as exempt from the payment of license fees. The Motor Vehicle Act specifically exempts from any fees any motor vehicle belonging to a government, and the Government of Quebec treats this exemption as applying to a foreign as well as to a domestic government and as extending to the drivers' license fee as well as to the registration fee of the vehicle itself. Poll taxes in Quebec are not provincial but municipal and as a rule are not payable by non-residents. A great many municipalities do not impose any such tax. In view of the extreme improbability of such tax applying to any United States citizen employed on United States defence projects in the Province of Quebec, the Province feels that it would be inexpedient to introduce legislation on the subject.

I am inclined to think that little would be gained by pressing the provinces for uniform action at the present time or for more explicit undertakings. The probability seems to be that few, if any, difficulties will arise in practice, and I should appreciate it if you will bring to my attention any cases in which provincial taxes, of the character mentioned in this letter, are imposed in connection with United States defence projects.

Yours sincerely,

(Sgd) N.A. Robertson.

Under Secretary of State
for External Affairs.

Lewis Clark, Esq.,
United States Charge d'Affaires,
Legation of the United States of America,
O T T A W A.

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, November 24, 1943.

Dear Mr. Atherton:

I am referring to my letter of October 23, addressed to Mr. Clark, United States Chargé d'Affaires, on the subject of provincial and municipal taxation in connection with United States defence projects in Canada. In this letter I described the position in all provinces, but my reference to the Province of British Columbia was, of necessity, very brief. It is now possible to add some details.

British Columbia will not impose a poll tax on non-military personnel normally resident in the United States who are engaged on United States military projects in Canada.

The Alaska Highway is considered a private road and no license is required or fees collected in connection with the operation of motor vehicles which operate solely on that Highway. Motor vehicles belonging to the United States Government and motor vehicles belonging to the United States contractors employed in connection with the Alaska Highway, or other projects of the United States Government in that area, are permitted to operate without the payment of any license fees. However, motor vehicles belonging to Canadian contractors employed on the Alaska Highway and other projects of the United States Government are required to be fully licensed in all cases where they operate on public highways off the Alaska Highway in the Province. Motor vehicles of the private passenger type belonging to the United States Government and used by liaison officers, and others, are required to be licensed for operation in the Province, but the fee charged has been reduced to \$2.00. Motor vehicles owned by members of the United States Army, Navy, or Air Force, which bear current motor vehicle licenses of the State in which they are licensed, are licensed for operation in British Columbia on payment of a nominal fee of \$2.00. This arrangement is similar to that obtaining in the case of motor vehicles owned by members of the Canadian Armed Forces.

Drivers and chauffeur's licenses are not required from members of the United States Armed Forces when driving motor vehicles owned and operated by such Forces, but this exemption does not extend to persons acting in a civilian capacity who have not been attested.

Yours sincerely,

The Honourable Ray Atherton,
The United States Ambassador to Canada,
The Embassy of the United States
of America,
O t t a w a.

(Signed) H. L. Keenleyside
for
Under Secretary of State
for External Affairs.

COPY

Order in Council re importation of matches by units
of the Armed Forces of the United States
without payment of excise tax.

P.C. 94/8660

Certified to be a true copy of a Minute of a Meeting
of the Treasury Board, approved by His Excellency
the Governor General in Council, on the 10th Novem-
ber, 1943.

NATIONAL REVENUE

The Board recommend, under Section 3 of the
War Measures Act, that Order in Council P.C. 53/8097
of September 9, 1942, be amended to the extent of per-
mitting units of the Armed Forces of the United States
to import matches without payment of the excise tax,
effective as of and from November 1, 1943, provided
that no refunds of excise tax shall be made in res-
pect of any packages of matches to which stamps have
been affixed.

(Signed) A. M. HILL

Ass't. Clerk of the Privy
Council

(Seal) Clerk of the
Privy Council
Canada

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, August 10, 1944.

Dear Mr. Atherton:

I should like to refer to my letter of August 24, 1942 and to subsequent correspondence regarding exemptions from the tax on transportation granted in Canada to the military and civilian personnel of certain Allied Governments.

You will recall that under P.C. 53/8097 of September 9, 1942, the Canadian Governments instituted a procedure for granting exemptions similar to that in effect in the United States.

Apparently this system proved rather cumbersome. Under the United States revenue tax regulations effective June 1, 1944, exemptions are no longer extended to officials of Allied Governments where the transportation is paid for in cash.

The Canadian regulations are also to be changed. The exemption from transportation tax will be continued in all cases where official transport warrants are tendered in exchange for transportation tickets and where the warrants are chargeable to an Allied Government but exemption from the transportation tax will no longer be given to the military and civilian personnel of Allied Governments where the transportation is paid for in cash, notwithstanding the production of certificates or identification hitherto accepted for this purpose.

Sincerely yours,

N. A. ROBERTSON

The Honourable Ray Atherton,
United States Ambassador to Canada,
O t t a w a.

MEMORANDUM

DEPARTMENT OF NATIONAL REVENUE, CANADA

(CUSTOMS AND EXCISE DIVISIONS)

Ottawa, 3rd January, 1944.

*To Collectors of Customs and Excise,
and others concerned:*

The following Ministerial Regulations have been established relating to importations and domestic purchases in connection with the construction of the Alaska Highway and other defence projects of the United States Government in Canada:—

1. Materials, repair parts for contractors' equipment, tires, tubes, gasoline, foodstuffs and other supplies may be imported or purchased in Canada free of duty and taxes by use of an official purchase order of a Department or Agency of the United States Government or of North West Purchasing Ltd., bearing an exemption certificate. When the amount of any purchase exceeds \$500 the order must be signed by the purchaser and countersigned by an authorized representative of a Department or Agency of the United States Government or of North West Purchasing Ltd., and when for less than \$500 by authorized contractors.

NOTE:—The exemption certificate will be worded in the following general terms:

"I hereby certify that the goods herein described are to become and remain the property of the United States Government, and will be paid for by that Government; they are for war purposes and accordingly exempt from duty and taxes by virtue of Order in Council P.C. 53/8097.

....."
Place and Date
Signature of authorized United States
Government representative

2. CONTRACTORS' EQUIPMENT: (1) United States contractors may bring their equipment into Canada free of duty and taxes subject to re-exportation or destruction at the conclusion of their contracts or, in the event that any equipment is sold or otherwise disposed of in Canada, it shall be subject to duty and taxes on the appraised value thereof in its condition at the time of such sale or disposal.

(2) Canadian contractors' capital equipment (a) imported (whether new or second hand); and (b) purchased in Canada (new) for use on defence projects is subject to duty and taxes as the United States Government has agreed to pay rentals to such contractors based on duty and tax paid values.

(3) Repair or replacement parts for capital equipment (a) imported; and (b) purchased in Canada by Canadian contractors for use on defence projects are subject to duty and taxes. If, while on the project they are

sold or charged to the United States Government, that Government may apply for a refund of the duty and taxes paid thereon. Repair or replacement parts purchased on official purchase orders as above described and billed direct to a Department or Agency of the United States Government, or to North West Purchasing Ltd., may be imported or purchased in Canada free of duty and taxes.

(4) No refunds or drawbacks are to be paid to any contractor, dealer or agent in so far as Canadian contractors' capital equipment or parts therefor are concerned. (Vide WM No. 62 (Revised).)

3. CANTEEN SUPPLIES: (1) Canteen supplies imported by or for United States contractors and purchased on United States official purchase orders hereinbefore described, will be free of duty and taxes, with the exception of matches, cigarette papers and cigarette paper tubes and playing cards which will be subject to stamp tax.

NOTE:—The canteens will be operated by the contractors and while United States official purchase orders will be used to purchase supplies for such canteens, they are to be clearly marked to show that the goods are canteen supplies.

Canteen supplies are, of course, for resale to the personnel engaged on United States Government defence projects, and personnel should be warned that such goods purchased by them at such canteens, having been imported duty and tax free, are intended for their own personal use or consumption and should not be sold, bartered or given away by them.

(2) Canteen supplies imported by or for Canadian contractors will be subject to full duty and taxes on importation.

(3) Canteen supplies purchased in Canada by or for either United States or Canadian contractors are subject to all internal excise and sales taxes.

4. MOVING PICTURE PROJECTORS AND FILMS THEREFOR: (1) When imported by the United States Government or by a contractor, moving picture projectors and films therefor, to be operated without a charge for admission, and being for non-commercial purposes, may be admitted for temporary use on Temporary Admission Report Form E.29 without payment of duty and taxes and without security, conditional on exportation when the defence projects are completed.

(2) Moving picture shows may be operated by the United States Government or by contractors and if no charge for admission is made to those attending them the amusement tax will not apply.

5. SUGAR: Exempt from excise tax when purchased from the refineries under United States official purchase order.

6. MATCHES: Subject to excise tax, but if purchased under United States official purchase order, exempt from sales tax.

7. CIGARETTE PAPERS, CIGARETTE PAPER TUBES, PLAYING CARDS, SHAVING CREAMS, TOILET PREPARATIONS, TOOTH PASTES AND POWDERS, TOILET SOAPS, LIGHTERS, CAMERAS, SOFT DRINKS, CIGARS, ELECTRIC RAZORS, CHOCOLATE, CANDY, CHEWING GUM AND OTHER GOODS SUBJECT TO ALL INTERNAL EXCISE

TAXES: The foregoing items are subject to Canadian excise and sales tax *if purchased in Canada*. These goods will be purchased by the contractors for use in their canteens or stores, and are for resale to personnel.

8. **RADIO BROADCAST RECEIVING SETS, PHONOGRAPHS AND RECORD PLAYERS AND COIN, DISC OR TOKEN OPERATED SLOT MACHINES:** *If purchased in Canada* by or for either United States or Canadian contractors will be subject to all internal excise and sales taxes.

9. **WINES, BEER AND TOBACCO:** No purchases of the foregoing will be made by the United States Government or on its account, consequently all excise and sales taxes are applicable to purchases made in Canada.

10. **SPIRITS:** Spirits will not be permitted in the camps.

11. **INCIDENTAL OR OCCASIONAL PURCHASES:** No refunds of sales or excise taxes are to be paid on incidental or occasional purchases made from unlicensed persons. Wayside purchases of gasoline on which the excise and sales taxes have been paid will be purchased taxes included and the United States Government may make application to the Excise Division of the Department of National Revenue for refund of such taxes if the amount so purchased is considered to warrant this action.

12. **EXCISE DUTIES:** There will be no refund or remission of excise duty in the case of beer, tobacco, cigarettes and cigars sold to canteens. None of these goods will be purchased by the United States Government and all are for resale to personnel.

13. **LONG DISTANCE TELEPHONE CALLS, TELEGRAPH, CABLE AND RADIO MESSAGES:** The excise tax is not to apply where the messages are sent on official business by officers of the United States Government *or its contractors where the transmitting company invoices such Government periodically for the messages in question*.

Personal messages sent by both American and Canadian personnel, whether military or civilian, are taxable.

Prepaid messages sent by contractors are taxable, subject to the proviso that if these are charged by the contractors to the United States Government, that Government may apply to the Excise Division of the Department of National Revenue for a refund of the tax so paid.

14. **TAX ON TRANSPORTATION AND ON PARLOUR CAR SEATS AND BERTHS IN SLEEPING CARS:** (a) The taxes are not to apply where the transportation company invoices the United States Government periodically for the services rendered. The procedure is for the officers of that Government to issue individual requests for transportation similar to the warrants used by the military authorities in Canada.

(b) Persons who pay for their own transportation or accommodation in cash, and are subsequently reimbursed by the United States Government, are to be charged the excise taxes applicable and the United States Government may apply to the Excise Division of the Department of National Revenue for refund of the taxes so paid.

15. **STAMP TAX ON CHEQUES:** Cheques of the United States Government signed by officials of that Government are exempt.

A special form of cheque marked "Alaska Highway" or with other distinctive wording, and bearing the words "No Excise Tax Payable" has been prepared by the United States Government. These cheques are issued by officials of the United States Government or by contractors engaged on its defence projects and are exempt from the stamp tax.

16. EXPRESS MONEY ORDERS, POST OFFICE MONEY ORDERS, POSTAL NOTES AND TRAVELLERS' CHEQUES: All are taxable.

17. Articles and materials in respect of which exemption from duty and taxes is provided in sections 1, 2 (1) and 3 (1) herein may be cleared at Customs at the frontier, or at the Customs port upon which the goods are manifested, by the Collector or by any officer designated by him. Form B-1, in duplicate, will be used, without Form E, citing the "United States Government" as the importer, describing the goods briefly, stating approximate quantities, but without requiring invoices or values, the completion of oaths or certificates, and without examination. A copy of each entry is to be forwarded to the Department for attention of the Chief, Customs Check Branch, Ottawa.

18. Motor vehicles operated by the United States Government or by United States contractors, and naval or military vessels and aircraft, are not required to report inwards or outwards or to have permits.

The foregoing vehicles, vessels or aircraft are to be free from examination, and any goods imported therein and discharged therefrom in Canada are subject to entry as provided in Section 17 hereof.

19. Licence and permit requirements with respect to arms, ammunition, cameras, radios, blueprints, plans or other goods, carried on the person or imported by or for the personnel of United States Air, Military or Naval forces or United States Government Missions in Canada are waived. Civilian personnel bearing identification cards issued by the United States Public Roads Administration, arriving with any of these commodities in their personal possession, may be allowed to proceed past the frontier to destination, where facilities will be provided for them to obtain all licences and permits which may be necessary after their arrival.

20. Members of United States forces in Canada and other official United States personnel, temporarily in Canada in connection with defence projects, will undoubtedly be receiving parcels consigned to them as individuals. With the exception of spirits these may be released free of duty or taxes. In the event of ascertained abuses of this privilege—such as sale of imported articles to Canadian residents—the full facts should be reported to the Department before any action is taken.

21. In its general terms Port Instruction A-160 had to do with United States Government goods. Release for delivery was facilitated (at the frontier or at destination—preferably the frontier, to avoid manifesting) by the Collector passing an entry. These provisions still stand, but there are exceptions to be noted.

For instance, goods consigned to a United States contractor on the scene of operations which have been ordered by the contractor from a supplier in Canada to be imported and shipped direct would involve pay-

ment by the non-resident United States contractor to his Canadian supplier, who in turn must remit to his United States source of supply. In this case A.H. entry under A-160 may be used without Form E, as the United States non-resident contractor can pay his Canadian supplier in United States funds which in turn can be used for payment to the United States shipper.

If a Canadian contractor proceeds to obtain United States supplies by the same medium of purchase he will pay his Canadian supplier in Canadian funds, who must have a Form E to obtain United States funds for his remittance to his United States supplier. In this case entry should be passed free in the ordinary course (not an A.H. entry, provided for in A-160) and with a Form E. In these cases care should be exercised to ensure that the Canadian importer actually must make payment, in order that a Form E be not issued where United States funds are not required.

From the foregoing it will be clear that United States contractors' importations (a) by themselves, or (b) by a Canadian importer on their behalf, may be entered under A-160 using an A.H. entry without Form E, while Canadian contractors' importations (a) by themselves, or (b) by other Canadian importers on their behalf, should be accounted for by an ordinary entry with a Form E, as usual.

*Deputy Minister of National Revenue,
Customs and Excise.*

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, August 21st, 1940.

No. 150

Sir,

I have the honour to refer to the conversation which took place recently in Washington between the Governor of the Bank of Canada, acting on behalf of the Canadian Government, and the Secretary of the Treasury of the United States of America respecting funds, the property of the Canadian Government, in the dollar account with the Federal Reserve Bank of New York in the name of the Bank of Canada and to inform you that the Canadian Government desires that such funds be transferred to a dollar account to be opened and maintained for and in the name of the Canadian Government with the Federal Reserve Bank of New York.

2. The Canadian Government also desires that another dollar account be opened and maintained for and in its name with the Federal Reserve Bank of New York from which it is intended that payments will be made in connection with purchases or contracts for purchases, for war purposes, in the United States by the Canadian Government.

3. The Canadian Government has no gold in the United States at the present time; but, in order to provide for the contingency that it may at some future time, it desires also that a gold account be opened and maintained for and in its name with the Federal Reserve Bank of New York.

4. Accordingly, I should be grateful if the Secretary of State of the United States would be good enough to transmit to the Secretary of the Treasury and the Federal Reserve Bank of New York the request and instructions of the Canadian Government that the Federal Reserve Bank of New York,-

- (a) open and maintain accounts for and in the name of the Canadian Government as follows:

Dollar Accounts

The Government of Canada - Account A
The Government of Canada - Account B

Gold Account

The Government of Canada - Gold Account

- (b) transfer to such dollar account designated Account A the balance in the account in the name of the Bank of Canada with the Federal Reserve Bank of New York.

5. All dollar funds and all gold which may in the future be transferred, deposited, or placed in the dollar accounts or gold account in the name of the Canadian Government with the Federal Reserve Bank of New York will be the funds and property of the Canadian Government.

The Hon. Pierrepont Moffat,
Minister of the United States of America,
Ottawa, Ontario.

6. The Canadian Government has authorized the Bank of Canada to make payments and withdrawals from and deposits in the above-mentioned dollar account designated Account A, and the above-mentioned gold account, and has authorized and instructed the Bank of Canada to manage and operate, and give all manner of instructions affecting or in connection with said accounts, and authorizes and requests the Federal Reserve Bank of New York to accept and act upon any instructions of the Bank of Canada with respect to such accounts, and agrees with the Federal Reserve Bank of New York that such instructions will be binding upon the Canadian Government. (The signature circular of the Bank of Canada containing the list, and facsimile signatures, of the persons who are authorized to sign in behalf of the Bank of Canada with respect to such accounts is enclosed herewith; the Federal Reserve Bank of New York will be advised by the Bank of Canada direct of any changes that may be made in this list from time to time.) The Canadian Government authorizes and requests the Federal Reserve Bank of New York to accept and act upon any telegram or radiogram, relating to such accounts, which is received by the Federal Reserve Bank of New York in the name of the Bank of Canada and conforms to arrangements agreed upon between the Bank of Canada and the Federal Reserve Bank of New York with respect to the authentication of telegrams or radiograms by the use of test numbers, and agrees that any such telegrams or radiograms will be binding upon the Bank of Canada and the Canadian Government and will have the same force and effect in all respects as a letter signed in behalf of the Bank of Canada by its officers who are authorized to sign correspondence and documents containing instructions or other communications such as are contained in the telegram or radiogram.

7. The officers of the Canadian Government listed below, who hold the respective offices indicated opposite their names, are authorized to make payments and withdrawals from and deposits in the above-mentioned dollar account designated Account B, and to manage and operate, and give all manner of instructions affecting or in connection with such account:-

<u>Name</u>	<u>Title</u>
B.G. McIntyre	Comptroller of the Treasury
E.T. Langdon	Chief Treasury Officer
C.N. Yetts	Assistant Chief Treasury Officer
J. Anderson	Treasury Accountant
W.J. Paynter	Treasury Accountant
G.O. Griffith	Treasury Accountant

Cheques and other instructions affecting or in connection with such account are required to be signed by any one of the first three above-mentioned officers and by any one of the last three above-mentioned officers. Specimen signatures of the above-listed officers of the Canadian Government are enclosed herewith.

8. I should be grateful if copies of this letter, together with its enclosures, could be transmitted to the Secretary of the Treasury and the Federal Reserve Bank of New York.

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

(SGD) W.L. Mackenzie King
Prime Minister and
Secretary of State for External Affairs.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, September 12, 1940.

No. 119.

Sir:

I have the honor to refer to your note No. 150 of August 21, 1940, setting forth the desire of the Canadian Government to open two dollar accounts and a gold account with the Federal Reserve Bank of New York.

The original of your note and of the attached certified list, with authorized signatures, of officers of the Bank of Canada and of the specimen signature cards of the six signing officers was duly transmitted by the Secretary of State to the Secretary of the Treasury.

I am now in receipt of an instruction from the Secretary of State directing me to transmit to you photostatic copies of the following letters: a letter dated August 31, 1940, from the Federal Reserve Bank of New York to the Treasury Department and its enclosures, to wit, a letter dated August 22, 1940, from the Bank of Canada to the Federal Reserve Bank of New York and a letter dated August 31, 1940, from the Federal Reserve Bank of New York to the Bank of Canada. In transmitting to you the documents in question I am desired to call your attention to the suggestion of the Federal Reserve Bank of New York that appropriate officers of the Canadian Government who are authorized to give instructions affecting the Government of Canada, Account B, communicate directly with the Federal Reserve Bank of New York, concerning the manner in which The Government of Canada, Account B, is to be operated and the form of check to be used in drawing upon such account.

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

(Sgd) Pierrepont Moffat.

Enclosures.

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

FEDERAL RESERVE BANK

OF NEW YORK

August 31, 1940.

Dear Mr. Secretary:

The receipt is acknowledged of your letter dated August 30, 1940, with which you enclosed copies of a letter dated August 28, 1940, from the Secretary of State to the Secretary of the Treasury, and its enclosures, transmitting the request of the Canadian Government that the Federal Reserve Bank of New York open and maintain dollar and gold accounts for the Canadian Government. You advise us that the Treasury Department would be pleased to have the Federal Reserve Bank of New York open and maintain the accounts requested by the Canadian Government, and request and authorize the Federal Reserve Bank of New York, as fiscal agent of the United States, to open and maintain the dollar account as requested by the Canadian Government on the same basis that the Federal Reserve Bank of New York handles other foreign accounts.

By letter dated August 22, 1940, a copy of which is enclosed herewith, the Bank of Canada requested and authorized the Federal Reserve Bank of New York to transfer to The Government of Canada, Account A, the balance standing to the credit of the Bank of Canada account with the Federal Reserve Bank of New York at the close of business on the day on which the Government of Canada, Account A, was opened.

In accordance with the above mentioned requests and authorizations, we opened accounts on our books for and in the name of the Canadian Government, and made transfers to such accounts at the close of business on August 31, 1940, as follows:

We, as fiscal agent of the United States, opened a dollar account designated The Government of Canada, Account A, and credited \$225,666,650.05 thereto, by transfer from the Bank of Canada account, this amount being the balance in the latter account immediately prior to such transfer;

We, as fiscal agent of the United States, opened a dollar account designated The Government of Canada, Account B; and
We, as principal, opened a gold account designated The Government of Canada, Gold Account.

We enclose herewith a copy of our letter of today's date to the Bank of Canada with reference to the foregoing.

We shall appreciate it if you will transmit copies of this letter, and of its enclosures, to the Secretary of State with the request that copies be furnished to the Canadian Government, and with the further request that the Secretary of State transmit to the Canadian Government our suggestion that appropriate officers of the Canadian Government, who are authorized to give instructions affecting the Government of Canada, Account B, communicate with us directly concerning the manner in which the Government of Canada, Account B, is to be operated and the form of check to be used in drawing upon such account.

Enos.
Honorable Daniel W. Bell,
Acting Secretary of the Treasury,
Washington, D.C.

Yours faithfully,
(Signed) Allan Sproul,
First Vice President.

BANK OF CANADA

Ottawa, August 22nd, 1940

The President,
Federal Reserve Bank of New York,
New York.

Dear Sir,

We understand that in the near future you will be opening three accounts in the name of The Government of Canada, designated Account A, Account B, and Gold Account respectively.

We hereby authorize and request you to transfer to The Government of Canada - Account A - all balances standing to the credit of the Bank of Canada account with you at the close of business on the day on which The Government of Canada - Account A - is opened. Will you please advise us by telegram of the amount of the transfer so made.

Any cheques issued by the Bank of Canada and presented for payment subsequent to the transfer of the balances referred to in the preceding paragraph shall be charged to The Government of Canada - Account A.

All cheques drawn on The Government of Canada - Account A - will be in the form of the specimen attached hereto, domiciled either in Ottawa, Montreal or Toronto, as the case may be. Please continue to pay all cheques without advice.

Statements relating to The Government of Canada, - Account A - and to the Gold Account, should be forwarded to the Bank of Canada.

We confirm that the funds in our dollar account with you are the property of the Canadian Government, and that all dollar funds and all gold which may in the future be transferred, deposited or placed in the dollar account designated Account A, or the Gold Account in the name of the Canadian Government with the Federal Reserve Bank of New York will be the funds and property of the Canadian Government.

The Bank of Canada has been authorized by the Canadian Government to make payments and withdrawals from and deposits in the above mentioned dollar account designated Account A, and the above mentioned Gold Account, and the Government has authorized and instructed the Bank of Canada to manage and operate and give all manner of instructions affecting or in connection with the said accounts. You have received from the Canadian Government, through the appropriate channels the signature circular of the Bank of Canada, containing the list, and facsimile signatures, of the persons who are authorized to sign in behalf of the Bank of Canada with respect to such accounts, and you will be advised by us direct of any changes that may be made in this list from time to time. The Canadian Government has authorized and requested you to accept and act upon any telegram or radiogram relating to such accounts which is received by you in our name, and the Government has conformed to arrangements agreed upon between the Bank of Canada and the Federal Reserve Bank of New York with respect to the authentication of telegrams or radiograms by the use of test numbers and has agreed that any such telegram or radiogram will be binding

upon the Bank of Canada and the Canadian Government, and will have the same force and effect in all respects as a letter signed in behalf of the Bank of Canada by its officers who are authorized to sign correspondence and documents containing instructions or other communications such as are contained in the telegram or radiogram. We confirm the arrangements and agreements in respect to telegrams and radiograms as recited above.

We are,

Dear Sirs,

Yours faithfully,

(signed) G. F. Towers

Governor

(signed) L. F. Saint-Amour

Assistant Deputy Governor.

Enclosure

FEDERAL RESERVE BANK OF NEW YORK

August 31, 1940.

Mr. G. F. Towers, Governor,
Bank of Canada,
Ottawa, Canada.

Dear Governor Towers:

Reference is made to your letter dated August 22, 1940, in the matter of this bank opening and maintaining accounts in the name of the Government of Canada and the transfer of the dollar balance standing to the credit of the Bank of Canada on our books to an account of the Canadian Government designated, "The Government of Canada, Account A". Reference is also made to our telegram No. 27 of today's date advising that we today opened accounts on our books designated The Government of Canada, Account A, The Government of Canada, Account B, and The Government of Canada, Gold Account, respectively, and that, in accordance with the instructions contained in your letter dated August 22, 1940, we transferred at the close of business today to The Government of Canada, Account A, the balance then standing to the credit of the Bank of Canada account with us, to wit \$225,666,650.05.

We received today from the Secretary of the Treasury of the United States a copy of a letter, dated August 28, 1940, from the Secretary of State of the United States to the Secretary of the Treasury transmitting the request of the Canadian Government that the Federal Reserve Bank of New York open and maintain dollar and gold accounts for the Canadian Government. Also enclosed with such letter were one set of authenticated photostatic copies of a note addressed to the American Minister at Ottawa dated August 21, 1940, by the Right Honorable W. L. Mackenzie King, Prime Minister and Secretary of State for External Affairs of Canada, and of the signature circular of the Bank of Canada enclosed with Mr. Mackenzie King's note, which circular contains the facsimile signatures of the persons authorized to sign on behalf of the Bank of Canada.

The note addressed to the American Minister at Ottawa, dated August 21, 1940, by the Right Honorable W. L. Mackenzie King, Prime Minister and Secretary of State for External Affairs of Canada, requests the opening and maintaining of dollar and gold accounts for the Canadian Government and the transfer to an account designated The Government of Canada, Account A, of the balance in the Account in the name of the Bank of Canada with this bank, in conformity with your letter of August 22, and states that the Bank of Canada is authorized, in behalf of the Government of Canada, to make payments and withdrawals from and deposits in the dollar account designated The Government of Canada, Account A, and The Government of Canada Gold Account, and to manage and operate, and give all manner of instructions affecting or in connection with said accounts. In his note of August 21, 1940 the Right Honorable W. L. Mackenzie King states that the signature circular of the Bank of Canada enclosed with his note contains the list of facsimile signatures of the persons who are authorized to sign in behalf of the Bank of Canada with respect to such accounts. He further states that the Canadian Government authorizes and requests this bank to accept and act upon any telegram or radiogram, relating to such accounts, which we receive in the name of the Bank of Canada authenticated in accordance with the test arrangement in effect between us and the Bank of Canada. Accordingly, we are prepared to act upon instructions, relating to such accounts, which we receive in the name of the Bank of Canada in the form of properly tested telegrams or radiograms, properly signed letters and properly signed checks in the form of the specimen enclosed with your letter of August 22, 1940, provided such checks appear to have been drawn in Ottawa, Montreal or Toronto, as the case may be.

We note that all checks issued by the Bank of Canada and presented for payment hereafter shall be charged to the account designated The Government of Canada, Account A. In this connection, we assume that all amounts which may be tendered to us for account of the Bank of Canada should be placed to the credit of The Government of Canada, Account A. We shall appreciate it if you will confirm this to us.

We also note that statements relating to The Government of Canada, Account A, and The Government of Canada, Gold Account, should be forwarded to the Bank of Canada, and that we should continue to pay all checks without advice.

Yours faithfully,

Allan Sproul,
First Vice President.

RHB:TGF:LNK:HV

DEPARTMENT OF EXTERNAL AFFAIRS

No. 87

Ottawa, June 4, 1942.

Sir:

I have the honour to refer to my note No. 150, dated August 21, 1940, relating to the opening and operation of two dollar accounts and a gold account with the Federal Reserve Bank of New York for and in the name of the Canadian Government.

2. The Canadian Government now desires that a securities custody account be opened and maintained for and in its name with the Federal Reserve Bank of New York in which account may be held United States Government and other securities which may be purchased or received in the United States by or for the account of the Canadian Government.

3. In order to expedite the opening of such account and of any other and further account or accounts which the Canadian Government may desire to open with the Federal Reserve Bank of New York in the future, the Canadian Government has authorized and instructed the Bank of Canada to request and authorize the Federal Reserve Bank of New York to open and maintain a securities custody account for and in the name of the Canadian Government designated "The Government of Canada - Securities Custody Account A", and has authorized the Bank of Canada to request and authorize the Federal Reserve Bank of New York to open, from time to time, still other and further dollar, gold and securities custody accounts for and in the name of the Canadian Government. In accordance with such authorization, the Bank of Canada has transmitted to the Federal Reserve Bank of New York its letter dated June 1st, 1942, a copy of which is enclosed herewith.

4. Accordingly, I should be grateful if the Secretary of State of the United States would be good enough to advise the Secretary of the Treasury and the Federal Reserve Bank of New York that the Canadian Government confirms and ratifies the request and authorization contained in the Bank of Canada's letter dated June 1st, 1942, and confirms and ratifies all of the actions of the Federal Reserve Bank of New York taken pursuant thereto.

5. All securities which may in the future be transferred, deposited or placed in The Government of Canada - Securities Custody Account A with the Federal Reserve Bank of New York, and any and all property which may be transferred, deposited or placed in any other or further account or accounts which may be opened with the Federal Reserve Bank of New York for and in the name of the Canadian Government, will be the property of The Canadian Government.

6. The Canadian Government has authorized the Bank of Canada to make transfers and withdrawals of and from the securities which are or may be held in The Government of Canada - Securities Custody Account A, and has authorized the Bank of Canada to manage and operate, and give all manner of instructions affecting or in connection with, said account and any and all other and further account or accounts which may be opened with the Federal Reserve Bank of New York for and in the name of the Canadian Government in accordance with the request and authorization of the Bank of Canada; and the Canadian Government

authorizes and requests the Federal Reserve Bank of New York to accept and act upon any instructions of the Bank of Canada with respect to any and all of such accounts, and agrees with the Federal Reserve Bank of New York that all such instructions will be binding upon the Canadian Government to the same extent and under the same circumstances as instructions given by the Bank of Canada pursuant to the authorization contained in paragraph number 6 of my Note No. 150, dated August 21, 1940, to which reference is made above.

7. I should be grateful if the Secretary of State of the United States would be good enough to transmit copies of this Note, and its enclosure, to the Secretary of the Treasury and the Federal Reserve Bank of New York.

I have the honour to be,

Sir,

Your obedient servant,

(Signed) W. L. Mackenzie King

Prime Minister and
Secretary of State for
External Affairs

Honourable Pierrepont Moffat,
Minister of the United States of America,
Ottawa.

COPY

June 1st, 1942.

The Federal Reserve Bank of New York,
New York,
N.Y.

Dear Sirs:

Reference is made to our letter to you dated August 28, 1940, and to your reply thereto dated August 31, 1940, relating to the opening of your books of certain accounts in the name of the Government of Canada and the authority of the Bank of Canada to manage and operate and to give all manner of instructions affecting or in connection with certain of such accounts.

The Government of Canada has now authorized and instructed the Bank of Canada to request and authorize the Federal Reserve Bank of New York to open and maintain a securities custody account for and in the name of the Government of Canada, and has authorized the Bank of Canada to manage and operate, and to give all manner of instructions affecting or in connection with said account.

Accordingly, we hereby request and authorize the Federal Reserve Bank of New York to open and maintain a securities custody account for and in the name of the Government of Canada, designated "The Government of Canada - Securities Custody Account A"; and we also authorize and instruct the Federal Reserve Bank of New York, in the absence of subsequent instructions to the contrary, to receive and hold in such account any and all securities which the Federal Reserve Bank of New York may, in accordance with instructions from the Bank of Canada, purchase or receive for account of the Government of Canada, or which the Federal Reserve Bank of New York may receive for account of, or in the name of, the Bank of Canada.

It is our understanding that the Government of Canada is transmitting to the Government of the United States a communication confirming the foregoing and confirming that the Bank of Canada is also authorized to request and authorize the Federal Reserve Bank of New York to open, from time to time, other and further accounts for and in the name of the Government of Canada, and to manage and operate any and all of such accounts.

Yours very truly,

G.F. Towers
Governor

D.G. Marble
Secretary.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, June 10, 1942.

No. 696

Sir:

I have the honor to acknowledge the receipt of your note, No. 87 of June 4, 1942, regarding the desire of the Canadian Government to open a securities custody account in its name with the Federal Reserve Bank of New York.

In compliance with your request, the original and certified copies of this note have been forwarded to the Department of State with the request that copies be supplied to the Secretary of the Treasury and the Federal Reserve Bank of New York.

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

(Signed) Pierrepont Moffat.

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

CANADIAN EMBASSY

Washington, D. C.

April 17, 1944.

No. 137

Sir:

I have the honour to refer to Note No. 150 of August 21, 1940 and Note No. 87 of June 4, 1942, from the Secretary of State for External Affairs to the United States Minister in Canada relating to the opening and operation of two dollar accounts, a gold account and a securities custody account with the Federal Reserve Bank of New York for and in the name of the Government of Canada.

2. The Government of Canada is giving consideration to a proposal that the balances and securities in the accounts in their name designated Accounts "A" be transferred to accounts for and in the name of the Bank of Canada.

3. The Government of Canada is advised that Section 116(c) of the Internal Revenue Code of the United States provides, in effect, that the income of foreign governments is exempt from Federal taxation and that the Bureau of Internal Revenue has ruled in some particular cases that this exemption applies to interest received by certain foreign central banks.

4. The capital stock of the Bank of Canada has all been issued, is registered in the name of the Minister of Finance, and is held by him on behalf of the Dominion of Canada.

5. Accordingly, I should be grateful if you would be good enough, on behalf of the Government of Canada as the sole owner of the Bank of Canada, to request the Bureau of Internal Revenue of the United States to issue a ruling to the effect that the income received by the Bank of Canada from sources within the United States is exempt from Federal taxation.

6. The Bank of Canada Act Amendment Act provides that:

The Bank shall establish a rest fund and after making such provision as the Board thinks

/proper

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D.C.

proper for bad and doubtful debts, depreciation in assets, pension funds and all such matters as are properly provided for by banks and after deducting an amount equal to four and one-half per centum of the paid-up capital which may be utilized for the payment of cumulative dividends at a rate of four and one-half per centum per annum, payable half-yearly, the ascertained surplus available from the operations of the Bank during each financial year shall be applied by the Board as follows:

(a) If the rest fund of the Bank is less than the paid-up capital, one-third of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(b) If the rest fund is not less than the paid-up capital, but is less than twice the paid-up capital, one-tenth of such surplus shall be allocated to the rest fund and the residue shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund;

(c) If the rest fund is not less than twice the paid-up capital, the whole of such surplus shall be paid to the Receiver General and placed to the credit of the Consolidated Revenue Fund.'

7. I should be grateful if you would be good enough to transmit copies of this note to the Secretary of the Treasury and the Federal Reserve Bank of New York, and to request the Bureau of Internal Revenue to transmit to the Governor, Bank of Canada, Ottawa, and to the Federal Reserve Bank of Canada, copies of the ruling referred to in paragraph 5 above.

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

(Signed) LEIGHTON McCARTHY.

ER:eh

DEPARTMENT OF STATE

Washington, May 25, 1943.

Sir :

With reference to recent communications between the Government of the United States of America and the Government of Canada in relation to the making of an agreement between the two Governments providing that each Government shall bear the cost of damages to its own vessels arising from collisions between United States warships and ships of the Royal Canadian Navy, I have the honor to inform you that the Government of the United States of America, with a view to facilitating the conduct of the war, is prepared to give effect to an agreement in the following terms:

ARTICLE I

The Government of the United States of America and the Government of Canada agree that when a vessel of war of either Government shall collide with a vessel of war of the other Government, resulting in damage to either or both of such vessels, each Government shall bear all the expenses which arise directly or indirectly from the damage to its own vessel, and neither Government shall make any claim against the other Government on account of such damage or expenses.

ARTICLE II

This Agreement shall apply in respect of claims arising since December 7, 1941, but remaining unsettled on the day this Agreement enters into force, as well as in respect of claims arising on or after such day and during the period in which the Agreement shall remain in force.

ARTICLE III

This Agreement shall remain in force until the expiration of six months from the day on which either Government shall have given to the other Government notice in writing of an intention to terminate the Agreement.

I have the honor to inform you that if an Agreement in accordance with the foregoing terms is acceptable to the Government of Canada, the agreement shall be considered by the Government of the United States of America to have been concluded and to be in effect as of the date of a corresponding note from you indicating that the Government of Canada is prepared to give effect to the Agreement.

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

CORDELL HULL

The Honorable

Leighton McCarthy, K.C.,

Minister of Canada.

CANADIAN LEGATION

WASHINGTON

May 26, 1943.

No. 276

Sir,

I have the honour to refer to your note of May 23, 1943, proposing an agreement which the Government of the United States is prepared to make with the Government of Canada for the waiver of claims arising as a result of collisions between ships of the Royal Canadian Navy and United States warships.

Under instructions from my Government I have the honour to inform you in reply that the Canadian Government undertakes to give effect to the agreement set forth in your note and understands that the agreement will come into force as of the date of this note, namely, May 26, 1943.

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

LEIGHTON McCARTHY

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

DEPARTMENT OF STATE

WASHINGTON

September 3, 1945.

Sir :

I refer to my note dated May 25, 1945 to the Minister and to the Minister's note dated May 26, 1945, effecting an agreement between the United States and Canada for the waiver of claims arising as a result of collisions between United States warships and ships of the Royal Canadian Navy.

I have received from the Secretary of War a letter in which inquiry is made whether "ships of the United States and Royal Canadian Armies, such as Army transports" are within the agreement.

I should appreciate receiving an indication of the attitude of the Canadian Government in respect of this matter.

Article I of the agreement effected by my note of May 25, 1945 and the Minister's reply note of May 26, 1945 reads as follows :

"The Government of the United States of America and the Government of Canada agree that when a vessel of war of either Government shall collide with a vessel of war of the other Government, resulting in damage to either or both of such vessels, each Government shall bear all the expenses which arise directly or indirectly from the damage to its own vessel, and neither Government shall make any claim against the other Government on account of such damage or expenses."

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

GORDON HULL

The Honorable

L. B. Pearson, C. B. E.,

Minister Counselor,

Charge d'Affaires ad interim of Canada.

CANADIAN LEGATION
WASHINGTON

November 11, 1943.

No. 589

Sir,

I have the honour to refer to your note of September 3, 1943, regarding the agreement between Canada and the United States for the waiver of claims arising as a result of collisions between Canadian and United States vessels of war.

You stated in your note that the Secretary of War has enquired whether "ships of the United States and Royal Canadian Armies, such as Army transports" are within the agreement. This question has been carefully considered by the appropriate authorities of the Canadian Government, who are of the opinion that such ships are not within the agreement.

In connection with this opinion, reference is made to the opening sentence of your note of May 25, 1943, in which it was stated that the purpose of the proposed agreement was to provide for the question of damages "arising from collisions between United States warships and ships of the Royal Canadian Navy".

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

M. M. MAHONEY
For the Minister.

The Honourable Cordell Hull,

Secretary of State of the United States,
Washington, D.C.

DEPARTMENT OF STATE

WASHINGTON

February 15, 1944.

Excellency:

I have the honor to refer to the Legation's note no. 589 of November 11, 1943 in which it was stated that the Canadian Government was of the opinion that ships such as "army transports" are not within the terms of the agreement in relation to the waiver of certain collision claims, effected by exchange of notes signed May 25 and 26, 1943.

I am in receipt of a communication from the Acting Secretary of the Navy in which it is stated that the Navy Department considers that this interpretation of the agreement is too restrictive and is likely to reduce materially the effectiveness of the agreement in question. That Department considers that army transports come within the category of "the vessels of war" as to which it was intended to eliminate claims. This Department is requested, in view of the position taken by your Government, to inquire whether it desires to limit the terms of the agreement to cover naval vessels only, and if so to secure the views of your Government on the applicability of the agreement to such naval vessels as tankers, transports and cargo vessels.

I should appreciate receiving an indication of the attitude of the Canadian Government regarding the present inquiry of the Acting Secretary of the Navy.

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

EDWARD R. STETTINIUS, Jr.

Acting Secretary of State.

411.42 Ships/28

His Excellency

The Honorable Leighton McCarthy, K.C.,

Ambassador of Canada.

CANADA

TREATY SERIES, 1944

No. 10

EXCHANGE OF NOTES

(March 1 and 23, 1944)

BETWEEN

CANADA AND THE UNITED STATES OF AMERICA

CONSTITUTING AN AGREEMENT

FOR THE SETTLEMENT OF CLAIMS

ARISING OUT OF TRAFFIC ACCIDENTS

INVOLVING CANADIAN AND UNITED STATES VEHICLES

IN FORCE MARCH 23, 1944

OTTAWA
1944

SUMMARY

Page

- I. Note, dated March 1, 1944, from the Secretary of State for External Affairs of Canada, to the United States Ambassador to Canada 3
- II. Note, dated March 23, 1944, from the United States Ambassador to the Secretary of State for External Affairs of Canada 4

EXCHANGE OF NOTES (MARCH 1 AND 23, 1944) BETWEEN CANADA AND THE UNITED STATES OF AMERICA CONSTITUTING AN AGREEMENT FOR THE SETTLEMENT OF CLAIMS ARISING OUT OF TRAFFIC ACCIDENTS INVOLVING CANADIAN AND UNITED STATES VEHICLES

I

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

DEPARTMENT OF EXTERNAL AFFAIRS

No.16

Ottawa, March 1, 1944.

Excellency,

I have the honour to refer to my Note No. 130 of October 21, 1943, proposing a basis for the settlement of claims arising out of traffic accidents involving vehicles of the Armed Forces of Canada and vehicles of the Armed Forces of the United States.

The Government of Canada agree to the changes in the proposed Agreement suggested in your Note No.75 of December 22, 1943.

The Government of Canada are now prepared to enter into an agreement with the Government of the United States establishing the basis to be adopted for the settlement of claims arising out of traffic accidents involving vehicles of the Armed Forces of Canada and vehicles of the Armed Forces of the United States in the following terms:-

(a) The agreement would cover all vehicles of the Armed Forces of the Government of Canada (hereinafter called Canadian vehicles) and all vehicles of the Armed Forces of the Government of the United States (hereinafter called United States vehicles).

(b) The agreement would apply to accidents wherever they occur which take place on or after December 7th, 1941, which have not already been disposed of, and which involve a Canadian or United States vehicle.

(c) Neither Government would make any claim against the other for any damage caused in an accident to which this agreement applies to any vehicle, stores or other property of the Government of Canada and used by the Royal Canadian Navy, the Canadian Army or the Royal Canadian Air Force, or to any vehicle, stores or other property of the Government of the United States, and used by the United States Army, the United States Army Air Force, the United States Navy or the United States Navy Air Force.

(d) Neither Government would make any claim against the other in respect of the death of or injury to any member or civilian employee of the Armed Forces of Canada or of the United States, caused by a United States vehicle or a Canadian vehicle in an accident to which this agreement applies, provided that no claims which members or civilian employees of the Armed Forces of Canada

or of the United States may have in their own right on account of injury or death, would be effected by this agreement.

2. I shall be glad if you will inform me whether the Government of the United States agree to an arrangement on this basis. If so, this note and your reply to that effect will be regarded as constituting an agreement between our two Governments which will continue in force in respect of all accidents which may occur prior to the expiration of three months from the date on which either of the two Governments gives notice to the other of its intention to terminate the agreement.

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

J. E. Read

For the Secretary of State
for External Affairs.

II

The United States Ambassador
to the Secretary of State for External Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

No. 121

Ottawa, March 23, 1944.

Sir:

I have the honor to acknowledge the receipt of your note No.16 of March 1, 1944, outlining a proposed Agreement with the Government of the United States establishing the basis to be adopted for the settlement of claims arising out of traffic accidents involving vehicles of the Armed Forces of Canada and vehicles of the Armed Forces of the United States.

I have now been authorized to inform you that the arrangement, as set forth in your note under acknowledgment, is agreeable to my Government and that your note, together with this reply, will be regarded as constituting an agreement between our two Governments on the subject.

RAY ATHERTON.

CANADIAN LEGATION
WASHINGTON

March 17th, 1941.

AIDE-MEMOIRE

The Canadian Government have been giving consideration to the military, economic and social problems which are likely to arise in Canada unless steps are taken to examine the possibility of arranging for co-operation between the war-expanded industries of Canada and the United States or for their co-ordination or integration. It is the belief of the Canadian Government that the promotion of economy and efficiency during the present period of crisis, the solution of the problems which will be posed during the period of transition from war to peace, and adequate and effective provision for the continuing requirements of hemispheric defence, all demand that early and detailed study be given to this question. Such a study might include an examination of the possibility and advisability of preventing duplication and mutually injurious competition by arranging for co-operation between the two countries in the further definition of all strategic, critical and essential war materials, and in the establishment of stock piles of certain of them.

In the opinion of the Canadian Government, the present channels of communication between Ottawa and Washington do not provide adequate facilities for the detailed consideration of so complicated and technical a subject. It is for this reason that the Canadian Government have decided to approach the Government of the United States with the proposal which is outlined in the attached memorandum. This memorandum was recently submitted to the War Committee of the Canadian Cabinet and received the approval of that body.

The Canadian Government attach great importance to the proposal. If it is accepted by the Government of the United States, they consider it desirable that an early start should be made by the Joint Committees of Inquiry, since the tasks to be assigned to them will inevitably involve protracted study. It is intended that the duties of the Committee should be strictly confined to investigation, study and report, and that decisions as to any action that may be required should be taken by the respective Governments after the Committees' reports have been presented.

CANADIAN LEGATION,
WASHINGTON, D. C.

MEMORANDUM ON ECONOMIC COOPERATION WITH THE UNITED STATES

Pursuant to the approval of the War Committee of the Cabinet, on the recommendation of the Wartime Requirements Board, that a memorandum be drafted on a plan for exploring the possibility of a greater degree of economic cooperation with the United States in the war effort and in anticipating post-war economic consequences, we beg to submit the following:

1. The Problem

The objects of the proposal for increased economic cooperation with the United States are:

(a) to effect a more economic, more efficient and more co-ordinated utilization of the combined resources of the two countries in the production of war requirements, and

(b) to minimize the probable post-war economic disequilibrium consequent upon the changes which the economy in each country is presently undergoing.

2. Joint Committees of Inquiry

We recommend that, for purposes of preliminary study, an informal committee of three persons be appointed by each Government. These committees should separately and collectively analyse the problems involved and report thereon as well as on the form of a more permanent organization, if the necessity of such an organization arises from their report. The reports should be made to the President of the United States, and to the Prime Minister of Canada, respectively.

Of the three members of the Canadian committee, we recommend that at least two be designated by the Department of Munitions and Supply, and one by the Department of Finance. In addition to these three members, it is suggested that a liaison officer, representing the Department of External Affairs, should be appointed in order that the Secretary

of State for External Affairs may be kept closely in touch with the activities of the committee. It is assumed that the United States will wish to appoint a similar liaison officer from the State Department, in order that the Secretary of State may be kept similarly informed. It is not intended that the liaison officers should be members of the committee or should participate in its work.

We desire to stress the importance of care being exercised in the selection of the personnel of the committee, having due regard to its functions which will involve a great deal of research and analysis.

3. Subject Matter of Study

We recommend that the Joint Committees of Inquiry explore the following subjects and report thereon:

(a) The making of an inventory of the available supplies of materials in each country, an analysis of the probable needs for them, and the allocation of these materials between the two countries, with due regard to the necessary priorities;

(b) The policy of building up inventories of strategic or critical materials, such as rubber, tin, and steel alloys, and the amounts to be accumulated in each country, with special regard to materials of which the supply might be cut off because of unfavourable developments;

(c) The possibility, in some degree, of each country specializing in the production of finished and semi-finished articles which it can produce more economically and to greater advantage;

(d) The possibility, in some degree, of each country specializing in the production of materials; e.g. chemicals, steel, aluminium, brass, zinc, etc., etc., which it can produce more economically and to greater advantage ;

(e) The most economic and efficient use of the shipping and port facilities of the two countries;

(f) The available power supply and the supply of coal and oil in each country;

(g) The exchange of technical knowledge relating to production, and the exchange of technicians between the two countries;

(h) Coordination of priority policies in each country;

(1) The exchange of information relating to the requirements of labour, materials and plant for production, and of current information relating to actual and anticipated production.

Subject to the approval of the Minister of Munitions and Supply, the committees might also consider the allocation of the output of machine tools in the two countries, and the specialization on machine tool production in each country.

H. L. Keenleyside,
Counsellor,
Department of External Affairs

H. Carl Goldenberg,
Associate Director-General,
Economics and Statistics Branch,
Department of Munitions and Supply.

Ottawa,
February 25th, 1941.

AIDE-MEMOIRE

The Government of the United States has given careful and sympathetic consideration to the suggestion made by the Canadian Government in its Aide-Memoire dated March 17th, 1941, transmitted to the Department of State through the Canadian Legation at Washington. Note has been taken of the belief of the Canadian Government that early and detailed study should be given to the possibility of arranging for cooperation between the war-expanded industries of Canada and the United States, or for their coordination or integration; and also of the belief of the Canadian Government that such a study might assist in promoting economy and efficiency during the present period of crisis, and during the period of transition from war to peace, and also in connection with the continuing requirements of hemispheric defense.

The Government of the United States agrees with the Canadian Government that present channels of communication between Ottawa and Washington would not provide adequate facilities for detailed consideration of certain of the subjects presented in the Aide Memoire of March 17th under reference, as further developed by the Memorandum on Economic Cooperation with the United States attached thereto. Developments occurring subsequent to the date of that note have, however, taken care of certain of the problems dealt with in the note under reference. More especially, direct contact has already been established between the officials of the Government of the United States and of the Government of Canada charged with priorities, and with production of war material. It would accordingly appear that a number of the topics mentioned in the "Memorandum on Economic Cooperation with the United States" are already being dealt with.

It is not considered desirable to entrust to the proposed committees jurisdiction over these specific contacts already established, except as the committees may from time to time, from their knowledge of the situation, feel it desirable to make recommendations.

The long range aspects of the problem, both those during the present emergency and those comprehended in the numbered paragraph (b) of the Aide-Memoire under reference, do not appear to be covered by existing arrangements.

Recognizing that the suggestion made by the Canadian Government has great importance, the Government of the United States agrees that joint committees of inquiry should be appointed to explore, subject to the foregoing observations, the possibility of a greater degree of economic cooperation between Canada and the United States.

"(a) To effect a more economic, more efficient and more coordinated utilization of the combined resources of the two countries in the production of defense requirements" (to the extent that this is not now being done); and

"(b) To minimize the probable post-war economic disequilibrium consequent upon the changes which the economy in each country is presently undergoing."

To that end the Government of the United States has tentatively designated the following Committee: Mr. William L. Batt; Mr. Harry D. White; Professor Alvin H. Hansen; and Mr. E. Dana Durand.

If acceptable to the Canadian Government, the Government of the United States proposes to reserve the right to name Mr. A. A. Berle, Jr., to sit with the Committees from time to time, as occasion may render desirable; and it is prepared to name Mr. L. D. Stinebower as liaison officer in order that the Secretary of State may be kept closely in touch with the activities of the committees.

The Government of the United States believes that the joint committees of inquiry should be given latitude to add to the specific list contained in the memorandum submitted by the Canadian Government such other topics as may appear properly to fall within the terms of reference implicit in the statement of the problem to be explored.

It is understood that the Canadian Government is prepared to appoint its committee of inquiry. Upon notification of the appointment of such committee, the Government of the United States will be happy to have it proceed to Washington, and to make arrangements permitting prompt undertaking of the work.

C. H.

Department of State,
Washington, June 6, 1941.

AIDE MEMOIRE

The Government of Canada have learned with satisfaction that the Government of the United States are prepared to participate in the Economic Enquiry which was the subject of the Canadian Legation's aide memoire of March 17th, 1941, and of the Department of State's reply of June 6th, 1941. They are in general agreement with the proposals outlined in the Department of State's aide memoire of June 6th.

The Government of Canada have designated the following Committee :

Mr. R. A. G. Henry, Economics Adviser to the Minister of Munitions and Supply;

Professor W. A. Mackintosh, Special Assistant to the Deputy Minister of Finance;

Mr. D. A. Skelton, Chief of the Research Department, Bank of Canada; and

Mr. J. G. Bouchard, Assistant Deputy Minister of Agriculture.

If it is acceptable to the Government of the United States, the Government of Canada propose that the arrangement whereby the Honourable A. A. Berle, Jr., should meet with the Committees from time to time as occasion may render desirable should be extended likewise to Mr. H. L. Keeleyside of the Department of External Affairs. It is also proposed to designate a Canadian Liaison Officer in order that the Secretary of State for External Affairs may be kept directly informed of the work of the Committees; the name of the person so designated will be notified shortly.

CANADIAN LEGATION,
WASHINGTON, D. C.

June 17th, 1941.

The Secretary of State presents his compliments to His Excellency, the Ambassador of Canada and refers to the Aide-Memoire of the Canadian Legation of March 17, 1941, the Aide-Memoire of the Department of State of June 6, 1941 and the Aide-Memoire of the Canadian Legation of June 17, 1941 by which the Joint Economic Committees were established.

These Committees have, in the opinion of the Government of the United States, served a useful purpose in recommending to the two governments measures which have for the most part been put into effect for the better utilization of the combined resources of the two countries in the production of defense requirements and for the better coordination of war-time measures and controls in the two countries, they have surveyed economic problems of the common concern which will face the two countries after the war, and they have initiated an intensive survey of the development of the North Pacific area of Canada and Alaska.

Within six months of the establishment of the Committees, both Canada and the United States were attacked by Japan and the aggressor countries of Europe declared war on the United States. These developments greatly extended the number of agencies for collaboration between the two Governments for the prosecution of the war and thus affected, almost from the outset, one of the two principal fields in which the Joint Economic Committees were expected to function. In fact, the Committees have not occupied themselves with problems of war-time collaboration for over a year.

With respect to their second proposed function, i.e., exploration of the possibilities of a greater degree of economic collaboration between the two countries to minimize the probable post-war economic disequilibrium in each country, the Committees recognized early in their deliberations the impossibility of making great progress without simultaneously considering the economic relations of the two countries not only to each other but to the rest of the world as well. This larger task was not one for which the Committees were established, nor was it one which they could have undertaken at that time.

For some time technical experts of the two Governments have been engaged in informal exploratory discussions of proposals for international exchange stabilization. The two Governments have now designated technical experts to conduct similar exploratory discussions at the expert level with a view to developing an orderly agenda on questions of commercial policy, commodity policy, and cartels. In due course more formal consideration of some or all of these and other subjects may presumably be expected, involving all the United Nations and those associated with them.

In the field of general economic relationships and post-war readjustments, therefore, the course of events is tending to follow that in the field of war-time collaboration.

This raises the question of the present and future functions of the Joint Economic Committees. It is the view of the Government of the United States that the circumstances under which the Committees were established have altered, that the present requirements can be more adequately served by other means, and that it is doubtful whether a sufficient residue remains of their original functions to make desirable the continuance of the Committees.

The Government of the United States therefore proposes that, if the Canadian Government agrees, the Committees be regarded as having completed their work and that announcement to this effect be made at a mutually convenient early date. With regard to the North Pacific Project of the Committees, the Department of State would be prepared to continue, under its auspices, the work on the United States side until June 30, 1944, by which time it is anticipated that the task can be completed.

Enclosure: "Arrangement Between the United States
and Canada Effected by aide-memoire Dated
March 17 and June 6 and 17, 1941"

Department of State

Washington, January 20, 1944.

No. 85

The Canadian Ambassador presents his compliments to the Secretary of State and has the honour to refer to the latter's note of January 20, 1944, regarding the Joint Economic Committees.

The Canadian Government agrees with the suggestion that the Joint Economic Committees be regarded as having completed their work.

The Canadian Government does not consider it necessary to have a publication of the Secretary of State's note of January 20th and this note. It is suggested, however, that a statement to the press be released simultaneously by the Department of External Affairs in Ottawa and the Department of State in Washington. Following is a suggested wording for such a press statement.

"It was announced to-day that the Governments of Canada and the United States had agreed to dissolve the Joint Economic Committees which were established in June, 1941, to assist in the collaboration of the two countries in the utilization of their combined resources for the requirements of war. The Committees have been of great assistance, not only in the coordination of wartime measures and controls, but also in surveying and advising on economic problems of common concern. It has been agreed, however, by the two Governments that the development of other agencies for coordination and exchange of views and the establishment during the past three years of methods of cooperation in production and the use of resources, have rendered unnecessary the continued operation of the Committees."

It is also suggested that the statement to the press be made at 11.00 a.m., Tuesday, March 14th. The release might actually be made available to the press at 10.00 a.m. for use publicly after 11.00 a.m.

CANADIAN EMBASSY,

WASHINGTON, D.C.,

MARCH 10, 1944.

CANADIAN EMBASSY

WASHINGTON

March 16, 1944.

Dear Mr. Hickerson :

There was one omission from our note no. 85 of March 10th regarding the Joint Economic Committees. The State Department's note of January 20th concluded with these remarks :

"With regard to the North Pacific Project of the Committees, the Department of State would be prepared to continue, under its auspices, the work on the United States side until June 30, 1944, by which time it is anticipated that the task can be completed."

We should have said in our note that the Canadian Government will arrange for the continuance of whatever work is required on the Canadian side of the North Pacific Project until June 30, 1944, by which time it is anticipated that the Project will have been completed.

Sincerely yours,

M. H. WERSHOF
Secretary

J. D. Hickerson, Esq.,
Room 388,
Department of State,
WASHINGTON, D.C.

THE HYDE PARK AGREEMENT

April 20, 1941

**JOINT STATEMENT BY THE PRESIDENT OF
THE UNITED STATES OF AMERICA
AND
THE PRIME MINISTER OF CANADA**

Among other important matters, the President and the Prime Minister discussed measures by which the most prompt and effective utilization might be made of the productive facilities of North America for the purpose both of local and hemisphere defense and of the assistance which in addition to their own programs both Canada and the United States are rendering to Great Britain and the other democracies.

It was agreed as a general principle that in mobilizing the resources of this continent each country should provide the other with the defense articles which it is best able to produce, and, above all, produce quickly, and that production programs should be coordinated to this end.

While Canada has expanded its productive capacity manyfold since the beginning of the war, there are still numerous defense articles which it must obtain in the United States, and purchases of this character by Canada will be even greater in the coming year than in the past. On the other hand, there is existing and potential capacity in Canada for the speedy production of certain kinds of munitions, strategic materials, aluminum and ships, which are urgently required by the United States for its own purposes.

While exact estimates cannot yet be made, it is hoped that during the next twelve months Canada can supply the United States with between \$200,000,000 and \$500,000,000 worth of such defense articles. This is a small fraction of the total defense programs of the United States, but many of the articles to be provided are of vital importance. In addition, it is of great importance to the economic and financial relations between the two countries that payment by the United States for these supplies will materially assist Canada in meeting part of the cost of Canadian defense purchases in the United States.

In so far as Canadian defense purchases in the United States consist of component parts to be used in equipment and munitions which Canada is producing for Great Britain, it was also agreed that Great Britain will obtain these parts under the lease-lend act and forward them to Canada for inclusion in the finished articles.

The technical and financial details will be worked out as soon as possible in accordance with the general principles which have been agreed upon between the President and the Prime Minister.

DEPARTMENT OF STATE
WASHINGTON

November 30, 1948.

Sir:

I have the honor to set forth below my understanding of the conclusions reached in conversations which have taken place from time to time during the past year between representatives of the Government of the United States and the Government of Canada with regard to post-war economic settlements.

Our two governments are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations. They have agreed to provide mutual aid both in defense and in economic matters through the Ogdensburg and Hyde Park Agreements and subsequent arrangements. They are in agreement that post-war settlements must be such as to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations.

To that end the Governments of the United States of America and of Canada are prepared to co-operate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

Our Governments have in large measure similar interests in post-war international economic policy. They undertake to enter at an early convenient date into conversations between themselves and with representatives of other United Nations with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by agreed action on the part of our two Governments and other like-minded Governments. In the conversations to be undertaken between the Governments of the United States of America and of Canada they will seek to furnish to the world concrete evidence of the ways in which two neighboring countries that have a long experience of friendly relations and a high degree of economic interdependence, and that share the conviction that such reciprocally beneficial relations must form part of a general system, may promote by agreed action their mutual interests to the benefit of themselves and other countries.

The Honorable
Leighton McCarthy,
Minister of Canada.

If the Government of Canada concurs in the foregoing statement of conclusions, I would suggest that the present note and your reply to that effect should be regarded as placing on record the understanding of our two Governments in this matter.

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

CORDELL HULL

640.50/797

CANADIAN LEGATION
1748 Massachusetts Ave. N.W.,
WASHINGTON, D.C.

November 30th, 1942.

No. 780

Sir:

I have the honour to refer to your note of November 30th, 1942, setting forth your understanding of the conclusions reached in conversations between representatives of the Government of Canada and the Government of the United States with regard to post-war economic settlements. That understanding is as follows.

Our two Governments are prepared to co-operate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14th, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

Our Governments have in large measure similar interests in post-war international economic policy. They undertake to enter at an early convenient date into conversations between themselves and with representatives of other United Nations with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by agreed action on the part of our two Governments and other like-minded Governments. In the conversations to be undertaken between the Governments of Canada and of the United States of America they will seek to furnish to the world concrete evidence of the ways in which two neighbouring countries that have a long experience of friendly relations and a high degree of economic interdependence, and that share the conviction that such reciprocally beneficial relations must form part of a general system, may promote by agreed action their mutual interests to the benefit of themselves and other countries.

I am instructed to inform you that the Government of Canada concur in the foregoing statement of conclusions and agree to your suggestion that your note of November 30th, 1942, and this reply should be regarded as placing on record the understanding of our two Governments in this matter.

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

LEIGHTON McCARTHY

The Hon. Cordell Hull,
Secretary of State of the United States,
Washington, D.C.

P R E S S R E L E A S E

January 25, 1943

NORTH PACIFIC PLANNING PROJECT

The extension of wartime collaboration to the peace-time development of the vast region of northern British Columbia, Yukon Territory and Alaska is the object of an international study announced today by the Joint Economic Committees of Canada and the United States.

Decision to sponsor what is probably the first international planning project of such magnitude in history was made by the Joint Economic Committees at a recent meeting. Dr. Alvin H. Hansen is Chairman of the U. S. Committee and Dr. W. A. Mackintosh of the Canadian.

The immediate object of the study is to gather basic information on the region and develop for the consideration of the Joint Economic Committees proposals for Canadian-United States economic cooperation in the development of resources, the improvement of standards of living, settlement and other undertakings.

The study is being carried on by cooperating officials of the Governments of the United States and Canada, with the active assistance of officials of the Government of British Columbia. Charles Camsell, Deputy Minister of Mines and Resources, Ottawa, and James C. Rettie, of the Portland, Oregon office of the National Resources Planning Board, have been appointed to organize and direct, under the Joint Economic Committees, the carrying out of the study.

The North Pacific region involved contains about 1,000,000 square miles and 100,000 people. The war is contributing additional population and improved joint transportation facilities, the advantages of which it should be possible to preserve for peacetime development.

CANADIAN LEGATION

WASHINGTON, D.C.,
May 31, 1943.

No. 288

Sir :

I have the honour to inform you that the Canadian Government has recently been giving consideration to certain questions arising out of the expenditure of Canadian funds for the construction in Canada of defence facilities desired by the Government of the United States and, in most cases, recommended by the Permanent Joint Board on Defence. Under present arrangements the money thus expended is recoverable from the United States Government.

The most extensive expenditures of the kind under reference are those involved in the construction by the Department of Transport of airfield facilities, barracks, hangars, and other related buildings at Canadian airports, particularly those between and including Edmonton and Whitehorse.

As a result of the consideration which has been given to the question, the Canadian Government is not disposed at present to submit to the United States Government claims for payment for defence facilities of the kind under reference, and proposes instead that the whole matter of the settlement of these accounts be postponed for consideration at the end of the war.

A detailed statement of the accounts concerned can be supplied to the United States Government at any time on request.

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

M. M. MAHONEY

For the Minister

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D.C.

The Secretary of State presents his compliments to the Honorable the Minister of Canada and has the honor to refer to the Minister's note no. 288, May 31, 1943, in regard to the question of payment for defense facilities in Canada desired by the Government of the United States and constructed by the Canadian Government.

The Canadian Government's statement that it is not disposed at present to submit to this Government claims for payment for defense facilities of the kind under reference and its proposal that the matter of settlement of these accounts be postponed for consideration at the end of the war were referred to the Secretary of War. Mr. Stimson has now informed Mr. Hull that the Canadian Government's proposal is entirely satisfactory to the War Department. He adds, however, that it would be appreciated if the Canadian Government would furnish the United States Army Chief of Engineers a statement of the status of these accounts at approximately quarterly intervals.

Department of State,

Washington, July 10, 1943.

842.20/Defense/225

CANADIAN LEGATION

WASHINGTON

December 18, 1943.

No. 645

Sir,

With reference to previous correspondence and discussions concerning the construction of airfields and ancillary facilities in Northwestern Canada I have the honour to inform you that the Canadian Government has decided :

- (a) Not to request or accept payment from the Government of the United States for construction of any permanent facilities or improvements made by the Government of Canada, on United States account, upon airfields in Northwest Canada, and
- (b) To make payment to the Government of the United States for all construction of a permanent nature carried out by the Government of the United States upon air routes in Northwest Canada.

When United States proposals for the considerable extension of certain defence facilities in Canada were under discussion in the early months of 1942 it was decided by the Canadian Government

- (a) That the Government of the United States should be permitted to pay for such approved extensions and improvements to existing defence installations in Canada as are required by United States forces beyond Canadian standards and requirements, on condition that Canada retain full title and control; and
- (b) That the cost of defence installations in Canada used by Canadian forces, up to Canadian standards and requirements, should be paid for by Canada.

This decision was conveyed to the United States authorities by the Chairman of the Canadian Section of the Permanent Joint Board on Defence at the meeting held in New York City on April 27, 1942. The pertinent section of paragraph 11 of the Journal of the Board reads as follows :

"The Chairman of the Canadian Section stated that the Canadian Government felt that Canada should properly pay for the construction of new fields or other permanent works of continuing value to the airway and that the United States should pay for such approved extensions and improvements to existing facilities as are required by the United States forces beyond Canadian standards and requirements."

The Hon. Cordell Hull,

Secretary of State of the United States,

Washington, D.C.

When this decision was taken the airfields of Northwestern Canada had been or were being developed by Canada to a stage commensurate with the view the Canadian Government then took of their importance in the general field of Canadian aviation. The Canadian Government has been reviewing the probable future requirements of aviation in this area and as a result has come to the conclusion that the standards to which the air routes should be developed are substantially above those previously considered necessary.

In these circumstances I am instructed to inform you that the Canadian Government has reviewed the whole position of air transport routes in Northwest Canada, that its estimate of the appropriate standard of development has risen materially since 1942 and that it has therefore come to the conclusion that Canada should pay for all construction of permanent facilities or improvements on the air routes in question. In pursuance of this decision the Canadian Government will not accept payment from the United States Government for the construction of any permanent facilities or improvements made by the Canadian Government on United States Government account on airfields in Northwest Canada, and will make payment to the United States Government for all construction of a permanent nature carried out by the United States Government on air routes in this area.

This decision applied to all airfields on the Northwest Staging route, to the fields and landing strips on the Mackenzie River route, the landing strips along the Cahol Pipeline and all other airfields, landing strips and permanent air route facilities constructed by or for the United States Government in Northwest Canada in accordance with arrangements made from time to time between the two Governments for the joint defence of this continent.

The Canadian Government will be glad to enter into discussions with the United States Government at an early date, with a view to effecting detailed arrangements for carrying out these conclusions of policy.

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

LEIGHTON McCARTHY

DEPARTMENT OF STATE

WASHINGTON, December 24, 1943.

Sir :

I have the honor to acknowledge the receipt of your note No. 643, December 18th, 1943, informing me that the Canadian Government has decided :

(a) Not to request or accept payment from the Government of the United States for construction of any permanent facilities or improvements made by the Government of Canada, on United States account, upon airfields in Northwest Canada, and

(b) To make payment to the Government of the United States for all construction of a permanent nature carried out by the Government of the United States upon air routes in Northwest Canada.

The appropriate authorities of this Government have been asked to give their views with respect to the Canadian Government's suggestion that discussions be arranged at an early date with a view to effecting detailed arrangements for carrying out the foregoing decision of policy. When their replies are received, I shall be glad to communicate with you again in regard to this matter."

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

CORDELL HULL

The Honorable

Leighton McCarthy, K.C.,

Minister of Canada.

DEPARTMENT OF STATE
WASHINGTON

February 24, 1944.

Excellency :

I have the honor to refer to Mr. Hull's note of December 24, 1943, acknowledging the receipt of your note No. 643, December 18, 1943, on the Canadian government's decision with respect to payment for air fields and ancillary facilities in Northwestern Canada.

The views of the interested authorities of this government having been ascertained, I am now in a position to inform you that this government will gladly enter into discussions with the Canadian government on this subject and that it is prepared to do so at an early date. The construction of permanent facilities on Canadian air fields was undertaken in accordance with agreements reached between the United States and Canadian governments through the medium of the Permanent Joint Board on Defense, as a military measure for the common defense of the North American Continent. The proposal of the Canadian Government to pay in full for such facilities is accepted as indicative of the desire of the Canadian Government to contribute their full share in meeting the common problems of mutual defense.

It is suggested that at the forthcoming discussions it may be mutually convenient to agree upon a lump sum figure which would be subject to readjustment after the conclusion of hostilities, when full data are available. In any event the American authorities look forward to receiving a tentative agenda at the convenience of their Canadian colleagues as well as an indication of preference as to the time and place at which the discussions might be held.

In communicating the foregoing message I may state also that the Government of the United States anticipates entering into discussions at the proper time relative to the post war use on a reciprocal basis, of these and other air fields.

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

For the Secretary of State :

A. A. BERLE, JR.

His Excellency

Leighton McCarthy, K.C.,

Ambassador of Canada.

CANADIAN EMBASSY
AMBASSADE DU CANADA

Washington, D.C.,
March 20, 1944.

No. 105

Sir,

I have the honour to refer to your note of February 24th on the subject of the Canadian Government's decision with respect to payment for airfields and facilities in Northwestern Canada.

The Canadian Government believes that discussions should take place as soon as possible with a view to agreeing on the amount which will be paid to the Government of the United States. I am therefore instructed to inform you that Canadian representatives will be prepared to come to Washington as soon as may be convenient to the United States authorities to participate in these financial discussions.

The suggestion put forward in your note, that a lump sum figure might be agreed upon which would be subject to readjustment after the conclusion of hostilities has been received with interest by the Canadian authorities. They are inclined to the view that sufficient data may now be available to make possible an agreement on expenditures up to the end of 1943 which would not require subsequent readjustment. However, the alternative methods of reaching an agreed figure can best be considered at the forthcoming discussions. These discussions, in the view of the Canadian Government, should include consideration of expenditures by the Government of the United States on airfields and permanent facilities under the following headings :

1. Northwest Staging Route
2. Landing strips along the Alaska Highway
3. Mackenzie River Route
4. Other air facilities of a permanent nature in Northwestern Canada.

With regard to the final paragraph of your note, the Canadian Government have noted the proposal of the Government of the United States that discussions be held at the proper time relating to the post-war use on a reciprocal basis of these and other airfields. This question is part of the larger subject of the future of international air transport, on which the Canadian Government has already indicated its willingness to enter into discussions at an appropriate time with the Government of the United States.

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

L. B. PEARSON
For the Ambassador

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D.C.

OTTAWA, March 24, 1944.

Hon. Henry L. Morgenthau,
Secretary of the Treasury,
WASHINGTON, D.C.

Dear Mr. Morgenthau:

During the last few weeks discussions between yourself and myself and our officials have been taking place on the subject of Canada's holdings of United States dollar exchange.

Last year, in keeping with the principles and the spirit of the Hyde Park Declaration, we had reached an understanding to the effect that the United States would follow a program of procurement of war supplies such as to prevent our holdings of gold and U.S. dollar balances from falling below an agreed minimum and that Canada would take appropriate action if our holdings of these reserves tended to rise above an agreed maximum.

Unanticipated developments during 1943 served to increase our available supply of U.S. exchange beyond expectation. We have therefore now agreed upon a program intended to reduce our balances to the agreed range and, in accordance with our recent conversations, we undertake to put this program into effect as quickly as practicable.

Accordingly, in view of this agreement there is no further need for the continuance of last year's arrangement and Canada and the United States are mutually released from the obligations assumed under such arrangement. As applied to Canada this means that Canada will be free to maintain, build up, or deal with its reserves as it sees fit.

If the above is in accordance with your understanding of the agreement which has been arrived at, I should be glad to have your confirmation.

May I express my appreciation of the understanding of our position which you have always shown and of the spirit of co-operation and good-will which you have manifested in seeking to achieve the objectives of the Hyde Park Declaration and in the conduct of our recent negotiations.

Yours sincerely,

J. L. ILSLEY

THE SECRETARY OF THE TREASURY

WASHINGTON 25

March 29, 1944

Dear Mr. Ilsley,

Receipt is acknowledged of your letter of March 24, 1944, regarding Canada's holdings of United States dollar exchange. The views expressed in your letter are in accordance with our understanding of the agreement we have reached.

The atmosphere of cooperation and understanding in which these arrangements have been conducted is, for me, a source of genuine satisfaction.

Sincerely,

H. MORGENTHAU, Jr.

Honourable J. L. Ilsley,
Minister of Finance,
Ottawa, Canada.

SCHEDULE COVERING AGREED PROGRAM REFERRED TO IN LETTER
FROM
HON. J. L. ILSLEY, CANADIAN MINISTER OF FINANCE,
TO
HON. HENRY L. MORGENTHAU, SECRETARY OF THE U. S. TREASURY
DATED MARCH 24, 1944.

A. MEASURES WHICH WILL REDUCE CANADA'S HOLDINGS OF U.S.
DOLLAR BALANCES

	<u>Estimated Amount</u> <u>(Millions of Dollars)</u>
1. Payment to F.S.A. for imports of war supplies under Canex Requisitions	38.8
2. Payment to Metals Reserve Company to recoup capital advances and price subsidies made by that Company for development of certain marginal metal mining properties in Canada under the terms of an agreement with War Supplies Limited	3.2
3. Payment for costs incurred by U. S. Army in connection with construction of permanent improvements to following airfields in Canada :	
(a) Airfields on the Northwest Staging Route, landing strips along the Canol Pipe Line and other airfields, landing strips and permanent air route facilities constructed by U.S. in Northwest Canada	35.3
(b) Airfields on the Crimson Route in Central Northeast Canada	30.0
(c) Airfield at Mingan, Quebec	4.8
4. Payment for costs incurred by U. S. Army for construction of that part of the telephone line from Edmonton to Fairbanks which is in Canadian territory	9.3
5. Reimbursement for progress payments made by U. S. Navy for production of PB2B1 aircraft	22.0
6. Payment in U. S. dollars for U.S. tanks purchased in the United Kingdom for use of the Canadian Army in Europe	140.0
7. Further payment on account in respect of imports under Canpay requisitions	20.0
	<hr/> <u>300.8</u> <hr/>

**B. MEASURES WHICH WILL REDUCE CANADA'S FUTURE RECEIPTS
OF U. S. DOLLARS**

Estimated Amount
(Millions of Dollars)

1. Amendment of U.S. Navy contract for P28B1 aircraft so as to provide for assumption by Canada of financial responsibility to Boeing Aircraft of Canada Limited 41.0
2. Assumption by Canada of expenditure incurred on U. S. account for construction of permanent improvements to airfields in Canada and at Goose Bay, Labrador (including newly projected \$8 million program and contracts not yet completed on Northwest Staging Route) 42.1
3. Assumption by Canada of refining and distribution costs of gasoline used to meet British commitment in connection with Air Training Plan in Canada 15.0 (annual)
4. Elimination of Canadian participation in contracts for purchase of New Caledonia nickel 2.5 (annual)
5. Contracts between War or Navy Department and War Supplies Limited terminated and/or cancelled after December 1, 1943, or to be terminated and/or cancelled. Undelivered value as estimated by Canadian Department of Munitions and Supply: 91.0

WSL	72-722	6 pdr. APC BC
WSL	72-888	A5 - 48 cable
WSL	72-659	link spares
WSL	72-450	fuel pumps
WSL	72-157	propeller assemblies
WSL	72-377	link trainers
WSL	72-458	20 mm. discs
WSL	72-796	pump assemblies
WSL	72-821	wobble pumps
WSL	72-240	740 & 743 Range finders (other than U.S. type)
WSL	72-169	75 mm shells H.E.
WSL	72-812	40 mm rounds
WSL	72-391	powder propellant
WSL	72-216	543, 217 & 265 .303 ammunition
WSL	72-284	Algerine minesweepers
WSL	72-204 & 205	(old and new contracts) Cornell aircraft and spares
WSL	72-263 & 921	(old and new contracts) Harvard aircraft and spares

191.6

CANADA

TREATY SERIES, 1944

No. 19

EXCHANGE OF NOTES

(June 23 and 27, 1944)

BETWEEN

CANADA AND THE UNITED STATES OF AMERICA

CONSTITUTING AN AGREEMENT

RESPECTING THE

PAYMENT OF EXPENDITURES ON DEFENCE INSTALLATIONS

IN CANADA AND IN LABRADOR

IN FORCE JUNE 27, 1944.

OTTAWA
1944

SUMMARY

Page

I. Note, dated June 23, 1944, from the Canadian Ambassador at Washington, to the Secretary of State of the United States of America	3
---	---

Appendix I: Summary and Details relating to Northwest Air Facilities

1. <u>Schedule A: United States expenditures on air-fields</u>	5
2. <u>Schedule B: United States expenditures on air-fields for items of permanent value</u>	6
3. Edmonton Air Base	7
4. Edmonton Satellite Airport	7
5. Grande Prairie Airport	7
6. Fort St. John Airport	8
7. Fort Nelson Airport	8
8. Watson Lake Airport	8
9. Whitehorse Airport	9
10. Calgary Airport	9
11. Prince George Airport	9
12. Flight Strip No.1 (Dawson Creek, B.C.)	9
13. Flight Strip No.2 (Sikanni Chief, B.C.)	9
14. Flight Strip No.3 (Prophet River, B.C.)	10
15. Flight Strip No.4 (Liard Canyon, B.C.)	10
16. Flight Strip No.5 (Pine Lake, Y.T.)	10
17. Flight Strip No.6 (Squanga Lake, Y.T.)	10
18. Flight Strip No.7 (Pon Lake, Y.T.)	10
19. Flight Strip No.8 (Burwash, Y.T.)	11
20. <u>Schedule C: United States expenditures on air-fields for items of non-permanent value</u>	11

Appendix II: Summary of Details relating to Northeast-Canadian Air Route

1. <u>Schedule A: United States Expenditures</u>	13
2. <u>Schedule B: United States expenditures on air-fields for items of permanent value</u>	13
3. The Pas (Manitoba)	13
4. Churchill (Manitoba)	14
5. Southampton Island (N.W.T.)	14
6. Frobisher Bay (Baffin Island)	14
7. Port Chimo (Quebec)	15
8. Mingan (Quebec)	15

Appendix III: Detailed cost of telephone-telegraph-tele-type line Edmonton (Alberta) - Canadian-Alaskan Boundary

Appendix IV: Summary of expenditures as at March 31st, 1944, and estimated amounts which will be required to complete on associated works to provide airport facilities requested by the United States authorities in Canada and Labrador, and paid for by Canada

2. Northwest Staging Route (Summary)	17
3. Aishihik Airport	18
4. Beatton River Airport	18
5. Calgary Airport	18
6. Edmonton Airport	18
7. Fort Nelson (B.C.) Airport	19
8. Fort St. John (B.C.) Airport	19
9. Grande Prairie (B.C.) Airport	19
10. Kamloops (B.C.) Airport	19
11. Lethbridge (Alberta) Airport	20
12. Namao (Alberta) Airport	20

13. Prince George (B.C.) Airport	20
14. Regina (Saskatchewan) Airport	20
15. Smith River (B.C.) Airport	20
16. Snag (Yukon) Airport	21
17. Teslin (Yukon) Airport	21
18. Watson Lake (Yukon) Airport	21
19. Whitehorse (Yukon) Airport	21
20. Additional construction work undertaken by Canada in 1944 at the request of the United States	22
21. Canadian expenditures authorized to March 31, 1944, on facilities requested by the United States authorities: Northeast Canada	23
22. Mingan (P.Q.) Emergency Landing Field	23
23. The Pas (Manitoba) Airport	23
24. Goose Bay (Labrador) Airport	23

II. Note, dated June 27, 1944, from the Secretary of State of the United States of America, to the Canadian Ambassador at Washington	24
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EXCHANGE OF NOTES (JUNE 23 AND 27, 1944) BETWEEN CANADA AND THE UNITED STATES OF AMERICA CONSTITUTING AN AGREEMENT RESPECTING THE PAYMENT OF EXPENDITURES ON DEFENCE INSTALLATIONS IN CANADA AND IN LABRADOR.

I

The Canadian Ambassador at Washington
to the Secretary of State of the United States.

CANADIAN EMBASSY

Washington, June 23, 1944.

No. 238

Sir,

I have the honour to refer to the exchange of notes between the Governments of Canada and the United States dated January 27, 1943, regarding the post-war disposition of defence projects and installations constructed in Canada by the Government of the United States(1). These notes approved the 28th Recommendation of the Permanent Joint Board on Defence, which said in part:

"The Board considered the question of the post-war disposition of the defence projects and installations which the Government of the United States has built or may build in Canada. The Board noted that the two Governments have already reached specific agreements for the post-war disposition of most of the projects and installations thus far undertaken. It considers that such agreements are desirable and should be made whenever possible.

"The Board recommends the approval of the following formula as a generally fair and equitable basis to be used by reference whenever appropriate in the making of agreements in the future and to cover such defence projects, if any, the post-war disposition of which has not previously been specifically provided for:

"A: All immovable defence installations built or provided in Canada by the Government of the United States shall within one year after the cessation of hostilities, unless otherwise agreed by the two governments, be relinquished 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."

2. As hereinafter explained, the two governments have agreed that special arrangements should be made relating to permanent United States air installations in Canada and to the telephone line from Edmonton to the Alaska boundary built by the United States government.

3. In note no. 643 of December 18, 1943, I informed you that the Canadian Government "will not accept payment from the United States Government for the construction of any permanent facilities or improvements made by the Canadian Government on United States Government account on airfields in Northwest Canada, and will make payment to the United States Government for all construction of a permanent nature carried out by the United States Government on air routes in this area."

(1) For these notes see Canada Treaty Series 1943, No.2.

4. It was subsequently agreed between the two Governments that, in addition, the Canadian Government should assume the cost of permanent air installations elsewhere in Canada and at Goose Bay (Labrador) built by or on the account of the United States Government, the cost of the telephone line from Edmonton to the Alaska boundary built by the United States Government and the cost of the proposed improvement program on the Northwest Staging Route.

5. Discussions have recently taken place between representatives of the two Governments regarding the details of the decisions and arrangements referred to in the two preceding paragraphs, with a view to listing the installations involved and their costs, and to settling the exact amount of money to be paid by the Canadian Government to the United States Government.

6. It is my understanding that the following has been agreed as a result of these discussions. The Canadian Government will pay to the United States Government the following amounts in United States dollars for construction carried out by the United States Government:

Northwest Staging Route (including contracts not yet completed)	\$31,311,196
Flight strips along the Alaska Highway	3,262,687
Flight strips along the Mackenzie River	1,264,150
Hudson Bay Air Route	27,460,330
Airfield at Mingan, P.Q.	3,627,980
Airfield at Goose Bay, Labrador	543,000
Telephone line from Edmonton to Alaska boundary	<u>9,342,208</u>
Total	\$76,811,551

7. The details of the costs of construction are shown in the attached appendices marked "I", "II", and "III", which have been prepared by the United States War Department. The appendices show that costs of \$90,683,571 were actually incurred by the United States Government in construction but \$13,872,020 of this amount was for installations which, although of value to joint defence during the war, have no permanent value. It has been agreed that the Canadian Government should pay that part of United States construction costs which represents installations having a permanent value, namely \$76,811,551.

8. The costs incurred by the Canadian Government on United States Government account which the Canadian Government will assume pursuant to the decisions reached are as follows:

Northwest Staging Route	\$18,359,953
Northeast Canada	1,290,010
Airfield at Goose Bay, Labrador	<u>9,950,000</u>
Total	\$29,599,963

In addition the Canadian Government will pay \$5,161,000 for the projected improvement program on the Northwest Staging Route. Details of the four items mentioned in this paragraph are given in the attached appendix marked "IV".

9. It is understood that all the items mentioned in the four appendices, whether or not of permanent value, will be relinquished to the Canadian Government pursuant to the Exchange of Notes of January 27, 1943, hereinbefore referred to. However, such relinquishment does not affect existing arrangements for the maintenance, operation and defence of these facilities for the duration of the war. In this connection, it is relevant to quote the following extract from the Journal of the meeting of the Permanent Joint Board on Defence held April 12-13, 1944:

"In noting this decision of the two Governments, (i.e. the decision of the Canadian Government to assume the costs of the installations), the Board observed that it relates only to the financial aspect of the facilities in question and has no bearing on existing arrangements for the maintenance, operation and defence of the facilities for the duration of the war. It is the Board's understanding that the existing arrangements will remain in effect for the duration of the emergency as previously agreed upon unless modified by mutual agreement between the two Governments."

10. 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 our Governments.

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

LEIGHTON McCARTHY.

APPENDIX I

SUMMARY AND DETAILS RELATING TO NORTHWEST AIR FACILITIES

1.-U.S. EXPENDITURES ON AIRFIELDS

24 April 1944

Schedule "A"

Northwest Staging Route

Edmonton Air Base	\$5,248,822
Edmonton Satellite Field	6,853,683
Grande Prairie Air Base	1,968,015
Fort St. John Air Base	4,415,441
Fort Nelson Air Base	6,186,892
Watson Lake Air Base	4,156,695
Whitehorse Air Base	8,297,429
Calgary Air Base	28,517
Prince George Air Base	165,732
Sub-Total ...	\$37,320,226

Flight Strips along Alaskan Highway

Flight Strip No. 1 (Dawson Creek)	428,220
Flight Strip No. 2 (Sikanni Chief)	599,947
Flight Strip No. 3 (Prophet River)	422,084
Flight Strip No. 4 (Liard Canyon)	537,584
Flight Strip No. 5 (Pine Lake)	287,162
Flight Strip No. 6 (Squanga Lake)	297,101
Flight Strip No. 7 (Pon Lake)	471,227
Flight Strip No. 8 (Burwash)	219,362
Sub-Total ...	<u>3,262,687</u>

Carry forward ... \$40,582,913

Brought forward \$40,582,913

Mackenzie-Athabaska Route

Waterways	108,754
Embarras	59,112
Port Smith	110,230
Resolution	65,803
Hay River	100,030
Providence	111,252
Mills Lake	43,075
Port Simpson	162,701
Wrigley	93,372
Norman Wells	298,075
Canol Camp	111,746
Sub Total	<u>1,264,150</u>
Total Schedule "A"	\$41,847,063

2.-U.S. EXPENDITURES ON AIRFIELDS FOR ITEMS OF PERMANENT VALUE

24 April 1944

Schedule "B"

Northwest Staging Route

Edmonton Air Base	\$2,836,835
Edmonton Satellite Field	6,264,495
Grande Prairie Air Base	1,719,956
Ft. St. John Air Base	3,974,683
Ft. Nelson Air Base	5,477,354
Watson Lake Air Base	3,448,743
Whitehorse Air Base	7,395,881
Calgary Airport	28,517
Prince George Airport	164,732
Sub Total	\$31,311,196

Flight Strips Along Alaska Highway

Flight Strip No. 1 (Dawson Creek)	428,220
Flight Strip No. 2 (Sikanni Chief)	599,947
Flight Strip No. 3 (Prophet River)	422,084
Flight Strip No. 4 (Liard Canyon)	537,584
Flight Strip No. 5 (Pine Lake)	287,162
Flight Strip No. 6 (Squanga Lake)	297,101
Flight Strip No. 7 (Pon Lake)	471,227
Flight Strip No. 8 (Burwash)	219,362
Sub Total	<u>3,262,687</u>
Carry forward	\$34,573,883

Brought Forward \$34,573,883

Mackenzie - Athabaska Route

Waterways	\$ 108,754	
Embarras	59,112	
Fort Smith	110,230	
Resolution	65,803	
Hay River	100,030	
Providence	111,252	
Mills Lake	43,075	
Fort Simpson	162,701	
Wrigley	93,372	
Norman Wells	298,075	
Canol Camp	111,746	
	<hr/>	
Sub Total		<u>1,264,150</u>
Total Schedule "B"		\$35,838,033

3.-Edmonton Air Base

Site Grading	\$ 11,017	
Roads and Streets	36,232	
Railroad Spur	22,428	
Drainage	14,216	
Parking Apron	968,243	
Hangars	1,421,914	
Electric Distribution	234,304	
Water System	69,081	
Sewerage System	59,400	
	<hr/>	
Total		\$2,836,835

4.-Edmonton Satellite Airport

Roads	\$ 116,256	
Railroad Spur, including Fencing.....	313,135	
Runways	2,382,364	
Taxiways	776,706	
Warm-up Aprons	1,155,518	
Drainage	266,150	
Warehouse	85,674	
Cold Storage	16,733	
Hangars	500,325	
Gasoline Storage	55,776	
Electric Distribution	148,368	
Sewerage System	144,230	
Water System	303,260	
	<hr/>	
Total		\$6,264,495

5.-Grande Prairie Airport

General Grading	\$ 66,997	
Drainage	37,819	
Roads and Parking Areas	10,958	
Taxiways	78,014	
Parking Apron	280,647	
Weather Station	16,615	
Hangar	626,362	
Warehouses	227,667	
Gasoline Storage	69,275	
Electrical System	135,073	
Sewerage System	19,690	
Water Supply	48,870	
"A" Completion	101,969	
	<hr/>	
Total		\$1,719,956

6.-Fort St. John Airport

General Grading	\$	187,974
Drainage		425,000
Roads and Parking Areas		15,193
Taxiways		549,747
Parking Aprons		412,880
Tie Down Anchors		1,934
Hangar		601,148
Warehouses		320,927
Weather Tower		5,077
Gasoline Storage		558,485
Electrical		205,629
Water System		238,936
Sewer System		49,635
"A" Completion		<u>402,118</u>

Total \$3,974,683

7.-Fort Nelson Airport

General Grading	\$	574,432
Drainage System		75,962
Roads and Parking Areas		121,770
Runways		744,386
Taxiways		387,264
Parking Aprons		402,661
Gasoline Storage	1,	153,862
Electrical		192,164
Water System		246,920
Warehouses		531,575
Hangar		697,320
Weather Tower		5,357
Generating Buildings		2,685
Sewerage System		75,375
"A" Completion		<u>265,621</u>

Total \$5,477,354

8.-Watson Lake Airport

General Grading	\$	293,220
Roads and Parking Areas		3,058
Runways		365,818
Taxiways		512,134
Parking Aprons		518,835
Warehouses		304,975
Hangar		686,737
Weather Tower		5,137
Generating Buildings		3,049
Electrical		218,553
Water System		162,073
Sewerage System		109,120
"A" Completion		<u>266,034</u>

Total \$3,448,743

9.-Whitehorse Airport

General Grading	\$ 1,304,055
Drainage	71,625
Roads and Parking Areas	29,949
Runways	1,134,282
Taxiways	575,122
Parking Apron	1,090,303
Hangar	1,474,317
Warehouses	365,552
Navy Facilities	160,451
Weather Tower	5,330
Electrical	343,526
Gasoline Storage	139,620
Water System	244,773
Sewerage System	76,193
Runway Extension (Rounding out Plan "C")	<u>380,783</u>

Total \$7,395,881

10.-Calgary Airport

Dispensary, Recreation Building and Utilities \$ 28,517

11.-Prince George Airport

Garage, Power House and Latrine	\$ 132,301
Gasoline Storage	<u>32,431</u>

Total \$ 164,732

12.-Flight Strip No. 1 (Dawson Creek, B.C.)

General Grading	\$ 56,582
Base Course (5" depth)	112,079
Overhaul Base Course	168,119
Surface Course (3" depth)	27,149
Overhaul - Surface Course	27,149
Oil Surface	32,581
Structures	4,344
Wind Cones	<u>217</u>

Total \$ 428,220

13.-Flight Strip No. 2 (Sikanni Chief, B.C.)

Clearing and Grubbing	\$ 729
General Grading	346,154
Base Course (12" depth)	110,183
Overhaul - Base Course	55,092
Surface Course (5" depth)	61,248
Overhaul - Surface Course	20,416
Structures	5,833
Wind Cones	<u>292</u>

Total \$ 599,947

14.-Flight Strip No. 3 (Prophet River, B.C.)

Clearing and Grubbing	\$	70,954
General Grading		240,800
Surface Course (7" depth)		102,880
Structures		7,095
Wind Cones		355

Total \$ 422,084

15.-Flight Strip No. 4 (Liard Canyon, B.C.)

Clearing and Grubbing	\$	95,170
General Grading		266,206
Base Course (12" depth)		109,590
Surface Course (5" depth)		60,562
Structures		5,768
Wind Cones		288

Total \$ 537,584

16.-Flight Strip No. 5 (Pine Lake, Y.T.)

Clearing and Grubbing	\$	66,009
General Grading		145,198
Surface Course (5" depth)		69,050
Structures		6,576
Wind Cones		329

Total \$ 287,162

17.-Flight Strip No. 6 (Squanga Lake, Y.T.)

Clearing and Grubbing	\$	12,829
General Grading		72,726
Base Course		104,033
Overhaul, Base Course		31,210
Surface Course (5" depth)		58,695
Overhaul Surface Course		11,739
Structures		5,590
Wind Cones		279

Total \$ 297,101

18.-Flight Strip No. 7 (Pon Lake, Y.T.)

Clearing and Grubbing	\$	67,532
General Grading		126,059
Base Course (12" depth)		150,648
Overhaul, Base Course		30,130
Surface Course (8" depth)		80,920
Overhaul, Surface Course		10,789
Structures		4,904
Wind Cones		245

Total \$ 471,227

19.-Flight Strip No. 8 (Burwash, Y.T.)

Clearing and Grubbing.....	\$	6,085	
General Grading		118,346	
Surface Course (8" depth)		89,252	
Structures		5,409	
Wind Cones		270	
		<hr/>	
Total			\$ 219,362

20.U.S.EXPENDITURES ON AIRFIELDS FOR ITEMS OF NON-PERMANENT VALUE

24 April 1944

Schedule "C"

Northwest Staging RouteEdmonton Air Base

Troop Housing	\$	1,701,355	
Mess Facilities		332,311	
Miscellaneous Buildings		378,321	
		<hr/>	
Total			\$2,411,987

Edmonton Satellite Field

Troop Housing	\$	267,135	
Mess Facilities		40,650	
Miscellaneous Buildings		281,403	
		<hr/>	
Total			\$ 589,188

Grande Prairie Air Base

Officers Quarters	\$	64,458	
Miscellaneous		183,601	
		<hr/>	
Total			\$ 248,059

Ft.St.John Air Base

Troop Housing	\$	170,596	
Mess Facilities		42,798	
Miscellaneous Buildings		227,364	
		<hr/>	
Total			\$ 440,758

Ft. Nelson Air Base

Troop Housing	\$	292,259	
Mess Facilities		359,892	
Miscellaneous Buildings		57,387	
		<hr/>	
Total			\$ 709,538
Carry Forward			\$4,399,530

(...)

12

1944. No.19

Brought Forward \$4,399,530

Watson Lake Air Base

Troop Housing	\$	280,514
Mess Facilities		57,667
Miscellaneous Buildings		<u>369,771</u>

Total \$ 707,952

Whitehorse Air Base

Troop Housing	\$	431,292
Mess Facilities		58,967
Miscellaneous Buildings		<u>411,289</u>

Total \$ 901,548

Calgary Airport

None

Prince George Airport

None

Alaska Highway Flight Strips

None

Mackenzie-Athabaska Flight Strips

None

Total Schedule "C"..... \$6,009,030

APPENDIX IISUMMARY AND DETAILS RELATING TO NORTHEAST-CANADIAN AIR ROUTE

(Hudson Bay Air Route, Mingan Airfield, P.Q., and Goose Bay, Labrador)

1.-U.S. EXPENDITURES ON AIRFIELDSHUDSON BAY AIR ROUTE AND EASTERN CANADA

24 April 1944

Schedule "A"

The Pas,	\$ 415,000	
Churchill, Manitoba	9,385,700	
Southampton Island, N.W.T.	7,043,200	
Frobisher Bay, Baffin Island, N.W.T. .	8,065,700	
Fort Chimo, Quebec	<u>9,756,500</u>	
Sub Total		\$34,666,100
Mingan, Quebec		4,285,200
Goose Bay, Labrador		<u>543,000</u>
Total Schedule "A" ..		\$39,494,300

2.-U.S. EXPENDITURES ON AIRFIELDS FOR ITEMS OF PERMANENT VALUEHUDSON BAY AIR ROUTE AND EASTERN CANADA

24 April 1944

Schedule "B"

The Pas, Manitoba	\$ 415,000	
Churchill, Manitoba	6,206,800	
Southampton Island, N.W.T.	5,318,870	
Frobisher Bay, Baffin Island	6,833,190	
Fort Chimo, Quebec	<u>8,686,470</u>	
Sub Total		\$27,460,330
Mingan, Quebec		3,627,980
Goose Bay Airfield, Labrador		<u>543,000</u>
Total Schedule "B" ..		\$31,631,310

3.-The Pas, Manitoba

Miscellaneous Items	\$ 415,000	
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4.-Churchill, Manitoba

Clearing and Grubbing, Site Grading, Drainage	\$	189,340	
Roads and Grading		413,890	
Railroads and Facilities		271,280	
Runways, Taxiways and Aprons		2,992,980	
Fuel Oil Storage		310,440	
Hangars		324,020	
Warehouses		204,670	
Refrigeration - Cold Storage		128,170	
Hospital		645,500	
Radio Range, Communications		25,200	
Water System		105,830	
Electric System		540,970	
Sewerage System, Waste Disposal		54,510	
Total			\$6,206,800

5.-Southampton Island, N.W.T.

Clearing and Grubbing, Site Grading, Drainage	\$	116,100	
Roads and Grading		247,690	
Runways, Taxiways and Aprons		2,479,600	
Fuel Oil Transfer Building		81,140	
Hangars		487,750	
Warehouses		239,030	
Refrigeration - Cold Storage		343,790	
Hospital		304,140	
Radio Range, Communications		44,300	
Water System		159,500	
Electric System		754,550	
Sewerage System, Waste Disposal		61,280	
Total			\$5,318,870

6.-Frobisher Bay, Baffin Island

Clearing, Grubbing, Site Grading, Drainage	\$	66,870	
Roads and Grading		171,270	
Runways, Taxiways and Aprons		3,841,330	
Gasoline and Fuel Storage		64,710	
Hangars		709,630	
Warehouses		342,090	
Refrigeration - Cold Storage		283,170	
Hospital		564,040	
Radio Range, Communications		31,980	
Crash Boat Housing and Haul-out		23,520	
Water System		96,450	
Electric System		614,130	
Sewerage System, Waste Disposal		24,000	
Total			\$6,833,190

7.-Fort Chimo, Quebec

Clearing and Grubbing, Site Grading,		
Drainage	\$	154,645
Roads and Grading		298,200
Runways, Taxiways and Aprons		5,265,230
Dock Facilities		92,440
Fuel Oil Storage		71,680
Gasoline Storage		51,900
Hangars		669,340
Warehouses, Root Cellars		157,050
Refrigeration - Cold Storage		538,400
Hospital		570,410
Radio Ranges, Communications		33,415
Water System		266,700
Electric System		500,450
Sewerage System, Waste Disposal		<u>16,610</u>
	Total	\$8,686,470

8.-Mingan, Quebec

Clearing and Grubbing, Site Grading,		
Drainage	\$	62,800
Roads and Grading		259,240
Runways, Taxiways and Aprons		1,944,700
Dock Facilities		310,300
Hangars		267,030
Warehouses		169,530
Refrigeration - Cold Storage		54,210
Radio Range, Communications		63,010
Water System		96,670
Electric System		330,670
Sewerage System, Waste Disposal		<u>69,820</u>
	Total	\$3,627,980

9.-U.S. EXPENDITURES ON AIRFIELDS FOR ITEMS OF NON-PERMANENT VALUE

HUDSON BAY AIR ROUTE AND EASTERN CANADA

24 April 1944

Schedule "C"

The Pas, Manitoba

None.

Churchill, Manitoba

Troop Housing and Facilities	\$1,313,000	
Miscellaneous Buildings	<u>1,865,900</u>	
	Sub Total	\$3,178,900

Southampton Island, N.W.T.

Troop Housing and Facilities	\$1,438,400	
Miscellaneous Buildings	<u>285,930</u>	
	Sub Total	\$1,724,330

Carry Forward \$4,903,230

(...)

Brought forward \$4,903,230

Frobisher Bay, Baffin Island

Troop Housing and Facilities	\$ 874,960	
Miscellaneous Buildings	<u>357,550</u>	
Sub Total		1,232,510

Fort Chimo, Quebec

Troop Housing and Facilities	\$ 756,150	
Miscellaneous Buildings	<u>313,880</u>	
Sub Total		1,070,030

Mingan, Quebec

Troop Housing and Facilities	\$ 315,280	
Miscellaneous Buildings	<u>341,940</u>	
Sub Total		<u>657,220</u>

Total Schedule "C" \$7,862,990

APPENDIX III

DETAILED COST OF TELEPHONE-TELEGRAPH-TELETYPE LINE
EDMONTON, ALBERTA - CANADIAN-ALASKAN BOUNDARY

Outside Plant	\$ 7,317,688	
Equipment	1,200,135	
Buildings	<u>824,385</u>	
Total		\$9,342,208

APPENDIX IV

SUMMARY OF EXPENDITURES AS AT MARCH 31st, 1944,
AND ESTIMATED AMOUNTS WHICH WILL BE REQUIRED
TO COMPLETE ON ASSOCIATED WORKS TO PROVIDE
AIRPORT FACILITIES REQUESTED BY THE U.S.
AUTHORITIES IN CANADA AND LABRADOR,
AND PAID FOR BY CANADA

<u>Description</u>		<u>Total Estimated Cost to Complete</u>
Northwest Staging Route (Canadian Development).....	\$18,359,953	
Northwest Staging Route, Additional Work Under- taken, 1944	5,161,000	
Northeast Canada	1,290,010	
Goose Bay, Labrador	<u>9,950,000</u>	
Total		\$34,760,963

2.-NORTHWEST STAGING ROUTE

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Summary

	<u>Total Expenditure Authorized</u>	<u>Total Expenditure to March 31/44</u>	<u>Balance of Expenditure to Complete Construction</u>
Aishihik, Yukon Airport	1,021,921	824,159	197,762
Beaton River, B.C., Airport	941,407	418,620	522,787
Calgary, Alta, Airport	512,178	392,448	119,730
Edmonton, Alta, Airport	3,634,759	3,017,350	617,409
Fort Nelson, B.C., Airport	1,070,822	649,535	421,287
Fort St. John, B.C., Airport	1,297,132	1,297,132	-
Grande Prairie, Alta. Airport	1,255,110	960,126	294,984
Kamloops, B.C., Airport	1,037,237	769,953	267,284
Lethbridge, Alta, Airport	142,274	41,427	100,847
Namao, Alta, Airport	200,000	144,053	55,947
Prince George, B.C., Airport	438,761	417,903	20,858
Regina, Sask., Airport	135,975	134,646	1,329
Smith River, B.C., Airport	1,018,398	813,130	205,268
Snag, Yukon, Airport	855,399	645,095	210,304
Teslin, Yukon, Airport	862,100	784,493	77,607
Watson Lake, Yukon, Airport	1,218,685	1,035,374	183,311
Whitehorse, Yukon, Airport	<u>2,717,795</u>	<u>2,189,627</u>	<u>528,168</u>
	\$18,359,953	\$14,535,071	\$3,824,882

3.-AISHINIK AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	-
Field	349,892
Buildings	314,802
Power & Lighting	92,395
Road Construction	139,832
Road Equipment	125,000
Total Expenditures Authorized	<u>1,021,921</u>
" " to Mar. 31/44	<u>824,159</u>
Balance of Expenditures to complete construction	\$ 197,762

4.-BEATTON RIVER AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	-
Field	211,686
Buildings	75,824
Power & Lighting	78,457
Water	10,266
Road Construction	440,174
Radio Equipment	125,000
Total Expenditures Authorized	<u>941,407</u>
" " to Mar. 31/44	<u>418,620</u>
Balance of Expenditures to complete construction	\$ 522,787

5.-CALGARY AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	16,085
Field	306,959
Buildings	156,841
Power & Lighting	11,790
Road Construction	20,503
Total Expenditures Authorized	<u>512,178</u>
" " to Mar. 31/44	<u>392,448</u>
Balance of Expenditures to complete construction	\$ 119,730

6.-EDMONTON AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	21,000
Field	2,017,679
Buildings	1,371,844
Power & Lighting	92,848
Water	7,785
Railway Siding	98,603
Radio Equipment	25,000
Total Expenditures Authorized	<u>3,634,759</u>
" " to Mar. 31/44	<u>3,017,350</u>
Balance of Expenditures to complete construction	\$ 617,409

7.-FORT NELSON, B.C., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	372,517
Field	585,414
Buildings	87,891
Power & Lighting	25,000
Radio Equipment	<u>1,070,822</u>
Total Expenditures Authorized	649,535
" " to Mar.31/44	
Balance of Expenditures to complete construction	\$ 421,287

8.-FORT ST.JOHN, B.C., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	6,750
Field	737,249
Buildings	371,830
Power & Lighting	156,303
Radio Equipment	25,000
Total Expenditures Authorized	<u>1,297,132</u>
" " to Mar.31/44	<u>1,297,132</u>
Balance of Expenditures to complete construction	-

9.-GRANDE PRAIRIE, ALTA., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	13,700
Field	836,332
Buildings	290,243
Power & Lighting	41,168
Water	28,187
Road Construction	20,480
Radio Equipment	25,000
Total Expenditures Authorized	<u>1,255,110</u>
" " to Mar.31/44	<u>960,126</u>
Balance of Expenditures to complete construction	\$ 294,984

10.-KAMLOOPS, B.C., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	47,000
Field	765,067
Buildings	157,620
Power & Lighting	38,893
Water	28,657
Total Expenditures Authorized	<u>1,037,237</u>
" " to Mar.31/44	<u>769,953</u>
Balance of Expenditures to complete construction	\$ 267,284

11.-LETHBRIDGE, ALTA., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	
Buildings	142,274
Total Expenditures Authorized	<u>142,274</u>
" " to Mar.31/44	<u>41,427</u>
Balance of Expenditures to complete construction.	\$ 100,847

12.-NAMA0, ALTA., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	200,000
Total Expenditures Authorized	<u>200,000</u>
" " to Mar.31/44	<u>144,053</u>
Balance of Expenditures	\$ 55,947

13.-PRINCE GEORGE, B.C., AIRPORT

Canadian Expenditures authorized to March 31/44
on facilities requested by U.S. Authorities

Land	3,000
Buildings	251,574
Power & Lighting	47,707
Water	101,348
Road Construction	10,135
Radio Equipment	25,000
Total Expenditures Authorized	<u>438,761</u>
" " to Mar.31/44	<u>417,903</u>
Balance of Expenditures to complete construction	20,858

14.-REGINA, SASK., AIRPORT

Canadian Expenditures Authorized to March 31/44
on Facilities requested by U.S. Authorities

Land	
Field	135,975
Total Expenditures Authorized	<u>135,975</u>
" " to Mar.31/44	<u>134,646</u>
Balance of Expenditures to complete construction	\$ 1,329

15.-SMITH RIVER, B.C., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	
Field	427,593
Buildings	170,287
Power & Lighting	139,984
Water	21,783
Road Construction	133,751
Radio Equipment	125,000
Total Expenditures Authorized	<u>\$1,018,398</u>
" " to Mar.31/44	<u>813,130</u>
Balance of Expenditures to complete construction	\$ 205,268

16.-SNAG, YUKON, AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	-
Field	255,232
Buildings	304,327
Power and Lighting	92,401
Road Construction	78,439
Radio Equipment	125,000
Total Expenditures Authorized	<u>855,399</u>
" " to Mar.31/44	<u>645,095</u>

Balance of Expenditures to complete construction. \$ 210,304

17.-TESLIN, YUKON, AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	-
Field	437,232
Buildings	206,807
Power & Lighting	93,061
Radio Equipment	125,000
Total Expenditures Authorized	<u>862,100</u>
" " to Mar.31/44	<u>784,493</u>

Balance of Expenditures to complete construction. \$ 77,607

18.-WATSON LAKE, YUKON, AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	-
Field	474,593
Buildings	588,096
Power & Lighting	109,827
Water	21,169
Radio Equipment	25,000
Total Expenditures Authorized	<u>1,218,685</u>
" " to Mar.31/44	<u>1,035,374</u>

Balance of Expenditures to complete construction. \$ 183,311

19.-WHITEHORSE, YUKON, AIRPORT

Canadian Expenditures Authorized to March 31/44
on Facilities requested by U.S. Authorities

Land	-
Field	1,297,544
Buildings	1,215,894
Power and Lighting	179,357
Radio Equipment	25,000
Total Expenditures Authorized	<u>2,717,795</u>
" " to Mar.31/44	<u>2,189,627</u>

Balance of Expenditures to complete construction. \$ 528,168

20. ADDITIONAL CONSTRUCTION WORK UNDERTAKEN BY CANADA IN 1944
AT THE REQUEST OF THE UNITED STATES

<u>Description</u>	<u>Estimated Cost</u>
<u>EDMONTON, ALTA.</u>	
Bituminous hard surface to be removed, and reconstructed with cement concrete	\$ 1,250,000
<u>GRANDE PRAIRIE, ALTA.</u>	
Additional bituminous top on existing bituminous runways, and taxi strips as well as concrete turning ends and parking areas	1,500,000
<u>FORT NELSON, B.C.</u>	
Additional bituminous top on existing bituminous runways and taxi strips as well as cement concrete turning ends and parking areas	\$ 760,000
Completion of Taxi strips and parking areas which were a part of "C" programme	940,000
Temporary Landing Strips, provision of which is necessitated to provide landing facilities during period airfield under reconstruction	<u>103,000</u>
	1,803,000
<u>WATSON LAKE, Y.T.</u>	
Additional bituminous top on one runway and certain taxi strips as well as bituminous surface treatment on second runway and taxi strips	\$ 500,000
Temporary land strip, provision of which is necessitated to provide landing facilities during period airfield under reconstruction	<u>108,000</u>
	<u>608,000</u>
Total	\$ 5,161,000

21.-CANADIAN EXPENDITURES AUTHORIZED TO MARCH 31/44
ON FACILITIES REQUESTED BY U.S. AUTHORITIES

SUMMARY

NORTHEAST CANADA

	Total Expenditure Authorized	Total Expenditure to March 31/44	Balance of Expenditure to Complete Construction
Mingan, P.Q., Emergency Landing Field	\$ 36,160	\$ 35,000	\$ 1,160
The Pas, Man., Airport	1,253,850	921,650	332,200
	<u>\$1,290,010</u>	<u>\$ 956,650</u>	<u>\$ 333,360</u>

22.-MINGAN, P.Q., EMERGENCY LANDING FIELD

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	\$ 36,160
Total Expenditures Authorized	36,160
" " to Mar.31/44	<u>35,000</u>
Balance of Expenditures	\$ 1,160

23.-THE PAS, MAN., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	\$ -
Field	49,350
Buildings	1,167,490
Railway Spur	37,010
Total Expenditures Authorized	<u>\$1,253,850</u>
" " to Mar.31/44	<u>921,650</u>
Balance of Expenditures to complete construction	\$ 332,200

24.-GOOSE BAY, LAB., AIRPORT

Canadian Expenditures Authorized to March 31/44
on facilities requested by U.S. Authorities

Land	\$ -
Field	708,109
Buildings	9,187,057
Water	38,840
Marine Railway	16,674
Total Expenditures Authorized	<u>\$9,950,680</u>
" " to Mar.31/44	<u>559,756</u>
Balance of Expenditures to complete construction	\$3,390,924

II

The Secretary of State of the United States
to the Canadian Ambassador at Washington

DEPARTMENT OF STATE

Washington, June 27, 1944.

Excellency:

I have the honor to refer to your note of June 23, 1944 in regard to a decision of the Canadian Government to reimburse the United States Government for the expenditures on certain defense installations in Canada and at Goose Bay (Labrador). The proposals set forth in Your Excellency's note are acceptable to the Government of the United States. It is agreed that your note and this reply shall be regarded as placing on record the understanding arrived at between our Governments.

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

For the Secretary of State:

A.A. BERLE, Jr.

PERMANENT JOINT BOARD ON DEFENSE
Washington 25, D.C.

1 January 1945.

Mr. Ronald M. Macdonnell,
Acting Secretary, Canadian Section,
Permanent Joint Board on Defense,
Canada-United States,
Department of External Affairs,
Ottawa, Ontario, Canada.

Dear Mr. Macdonnell :

As you know certain immovable installations in Canada are, under the 53d Recommendation of the Permanent Joint Board on Defense, Canada-United States, being appraised by appraisers representing each Canada and United States and ultimately the Canadian Government will pay the U. S. Government the amount set by the appraisers in question.

To prevent confusion in Washington, if and when checks arrive, and also in order to keep account of the items which have been paid for, it is requested that, if satisfactory to the Canadian Government, when any such payments are made the check or checks be made payable to the Treasurer of the United States and these checks be sent, together with a statement showing for what the payment is made, to the Real Estate Division, Office Chief of Engineers, U. S. Army, New War Department Building, 21st & Virginia Avenue, Washington, D.C.

I wish to assure you, in making the above request, that there are no thoughts whatsoever that the United States is pressing for any payment but simply a desire to channelize such payments when made.

Colonel Francis Graling, our Military Attache in Ottawa, has informally contacted Dr. W. Clifford Clark, Deputy Minister of Finance, on this subject and Dr. Clark has suggested the matter be referred to him upon the receipt of this official request.

With kind regards, I remain,

Sincerely yours,

GUY V. HENRY

Major General, U.S. Army,
Senior U.S. Army Member.

PERMANENT JOINT BOARD ON DEFENCE
Canadian Section

January 13, 1945.

Dear General Henry :

I have taken up with Dr. Clark the suggestion made in your letter of January 1 regarding the procedure which it would be desirable for Canadian Government departments and agencies to follow when making payments for immovable installations purchased under the terms of the Thirty-Third Recommendation.

I am pleased to inform you that the channel which you have proposed is entirely acceptable to us. I am therefore notifying all Canadian Government departments likely to be concerned that cheques should be made payable to the Treasurer of the United States and sent, together with a statement showing for what the payment is made, to the Real Estate Division, Office Chief of Engineers, United States Army, New War Department Building, 31st & Virginia Avenue, Washington, D.C.

Yours sincerely,

R. M. MACDONNELL

Acting Secretary,
Canadian Section.

Major General G. V. Henry,
Senior U. S. Army Member,
Permanent Joint Board on Defence,
Room 3E335-40, Pentagon Building,
Washington, D.C.

EMBASSY OF THE UNITED STATES OF AMERICA,
Ottawa, February 8, 1945.

CONFIDENTIAL

No. 888

Sir :

I have the honor to refer to the 33rd Recommendation of the Permanent Joint Board on Defense, United States and Canada, in regard to the disposition of defense projects, installations and facilities built or provided in Canada by the Government of the United States. This Recommendation, as you will recall, was approved by the United States Government on November 11, 1944, and was subsequently incorporated in an exchange of notes initiated by the Canadian Ambassador in Washington under date of November 22 and concluded by the Secretary of State's reply dated December 20, 1944.

The 33rd Recommendation provides under Immovables, paragraph (a), that the Government of the United States shall, within three months from the date of the approval of the Recommendation, supply the Government of Canada with a list of immovables which it desires to make subject to the provisions of the Recommendation.

Accordingly, I have the honor to enclose the list of immovables which the United States Government desires to dispose of in accordance with the 33rd Recommendation procedure.

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

For the Ambassador :

LEWIS CLARK
Counselor of Embassy

Enclosure

The Right Honorable
The Secretary of State
for External Affairs,
Ottawa

LIST OF IMMOVABLES

(Defense Projects built or provided in Canada by the U.S.)

- | | | |
|------|---|---------------------|
| (1) | Camp 550 | Edmonton, Alberta |
| (2) | Jesuit College | Edmonton, Alberta |
| (3) | Dawson Creek Base & appurtenances thereto | |
| (4) | EPC Building | Edmonton, Alberta |
| (5) | Edmonton Station Hospital & appurtenances thereto | Edmonton, Alberta |
| (6) | Edmonton Railhead & appurtenances thereto | Edmonton, Alberta |
| (7) | 4 Duplex Residences | Whitehorse, Y.T. |
| (8) | Calder & Refiner Spur Warehouses | Edmonton, Alberta |
| (9) | Cushing Garage | Edmonton, Alberta |
| (10) | U. S. Army Recreation Center | Edmonton, Alberta |
| (11) | Okes Warehouse | Edmonton, Alberta |
| (12) | U. S. Signal Corps Camp | Edmonton, Alberta |
| (13) | Charlie Lake Laundry | Fort St. John, B.C. |
| (14) | Weather Stations and Communications facilities: | |

Brooks Brook, Y.T.
Burwash Landing
Calgary, Alberta
Camp Blueberry, B.C.
Casgrain, Ontario
Canyon Creek, Y.T.
Clyde River, Baffin Island
Coal River, B.C.
Dawson Creek
Dease Lake, B.C.
Devils Pass
Duck Lake, Saskatchewan
Edmonton, Alberta
Edmonton, Alberta (RCO)
Embarras Portage
Eskimo Point, NWT, Canada
Fawcett, Alberta
Fish Lake (375 miles from Whitehorse on Canol Road) Y.T.
Fort McMurray
Fort Nelson, B.C.
Fort Smith
Fort St. John, B.C.
Fort Wrigley
Hay River
Hudson Bay Junction

CONFIDENTIAL

List of Immovables (Cont'd)

Grande Prairie, Alberta
Gillam, Manitoba
Indian House Lake
Island Falls, Saskatchewan
Lake Harbour, Baffin Island
Log Cabin, B.C. (on White Pass and Yukon Railroad)
Mecatina, Quebec
Mills Lake
Montreal, Quebec
Muncho Lake, B.C.
Nanaco Airport
Norman Wells
Orobie Lake, Y.T. (Canol)
Pudloping Island, N.W.T.
Peace River, Alta. (Part of Peace River to be retained by us)
Prince George
Rancheria, Y.T.
Regina, Saskatchewan
Ross River
Summit Lake, B.C.
Swift River, Y.T.
Takla Landing, B.C.
The Pas, Manitoba
Trout Lake, N.W.T.
Trout-Liard, B.C.
Trutch, B.C.
Valley View, Alberta
Wabowden, Manitoba
Wagner, Alberta
Watson Lake, Y.T.
Whitehorse, Y.T.

(15) Alaska Highway Relay Stations (Mileage above Dawson Creek):

Blueberry	MP-101
Trutch	MP-201
Nelson	MP-300
Summit Lake	MP-392
Muncho Lake	MP-455
Coal River	MP-545
Watson Lake	MP-635
Swift River	MP-733
Johnson Crossing	MP-835
Canyon Creek	MP-906
Destruction Bay	MP-1033
Koldern River	MP-1147

(16) Haines Road Relay Stations (Mileage above Haines, Alaska):

Station at MP-72
Station at MP-99

(17) Railhead & appurtenances McGrae, Y.T.

CONFIDENTIAL

List of Immovables (Cont'd)

- | | | |
|------|---|--------------------------|
| (18) | Headquarters, Northwest Service Command facilities & appurtenances thereto, including Base Installation | Whitehorse, Y.T. |
| (19) | Standard Oil Housing Area & Office Building | Whitehorse, Y.T. |
| (20) | Prince Rupert Support of Embarkation, Port Edward Staging Area, Watson Island ammunition loading pier and storage facilities, and appurtenances thereto | |
| (21) | Nelson Fisheries Property | Prince Rupert |
| (22) | Camp Prairie and appurtenances, including the boat yard | Waterways, Alberta |
| (23) | Camp and appurtenances and loading dock and facilities | Fort Smith, N.W.T. |
| (24) | Water transshipping facilities | Fitzgerald, Alberta |
| (25) | Camp and transshipping facilities | Mills Lake, N.W.T. |
| (26) | Construction camp and appurtenances | Pease River, Alberta |
| (27) | M.H.K.C.B. Office Area | Edmonton, Alberta |
| (28) | So much of the facilities at Airport, approximately 20 miles from town, as have not already been paid for by Canadian Government | The Pas, Manitoba |
| (29) | Shelter Houses | The Pas, Manitoba |
| (30) | AAA Camp Sites | Sault Ste. Marie Ontario |
| (31) | AAA Balloon Sites | Sault Ste. Marie Ontario |
| (32) | Small Navy Installation at Dease Lake, B.C. | |
| (33) | 4 Duplex residences (U.S. Navy) located near airfield, Prince George, B.C. | |

CANADA - UNITED STATES

WARTIME AGREEMENTS

FISHERIES

Fisheries

5

FISHERIES

P.C. 2748: Authorization for issuance of modus vivendi licences for U.S. fishing vessels visiting Atlantic coast ports: for 1940. (Re-enacted annually)	<u>Sept. 20, 1939</u>
Exchange of Notes regarding proposals for an International Board of Enquiry on conservation of Great Lakes Fisheries	<u>Feb. 29, 1940</u>
Exchange of Letter granting bait purchasing privileges for U.S. vessels fishing for ling cod and sharks: for 1942	<u>Mar. 6, 1942</u> <u>Mar. 18, 19, 1942</u>
Exchange of Memoranda concerning fishing in the Puget Sound Maritime Control Area	<u>April 8, 1942</u> <u>May 23, 1942</u>
P.C. 29/4860: Granting of licences to five U.S. fishing vessels using otter or other trawl of a similar nature until March 31, 1943.	<u>June 9, 1942</u>
Exchange of Notes granting special privileges for Canadian Halibut Fishing vessels at Alaskan ports during 1942	<u>July 2, 1942</u> <u>Aug. 15, 1942</u>
Exchange of Notes recording the acceptance of the Provisional Fur Seal Agreement	<u>Dec. 8, 1942</u> <u>Dec. 19, 1942</u>
Exchange of Letters extending purchase of bait privileges for United States vessels fishing for ling cod and sharks: for 1943	<u>Feb. 25, 1943</u> <u>Feb. 26, Mar. 5, 1943</u>
Exchange of Notes granting privileges to Canadian Halibut Fishing Vessels in Alaska: for 1943	<u>Mar. 30, 1943</u> <u>Apr. 23, 1943</u>
Exchange of Letters concerning the renewal of bait purchasing privileges for United States vessels fishing for ling cod, grayfish and sharks: for 1944	<u>Jan. 18, 1944</u> <u>Jan. 25, Feb. 3, 1944</u>
Pacific Halibut Fishery Regulations - 1944	<u>Apr. 1, 1944</u>
Exchange of Notes granting privileges for Canadian halibut vessels in Alaskan ports: for 1944	<u>June 26, 1944</u> <u>Aug. 25, 1944</u>
Exchange of Notes recording an agreement to facilitate the ascent of Salmon in Hells Gate Canyon	<u>July 21, 1944</u> <u>Aug. 5, 1944</u>
P.C. 8746: Renewal of bait purchasing privileges for U.S. vessels fishing for halibut and sable fish: for 1945	<u>Nov. 20, 1944</u>
Exchange of Notes concerning port privileges for U.S. vessels fishing for ling cod, sharks, gray fish and rockfish on the Pacific coast	<u>Jan. 29, 1945</u> <u>Mar. 31, 1945</u>
P.C. 2497: Renewal of bait purchasing privileges for U.S. vessels fishing for ling cod, sharks, grayfish and rockfish on the Pacific coast during 1945	<u>April 12, 1945</u>
P.C. 6635: Renewal of bait purchasing privileges for U.S. vessels fishing for halibut and sable fish: for 1946	<u>Oct. 23, 1945</u>

FISHERIES

Letter from Mr. Atherton to Mr.
Macdonnell concerning privileges for
Canadian halibut vessels in Alaskan
ports: for 1945

Oct. 26, 1945

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 20th September, 1939.

PRIVY COUNCIL



CANADA

The Committee of the Privy Council have had before them a report, dated 19th September, 1939, from the Minister of Fisheries submitting that for some years past the Minister of Fisheries has been authorized to issue so called modus vivendi licences to United States fishing vessels visiting Atlantic Coast ports under which special privileges are granted to them.

The Committee, on the recommendation of the Minister of Fisheries, advise that authority be given for continuing the granting of these licences during the calendar year 1940, the privileges to be covered by such licences to be restricted, as in the past, to the purchasing of bait, ice, seines, lines and all other supplies and outfits, and the fee for each such licence to be one dollar.

A. P. Henry.

Clerk of the Privy Council

DEPARTMENT OF STATE
WASHINGTON

February 29, 1940.

Sir,-

With reference to proposals which have been under consideration between representatives of our governments at Ottawa and Washington concerning the establishment of an International Board of Inquiry to consider and recommend measures for the conservation of the Great Lakes fisheries, I have the honor to confirm my understanding that an agreement for the establishment of such a Board has been reached in the following terms:

(1) The Board of Inquiry for the Great Lakes Fisheries shall be established, and shall consist of four members, two to be appointed by the Government of the United States of America and two to be appointed by the Canadian Government within three months from the date of this agreement.

(2) The Board shall make a study of the taking of fish in the Great Lakes, such a study to be undertaken as soon as practicable. The Board shall make a report of its investigations to the two governments and shall make recommendations as to the methods for preserving and developing the fisheries of the Great Lakes.

I shall appreciate it if you will inform me whether the terms of the agreement as herein set forth are in accordance with the understanding of your Government. If they are, it is suggested that the agreement be considered as becoming effective on this date.

Accept, Sir, etc.

CORDELL HULL

The Honorable Loring C. Christie,
Minister of Canada,
Washington, D. C.

CANADIAN LEGATION

WASHINGTON

February 29, 1940.

No. 74

Sir,-

I have the honour to acknowledge the receipt of your Note of February 29th, 1940, and, with reference to proposals which have been under consideration between representatives of the Canadian and United States Governments concerning the establishment of an International Board of Inquiry to consider and recommend measures for the conservation of the Great Lakes fisheries, I have the honour to confirm your understanding that an agreement for the establishment of such a Board has been reached.

The terms of this agreement which you have communicated to me are as follows:

(1) A Board of Inquiry for the Great Lakes Fisheries shall be established, and shall consist of four members, two to be appointed by the Government of the United States of America and two to be appointed by the Canadian Government within three months from the date of this agreement.

(2) The Board shall make a study of the taking of fish in the Great Lakes, such study to be undertaken as soon as practicable. The Board shall make a report of its investigations to the two Governments and shall make recommendations as to the methods for preserving and developing the fisheries of the Great Lakes.

I am instructed to state that the terms of the agreement as communicated to me are in accordance with the understanding of the Canadian Government.

I am further instructed to inform you that the Canadian Government concurs in your suggestion that the agreement be considered as becoming effective on this date and will accordingly consider it as becoming effective on this date.

I have, etc.

LORING C. CHRISTIE

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, March 6, 1942.

Dear Dr. Keenleyside:

We have been asked to take up with you urgently a request that the bait purchasing privilege at Canadian ports be extended to American boats fishing for ling cod and sharks.

On February 10th the Halibut Liver Oil Producers of Seattle, Washington, telegraphed to the Surplus Marketing Administration of the United States Department of Agriculture as follows:

"Are doing our utmost to get maximum fishing effort on vitamin A liver. Bait stocks now exhausted here. Canada has ample supplies and producing more but present Canadian order in council permits American fishing vessels to obtain bait when fishing halibut and sable only. Can you have British Purchasing Commission immediately advise Ottawa we need maximum fishing effort production of shark for vitamin A and have bait for this fishery included in present order in council."

In supporting this request with the Department of State the Surplus Marketing Administration added that it had been informed by the British that they desired to have vitamin A oil produced only from dogfish livers and soup-fin-shark livers. Other types of liver oils had been found by the British to be less desirable for their use of fortification of margarine. The Surplus Marketing Administration reports that the desired supply of this type of oil has been extremely hard to get and that the price has about tripled during the past year.

The Fish and Wildlife Service of the Department of the Interior has also taken this matter up with the Department of State urging that if the Canadian Government would extend this bait purchasing privilege to American boats fishing for ling cod and sharks, it would greatly facilitate the production of vitamin A fish liver oils which are urgently needed in Great Britain and in fact by all the United Nations.

Accordingly, we have been instructed by the Department of State to endeavour to obtain an extension of the bait purchasing privilege at Canadian ports to American boats for fishing for ling cod and sharks and, in this connection, to point out that it seems especially desirable that this step should be taken by the Canadian Government since, in spite of the fact that the American supply of fish oils rich in vitamin A has been greatly reduced as a

result of the war, the United States is supplying the United Kingdom with several trillion units of vitamin A this year under the Lend-Lease program.

I shall appreciate it if you will pass this request on to the appropriate authorities and obtain action for us as soon as may be feasible.

Sincerely yours,

(signed) Lewis Clark.

DEPARTMENT OF EXTERNAL AFFAIRS

March 18, 1942.

Please Refer To
our File No. 3199-40.

Dear Mr. Clark:

In reply to your letter of March 6, 1942, regarding the question of extending the bait purchasing privileges at British Columbia ports, to United States vessels fishing for ling cod, grayfish and sharks, I wish to say that I am advised by the Department of Fisheries that arrangements were made whereby such privileges were extended as from March 10th.

Yours sincerely,

(signed) H. L. Keenleyside.

Assistant Under Secretary of State
for External Affairs.

Lewis Clark, Esquire,
Secretary, Legation of the
United States of America,
O t t a w a.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, March 19, 1942.

Dear Mr. Clark,

With reference to recent discussions relating to the extension to United States fishing vessels of special port privileges on the British Columbia Coast, it gives me pleasure to send you a copy of the Order in Council of March 12, 1942, P.C. 1883, in which is embodied the decision of the Canadian Government in regard to this matter.

Yours sincerely,

(signed) H. L. Keenleyside.

Lewis Clark, Esq.,
United States Legation,
Ottawa.

April 8, 1942.

MEMORANDUM

With reference to a Proclamation issued on March 25, 1942 by President Roosevelt establishing the San Francisco, Columbia River, Puget Sound, Southeastern Alaska, Prince William Sound, Kodiak, and Unalaska Maritime Control Areas and prescribing regulations for the control thereof, these control areas are described as being "necessary in the interests of national defence". It is indicated that in these restricted areas private vessels may operate only during daylight under conditions of good visibility and then only after specific permission has been obtained through a United States Naval district headquarters or the proper local authorities.

One of the areas designated as "Puget Sound Maritime Control Area" is defined as follows:

"All waters, excluding Canadian territorial waters, contained within the seaward limit of an arc described with Cape Flattery Light, Washington, as a centre, a radius of fifty nautical miles, and meeting the shore line in the south in the vicinity of position Latitude $47^{\circ} 35'$ North, Longitude $124^{\circ} 22'$ West, and meeting the seaward limit of Canadian territorial waters in the north in the vicinity of position Latitude $48^{\circ} 56' 30''$ North, Longitude $125^{\circ} 40' 30''$ West."

The arc centering from Cape Flattery embraces waters adjacent to the British Columbia Coast outside Canadian territorial waters as far north as a point off the north-west entrance of Barclay Sound. Inasmuch as seine fishing for pilchards by Canadian vessels is carried on in these offshore waters, the order may be expected to interfere with these Canadian operations, not only from the standpoint of special permission from the United States authorities the vessels will need to procure to enable daylight operations, but in that the period just before dawn has been found by experience to be especially productive of good pilchard catches.

The Legation has been requested by the Canadian authorities to bring to the attention of the competent authorities of the United States Government the particular bearing the order may have on the fishing activities of Canadian vessels in the extra-territorial waters involved.

MERS.h.

MEMORANDUM

With reference to the Legation's memorandum of April 8, 1942, on the subject of fishing by Canadian vessels in the Puget Sound Maritime Control Area, there is quoted below the pertinent portion of a letter from the Navy Department dated May 14, 1942:

"The pertinent section of the Maritime Control Area regulations quoted in the enclosure is believed to be sufficiently flexible to permit normal operations of legitimate fishing craft when suitable arrangements are made with the local United States naval commander. Such arrangements for the necessary supervision of vessels have been made and are working satisfactorily in other areas.

"It is suggested that the local Canadian naval authorities communicate with the Commander, Northwest Sea Frontier at the Headquarters, Thirteenth Naval District, Seattle, Washington, regarding this matter. An officer of the Royal Canadian Navy was recently designated as Canadian Liaison Officer on the staff of the Commander, Northwest Sea Frontier, and there is a United States naval officer with similar duties in connection with the Pacific Coast Command, Canadian Royal Navy, and the Thirteenth Naval District."

811.801/890

Department of State,

Washington, May 23, 1942.

Order in Council granting license to United States vessels using otter or other trawl of a similar nature.

P. C. 29/4580

Certified to be a true copy of a Minute of a Meeting of the Treasury Board, approved by His Excellency the Governor General in Council, on the 9th June, 1942.

FISHERIES

The Board had under consideration the following memorandum from the Honourable the Minister of Fisheries:

"The undersigned has the honour to report that existing fishing equipment on the Atlantic coast of Canada fails, to a large extent, to provide the quantities of fresh and frozen fish required, first to meet the needs of the Ministry of Food of the United Kingdom, secondly, the home market and thirdly, the export market, particularly in the United States.

The Fisheries Act requires that a vessel using an 'otter' or other trawl of a similar nature, may only be operated from a Canadian port, or ports, if it is registered as a British ship in Canada and is owned by a Canadian or by a body corporate incorporated under the laws of the Dominion of Canada or of one of the Provinces thereof.

The General Seafoods, Limited, of Halifax, requests permission to bring to Canada, not more than five United States steam trawlers, that they be permitted to operate these vessels from Canadian ports, and that customs duty and excise taxes ordinarily payable on fish landed in Canada from these United States fishing vessels be remitted.

The undersigned, keeping in mind the urgent need for large additional supplies of fish and the inability of present equipment in Canada to produce these supplies, is satisfied that additional trawler facilities are required to assure maintenance of the supply of fresh fish which is necessary for the security, defence and welfare of Canada, and that it is not possible to obtain by charter or purchase any suitable vessel of British Registry, that not more than five United States trawlers should be permitted to operate from Canadian Atlantic ports. He has further the honour to recommend, with the concurrence of the Secretary of State for External Affairs, and the Minister of National Revenue, that, pursuant to Section 2 of the Customs and Fisheries Protection Act, R.S. 1927, Chapter 43, authority be given for the issuing of licences, to not more than five United States fishing trawlers to be effective to and including March 31, 1943, to fish for, take, dry or cure, any fish of any kind whatsoever in British waters within three marine miles of any of the coasts, bays, creeks or harbours of Canada not included within the limits specified and described in the first article of the Convention between his late Majesty, King George III and the United States of America, made and signed at London on the twentieth day of October, one thousand eight hundred and eighteen, the operations under such licences to be confined to Atlantic coast of Canada.

The Right Honourable
the Secretary of State for External Affairs.

P. C. 29/4860

The undersigned has further the honour to recommend, under authority of the War Measures Act, that customs duties and taxes ordinarily payable on fish, and products of the fisheries, landed in Canada from not more than five United States fishing vessels during the period of operation under licence as provided for in the preceding paragraph, be remitted.

The undersigned has further the honour to recommend, under authority of the War Measures Act, that the provisions of Sub-section (2) of Section 96 of the Fisheries Act, 22-25, George V, Chapter 42, be waived to enable the licensing of not more than five United States vessels to be licenced as vessels using an "otter" or other trawl of a similar nature so long as the vessels are licensed to fish in Canadian waters pursuant to the provisions of the Customs and Fisheries Protection Act."

The Board concur in the above report and recommendation, and submit the same for favourable consideration.

Sgd. A.D.P.Heeney

Clerk of the Privy Council.

July 2, 1942.

No. 460

The Canadian Minister presents his compliments to the Secretary of State and has the honour to refer to the meeting of the Canada-United States Fisheries Advisory Committee which was held in Montreal on June 10, 1942, and at which consideration was given to the possibility of according special privileges to Canadian fishing vessels at certain Alaskan ports. It will be recalled that United States vessels now enjoy privileges of comparable nature on the Canadian West Coast and that a few days ago permission was given to a United States Company to process whales in bond at a port on the Queen Charlotte Islands.

At the meeting in Montreal it was agreed that the Canadian Government would present arguments in favour of the extension of the desired privilege in the form of a Memorandum to be submitted to the United States authorities. In this connection there is attached a copy of a letter from the Deputy Minister of Fisheries, dated June 27, 1942, together with a Memorandum, entitled "Proposal for Special Privileges in American Ports to Canadian Halibut Vessels - Pacific Coast."

Mr. McCarthy would be grateful if the Department of State would bring this matter urgently to the attention of the appropriate United States authorities, with a view to favourable consideration at the earliest possible date.

CANADIAN LEGATION
WASHINGTON, D.C.

Office of the Deputy Minister of
Fisheries

OTTAWA

June 27th, 1942.

Attention : Dr. Keenleyside

Dear Mr. Robertson,

I desire to enclose, herewith, memorandum in duplicate reviewing the circumstances under which it is considered request might properly be made of the United States Government to accord special privileges at its ports on the Pacific Coast to Canadian fishing vessels engaging in the North Pacific halibut fishery.

I shall accordingly be grateful if you will arrange for representations to the United States seeking such privileges.

Pursuant to the International Pacific Halibut Fishery Regulations, halibut fishing in Area 2 will terminate on the 29th instant. Hence, it is hoped the matter may receive the early consideration of the United States authorities so that the privileges may be available without undue delay for possible use by Canadian vessels desiring to engage in Area 3 fishing to the extent such may be carried on, consistent with conformity to existing United States Naval restrictions there.

Yours truly,

D. B. FINN
Deputy Minister

N. A. Robertson, Esq.,
Under-Secretary of State for External Affairs,
O t t a w a.

PROPOSAL FOR SPECIAL PRIVILEGES IN AMERICAN PORTS
TO CANADIAN HALIBUT VESSELS -- PACIFIC COAST

1. Towards the close of last month, under shipping restrictions imposed by United States Naval authorities, arising out of wartime conditions, halibut fishing in those waters covered by the Halibut Convention between Canada and the United States, known as Area 3, and which lie north and west of Cape Spencer, Alaska, was halted. Later, modified orders enabled resumption of fishing on a limited scale in certain sections of the area. The effect was to cause a considerable number of the large Area 3 boats to transfer their fishing operations to Area 2, which embraces Convention waters lying off southeastern Alaska, south of Cape Spencer, and off the Coasts of British Columbia and the State of Washington.
2. This development has brought about earlier termination of halibut fishing in Area 2 as under the intensified fishing the catch quota there fixed by the International Pacific Halibut Fishery Regulations will be reached earlier than otherwise would be the case. A further result, from present indications, will be diminution in the halibut catch normally secured by Canada from the Convention waters, thereby further widening the disparity in volume of catch as between Canada and United States. In recent years the catch of Canadian vessels from Convention waters has amounted to approximately 25 per cent of the total catch, 75 per cent being taken by United States vessels.
3. In 1941 the total landings from Areas 2 and 3 aggregated 51,753,000 pounds. Of the total catch of 12,755,000 pounds realized by Canadian boats, 10,525,000 pounds, or approximately 82 per cent, came from Area 2. Most of the few vessels that Canada had engaging in the Area 3 fishery were taken over for coastal duty by the armed forces shortly after war was declared in 1939 so that the preponderant volume of the Area 3 catch is secured by United States vessels. Hence, incursion of Area 2 grounds by the United States fleet of large vessels normally operating in Area 3 is bound to cause a material reduction in the volume of Canadian landings ordinarily secured from the Area 2 quota, to which, as just stated, Canada looks for its main production. On the other hand, if and when the restrictions imposed upon Area 3 by the United States Navy are removed, Canada will not be able to participate, other than in a negligible way, because of the inability of its fleet of small vessels generally to make the long trip to the remote Area 3 fishing grounds from a Canadian base, unless some arrangement whereby port privileges in Alaskan territory similar to those extended to United States vessels in British Columbia, is made effective.
4. Since 1897, port privileges, varying in degree, have been extended by Canada to United States fishing vessels on the Pacific Coast. During the period 1918 to 1921, there was reciprocation of these privileges to Canadian vessels in American ports. This followed recommendation by the Canadian-American Fisheries Commission and an order of the U. S. Secretary of Commerce, dated February 21st, 1918, in the following terms :

"To promote the vigorous prosecution of the war and to make the utmost use jointly of all the resources of the nations now co-operating, you will permit, during the war, Canadian fishing vessels and those of other nations now acting with the United States to enter from and clear for the high seas and the fisheries, disposing of their catch and taking on supplies, stores, etc., under supervision as in the case of merchant vessels entering and clearing for foreign ports, except as to tonnage tax and other charges specifically imposed on entry from and clearance for foreign parts."

5. These privileges in United States ports came to an end when United States war legislation ceased to be effective on July 1st, 1921. Canada, however, has continued to accord privileges at its ports on the Pacific Coast to United States vessels engaging in the halibut and black cod fisheries under annual license at fee of \$1.00. Vessels so licensed are permitted

1. To purchase bait, ice, nets, lines, coal, oil, provisions and all other supplies and outfits.
2. To ship crews.
3. To land their catches without the payment of duties, and
 - (a) Trans-ship them in bond to any port in the United States;
 - (b) Sell them in bond to such local dealer or dealers as may be properly authorized therefor by the Minister of National Revenue, which dealer shall export the same in compliance with the bonding requirements;
 - (c) Sell them for use in Canada on payment of duty.

Copy of Order in Council of October 22nd, 1941, P.C. 8124, authorizing the privileges for 1942, is attached.

6. These privileges were further extended, pursuant to representations by the United States Government, by Order in Council of March 12th, 1942, P.C. 1883, copy attached, to United States vessels engaging in the ling cod, grayfish and shark fisheries. It was represented that such vessels were being handicapped in their fishing operations by lack of suitable bait; that this deficiency was militating against production of rich Vitamin "A" oils, recoverable from the livers of these fish, and which was urgently needed in the interests of the war effort of the United Nations; and that suitable supplies of bait were obtainable at British Columbia points.

7. Following representations from the United States Government in support of a request that these privileges be also extended to United States vessels engaging in whaling on the Pacific Coast, the Canadian Government has agreed to do so and in addition has authorized the arrangement whereby whales landed pursuant to such privileges may be processed in bond and the by-products therefrom be exported in bond or by sea. The request flowed from developing emergency conditions at and adjacent to Alaska, making it necessary to suspend planned whaling operations there during 1942, which operations were being encouraged and assisted by United States war production agencies.

8. In the aforementioned circumstances affecting Canada's present participation in the North Pacific halibut fishery, exploitation of which since its inception has been confined to Nationals of Canada and the United States, and which for nearly twenty years has been governed by Treaty between the two countries, and in view of the history of port privileges extended by Canada to United States fishing vessels on the Pacific Coast, as above outlined, it would seem not unreasonable that Canadian vessels engaging in such fishery should be extended privileges in American ports on the Pacific Coast similar to those presently accorded by Canada at its ports to United States vessels employed in that fishery.

9. It might be incidentally noted that, while the quantity of halibut being derived from Convention waters annually by Canada has been in substantially inferior proportion, the expense of regulation and maintenance of the fishery through the International Fisheries Commission (Halibut), are being borne equally by Canada and the United States.

O T T A W A
June 27th, 1942.
AJW/AEW

The Secretary of State presents his compliments to the Charge d'Affaires ad interim of Canada and refers to the Legation's note no. 480 of July 2, 1942 and the note of July 10, 1942 from the Department of State regarding the granting of certain privileges for Canadian halibut fishing vessels at Alaskan ports.

The Secretary of State is pleased to transmit herewith a copy of an order issued on August 7, 1942 by the Acting Secretary of the Treasury by which compliance with Section 4311 of the Revised Statutes of the United States is waived to the extent necessary, for the duration of the calendar year 1942, to permit Canadian fishing vessels engaged in the North Pacific halibut fishery to land their catch of halibut in ports of entry in Alaska upon compliance with the applicable customs laws. The Assistant Secretary of the Treasury has informed the Secretary of State that as these vessels are at the present time permitted to come into ports of the United States to ship crews and to secure supplies, equipment, or repairs, no further waiver is necessary in this connection.

Enclosure:

Copy of order.

Department of State,

Washington, August 15, 1942.

711.428-2704

WAIVER OF SECTION 4311 R.S.

Section 4311 R.S. (46 U.S.C. 251) waived to extent necessary to permit Canadian halibut fishing vessels to land catch of halibut in Alaska.

TREASURY DEPARTMENT,
Washington, D.C.

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED :

TITLE 46 - SHIPPING

CHAPTER I - BUREAU OF CUSTOMS

Subchapter A - Documentation, Entrance and Clearance of
Vessels, etc.

AN ORDER

Waiving compliance with the provisions
of section 4311 R.S. (46 U.S.C. 251)

Upon the written recommendation of the Secretary of State and by virtue of the authority vested in me by section 501 of the Second War Powers Act, 1942 (Public Law 507, 77th Congress), I hereby waive compliance with the provisions of section 4311 R. S. (46 U.S.C. 251) to the extent necessary, for the duration of the calendar year 1942, to permit Canadian fishing vessels engaging in the North Pacific halibut fishery only to land their catch of halibut in ports of entry in Alaska upon compliance with the applicable customs laws. I deem that such action is necessary in the conduct of the war.

(signed) HERBERT E. GASTON

Acting Secretary of the Treasury

DEPARTMENT OF STATE
WASHINGTON

December 8, 1942.

Sir:

I have the honor to refer to the conversation on August 12, 1942 between Mr. Merchant H. Mahoney, Counselor of the Canadian Legation, and an officer of the Department when Mr. Mahoney left an informal memorandum dated August 10, 1942 in which it is stated that the terms of the Department's note dated May 7, 1942 and the proposed provisional fur seal agreement between the United States and Canada contained therein are generally acceptable to the Canadian authorities but that the Canadian Department of Fisheries desires an interpretation of certain specific points.

The first of the points on which an interpretation is desired relates to the basis for the suggestion made by this Government that the Canadian share of the fur seal-skins taken annually on the Pribilof Islands be increased to 20 percent by adding to the 15 percent heretofore received by Canada under the fur seal convention concluded on July 7, 1911 between the United States, Great Britain, Japan, and Russia, a part of the share formerly received by Japan under that convention. With regard to this I am pleased to say that, in accordance with conversations between representatives of our two Governments, this Government's proposal that the Canadian share of the fur sealskins be increased to 20 percent is in recognition of the principles underlying the fur seal convention of July 7, 1911, and the cooperation of the Canadian Government in scientific arrangements for the conservation of the fur seal herd. This figure is calculated with reference to the pro rata share heretofore received by Canada and to Canada's established interest in the fur seal resources, and is intended to be provisional only for the purposes of the present agreement.

With reference to the second point mentioned in the Legation's memorandum, I have to say that no objection is perceived to the deletion of the word "North" as used in the expression "North Pacific Ocean" in Article I of the text of the agreement as proposed in the Department's note of May 7, 1942.

No objection is perceived to the suggestion, made under the third point in the Legation's memorandum, that consultations between the two Governments from time to time regarding the level of population of the herd, provided for by Article VIII of the proposed agreement, shall also include other important phases of management or policy relating to the herd.

Likewise, no objection is perceived to the suggestions, made under the fourth point in the Legation's memorandum, that the agreement shall be retroactive for the 1942 season; also that it shall remain in effect for twelve months after the end of the present emergency unless either Government enacts legislation contrary to its provisions or until twelve months after either Government shall have notified the other Government of an intention of terminating the agreement.

The Honorable Leighton McCarthy, K.C.,

Minister of Canada.

With particular reference to the text of the proposed agreement, it is understood, from conversations between representatives of our two Governments, that as far as practicable the provisions of the fur seal convention of July 7, 1911 should be incorporated in the agreement together with the following principal changes and additions:

(1) An increase in the Canadian share of the fur sealskins taken annually on the Pribilof Islands from 15 percent to 20 percent.

(2) A provision in the agreement for pelagic sealing under emergency circumstances. It is the view of the Government of the United States that the details regarding the conditions under which pelagic sealing might be conducted and the sharing of the sealskins taken by pelagic sealing should be the subject of consultation between the two Governments in the event circumstances indicate that pelagic sealing should be resorted to in order to utilize effectively the fur seal herd.

(3) A provision permitting the issuance of permits for the taking of fur seals for purposes of scientific research and the exchange of information obtained by such research.

(4) A provision that the two Governments consult from time to time regarding the level of population at which the seal herd is to be maintained or other important phases of management or policy.

In the light of these considerations, the Government of the United States is prepared to enter into a provisional fur seal agreement with the Government of Canada in the following terms which embody the suggestions made by representatives of the Canadian Government:

ARTICLE I

The provisions of this Agreement shall apply to all waters of the Bering Sea and the Pacific Ocean, north of the thirtieth parallel of north latitude and east of the one hundred and eightieth meridian.

ARTICLE II

The Government of the United States of America and the Government of Canada mutually and reciprocally agree that:

(a) Excepting as may be authorized pursuant to paragraph (c) of this Article, nationals or citizens of the respective countries, and all persons, and vessels, subject to their laws and treaties, shall be prohibited, while this Agreement remains in force, from engaging in pelagic sealing in the waters within the area defined in Article I, and that every such person and vessel offending against such prohibition may be seized, except within the territorial jurisdiction of the other Party to this Agreement, and detained by the naval or other duly commissioned officers of either of the Parties, to be delivered as soon as practicable to an authorized official of their own nation at the nearest point to the place of seizure, or elsewhere as may be mutually agreed

upon; and that the authorities of the nation to which such person or vessel belongs alone shall have jurisdiction to try the offense and impose the penalties for the same; and that the witnesses and proofs necessary to establish the offense, so far as they are under the control of either of the Parties to this Agreement, shall be furnished with all reasonable promptness to the authorities having jurisdiction to try the offense;

(b) No person or vessel shall be permitted to use any of the ports or harbors of either of the Parties to this Agreement or any part of the territories of such Parties for any purposes connected with the operation of pelagic sealing in the waters within the area defined in Article I; and the importation into or possession within their respective territories of skins of fur seals taken in those waters other than in accord with the provisions of this Agreement shall not be permitted; and

(c) Notwithstanding the foregoing provisions, pelagic sealing may be conducted, in the event of emergency circumstances, by an agency or agencies authorized by either of the two Governments under such conditions and for such a period as may be agreed upon by consultation between the two Governments, and the skins thus taken shall be shared in such a manner as may be agreed upon between them.

ARTICLE III

The United States agrees that of the total number of sealskins taken annually under the authority of the United States upon the Pribilof Islands or any other islands or shores of the waters defined in Article I subject to the jurisdiction of the United States to which any seal herds hereafter resort, there shall be delivered at the Pribilof Islands or at such other point or points as may be acceptable to both Governments, at the end of each season during the term of this Agreement 20 percent gross in number and value thereof to an authorized agent of the Canadian Government.

ARTICLE IV

It is agreed on the part of Canada that in case any fur seals hereafter resort to any islands or shores of the waters defined in Article I subject to the jurisdiction of Canada, there shall be delivered at the end of each season during the term of this Agreement 20 percent gross in number and value of the total number of sealskins taken annually from such herd to an authorized agent of the Government of the United States of America at Vancouver, British Columbia, or at such other point or points as may be acceptable to both Governments.

ARTICLE V

The provisions of this Agreement shall not apply to Indians, Aleuts, or other aborigines dwelling on the coasts of the waters defined in Article I, who carry on pelagic sealing in canoes not transported by or used in connection with other vessels, and propelled entirely by oars, paddles or sails, and manned by not more than five persons each, in the way hitherto practiced, and without the use of firearms; provided that such aborigines are not in the employment of other persons or under contract to deliver the skins to any person.

ARTICLE VI

The term pelagic sealing is hereby defined for the purposes of this Agreement as meaning the killing, capturing, or pursuing in any manner whatsoever of fur seals at sea.

ARTICLE VII

Notwithstanding anything contained in the preceding Articles of the present Agreement, either Party to this Agreement may grant to any of its nationals or agencies a special permit to take fur seals for purposes of scientific research subject to such restrictions as to number and subject to such other conditions as the Party deems appropriate. Each Party shall at the end of each calendar year inform the other Party of the number of animals taken and the data obtained under such permits.

ARTICLE VIII

Nothing contained in the present Agreement shall restrict the right of the United States at any time to suspend altogether the taking of sealskins upon the Pribilof Islands or any other islands or shores of the waters defined in Article I subject to its jurisdiction, or the right of the United States to impose such restrictions and regulations upon the total number of skins which may be taken in any season and the manner and times and places of taking skins as may seem necessary to protect and preserve the seal herd or to increase its numbers, provided, however, that the two Governments will consult from time to time regarding the level of population at which the seal herd is to be maintained or other important phases of management or policy.

ARTICLE IX

Each of the Parties agrees to enact and enforce such legislation as may be necessary to make effective the foregoing provisions with appropriate penalties for violations thereof.

The Parties further agree to cooperate with each other in taking such measures as may be appropriate for the enforcement of the foregoing provisions.

ARTICLE X

This Agreement shall enter into force on the day the President of the United States of America approves legislation enacted by the Congress of the United States for its enforcement, and the day the Government of Canada issues an Order in Council applying the provisions of the Agreement, or should the President's approval of the legislation and the issuance of the Order in Council be on different days, on the date of the later in time of such approval by the President or issuance of such Order in Council. When this Agreement shall have entered into force it shall be deemed to have been in effect as from June 1, 1942. The Agreement shall remain in effect for the duration of the present emergency and twelve months thereafter unless either the Government of the United States of America or the Government of Canada enacts legislation contrary to its provisions or until twelve months after either Government shall have notified the other Government of an intention of terminating the Agreement.

If the foregoing is acceptable to the Government of Canada, this note and your reply thereto will be regarded as placing on record the provisional agreement of the Government of the United States of America and the Government of Canada for the protection, preservation and utilization of the fur seal herd of the Pribilof Islands.

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

CORDELL HULL

CANADIAN LEGATION

WASHINGTON

December 19, 1942.

No. 794

Sir:

I have the honour to acknowledge the receipt of your Note of December 8th, 1942, setting forth the terms of the provisional fur seal agreement which the Government of the United States is prepared to enter into with the Government of Canada.

Under instructions from my Government, I hereby advise you that the Government of Canada accepts the proposals of the Government of the United States contained in your Note and in particular the provisional agreement.

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

LEIGHTON McCARTHY

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, February 25, 1943.

Dear Mr. Keenleyside:

On March 6 of last year I wrote you urgently requesting that the bait purchasing privilege at Canadian ports be extended to American boats fishing for ling cod and sharks. As a result, order in council, P.C. 1883 of March 12, 1942, was issued, granting the privilege for the calendar year 1942.

I have now been requested again to take this matter up with you for the calendar year 1943, as it seems highly desirable in the interest of the war effort that the fishing privileges in question should again be granted this year.

As I have been directed to state that the matter is considered one of considerable urgency, I shall appreciate it if you will pass this request on to the appropriate authorities and obtain action for us as soon as may be possible.

Sincerely yours,

(signed) Lewis Clark.

Chargé d'Affaires ad interim.

Hugh L. Keenleyside, Esquire,
Assistant Under-Secretary of State
for External Affairs,
Ottawa.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, February 26, 1943.

Dear Mr. Clark,

In Dr. Keenleyside's absence I received your letter of February 25th concerning the renewal, for a period of one year, of the provisions of Order-in-Council P.C. 1893 of March 12th, 1942, concerning the purchase of bait by fishing vessels engaged in fishing for so-called Ling Cod, Grayfish and Sharks.

I made inquiries from the Department of Fisheries and was informed that arrangements are being immediately made for extending these privileges for the year 1943.

Yours sincerely,

(sgd) H. F. Angus.

Mr. Lewis Clark,
United States Chargé d'Affaires,
United States Legation,
O t t a w a.

P. C. 1883

AT THE GOVERNMENT HOUSE AT OTTAWA
THURSDAY, the 12th day of MARCH, 1942.

PRESENT:

HIS EXCELLENCY
THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS by Order in Council of October 22nd, 1941, P.C. 8124, the Minister of Fisheries was authorized to issue licenses for the calendar year 1942, continuing special port privileges, as follows, that have been permitted on an annual basis, for many years, to United States halibut fishing vessels on the British Columbia Coast, the fee for each such license being \$1.00:

1. To purchase bait, ice, nets, lines, coal, oil, provisions and all other supplies and outfits.
2. To ship crews.
3. To land their catches without the payment of duties, and
 - (a) Trans-ship them in bond to any port in the United States;
 - (b) Sell them in bond to such local dealer or dealers as may be properly authorized therefor by the Minister of National Revenue, which dealer shall export the same in compliance with the bonding requirements;
 - (c) Sell them for use in Canada on payment of duty.

AND WHEREAS the Minister of Fisheries reports that representations have been received from the United States Government for extension of such privileges to United States vessels fishing for so-called ling cod, grayfish and sharks;

That it is intimated that such vessels are being handicapped in their fishing operations by lack of suitable bait; that this deficiency is militating against production of rich Vitamin "A" oils, recoverable from the livers of the fish named, and which is urgently needed in the interests of the war effort of the United Nations, and more particularly to meet supplies for Great Britain under the Lease-Lend programme and that suitable supplies of bait are obtainable at British Columbia points.

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Minister of Fisheries, and under the authority of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, is pleased to authorize and doth hereby authorize the Minister of Fisheries to grant licenses to United States fishing vessels on the Pacific Coast engaging in fishing for so-called ling cod, grayfish and sharks, during the calendar year 1942, covering privileges similar to those extended by Order in Council P.C. 8124, as aforementioned, the fee for each such license to be \$1.00.

Signed A.D.P. Heeney
Clerk of the Privy Council.

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, March 5, 1943.

Dear Mr. Clark,

With reference to Mr. Angus' letter of February 26th, concerning the renewal for the period of one year of the provisions of Order-in-Council P.C. 1883 allowing the purchase of bait by United States fishing vessels engaged in fishing for Ling Cod, Grayfish and Sharks, I take pleasure in informing you that these provisions have been renewed for 1943.

I am sending you a copy of Order-in-Council of March 1st, 1943 P.C. 1604, by which this renewal is effected.

Yours sincerely,

(Signed) Hugh L. Keenleyside

Assistant Under-Secretary of State
for External Affairs.

Lewis Clark, Esquire,
Charge d'affaires,
United States Legation,
O t t a w a.

AT THE GOVERNMENT HOUSE AT OTTAWA

MONDAY, the 1st. day of MARCH, 1943.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS in the interests of the war effort of the United Nations special port privileges, as follows were extended for the year 1942, by Order-in-Council, P.C. 1883, dated March 12, 1942, to United States vessels fishing for ling cod (so-called), grayfish and sharks on the British Columbia Coast:-

1. To purchase bait, ice, nets, lines, coal, oil provisions and all other supplies and outfits.
2. To ship crews.
3. To land their catches without the payment of duties, and
 - (a) Trans-ship them in bond to any port in the United States;
 - (b) Sell them in bond to such local dealer or dealers as may be properly authorized therefor by the Minister of National Revenue, which dealer shall export the same in compliance with the bonding requirements;
 - (c) Sell them for use in Canada on payment of duty.

AND WHEREAS the Minister of Finance reports that representations have been received from the United States Government that such privileges be continued as they are deemed highly desirable in the interest of furthering the war effort.

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Minister of Fisheries; and under the authority of the War Measures Act, Chapter 206, R.S.C. 1927, is pleased to authorize and doth hereby authorize the Minister of Fisheries to grant licenses to United States fishing vessels on the Pacific Coast engaging in fishing for ling cod (so-called), grayfish and sharks during the calendar year 1943 that will cover the above specified privileges, the fee on each such license to be as heretofore \$1.00.

SGD. A.F. HEENEY

Clerk of the Privy Council.

No. 176

The Canadian Minister presents his compliments to the Secretary of State and has the honour to refer to Mr. Hull's note of August 15, 1942 and previous correspondence regarding the granting of certain privileges for Canadian halibut fishing vessels at Alaskan ports, also to copy of an order issued on August 7th, 1942 by the Acting Secretary of the Treasury in connection with this matter.

Mr. McCarthy would be grateful if the Department of State would inform the competent authorities of the United States Government that the Canadian Department of Fisheries desire that these privileges accorded to Canadian Halibut vessels in Alaskan ports for the duration of the calendar year 1942 be renewed for the calendar year 1943.

In this connection it may be stated that the Canadian Department of Fisheries are extending the privileges granted to United States vessels engaged in halibut and black cod fisheries at Canadian Pacific ports for 1943, as well as the United States boats fishing for ling cod (so-called), grayfish, and sharks. A copy of the 1943 Canadian authorization relating to these privileges is transmitted herewith.

CANADIAN LEGATION,
WASHINGTON, D.C.,
March 30, 1943.

mmj:nt

The Secretary of State presents his compliments to the Honorable the Minister of Canada and has the honor to refer to the Minister's note no. 176 of March 30, 1943 and the note of April 6, 1943 from the Secretary of State regarding the desire of the Canadian Department of Fisheries that certain privileges accorded to Canadian halibut fishing vessels in Alaskan ports during the calendar year 1942 be renewed for the calendar year 1943.

The Secretary of State is pleased to transmit herewith a copy of an order issued on April 15, 1943 by the Acting Secretary of the Treasury by which compliance with section 4311 of the Revised Statutes of the United States is waived to the extent necessary, for the duration of the calendar year 1943, to permit Canadian fishing vessels engaging in the North Pacific halibut fishery to land their catch of halibut in ports of entry in Alaska upon compliance with the applicable customs laws. The Assistant Secretary of the Treasury has informed the Secretary of State that as these vessels are at the present time permitted to come into ports of the United States to change crews and to secure supplies, equipment, and repairs, no further waiver is necessary in this connection.

Enclosure:

Copy of order.

Department of State,

Washington, April 25, 1943.

711.428/2768

EMBASSY OF THE
UNITED STATES OF AMERICA.

Ottawa, January 18, 1944.

Dear Mr. Keenleyside:

On February 25, 1943 I wrote you requesting that the bait purchasing privilege in Canadian ports be extended to American boats fishing for ling cod, grayfish and sharks on the British Columbia coast, and with your letter of March 5, 1943 you sent me a copy of order in council P.C. 1804 of March 1, 1943, granting this privilege. We have now been informed that when the bait purchasing privilege was extended this year the order in council failed to include the privilege of purchasing bait for ling cod, grayfish and shark.

As the conditions which warranted the extension of this privilege last year continue, I have been directed to request that the privileges again be extended for the current year. In making this request I have been directed to ask that the bait purchasing privileges be extended to American boats fishing for rock fish or red cod as well as for ling cod, grayfish and shark.

As I am informed that this matter is one of considerable urgency, I shall appreciate it if you will pass this request on to the appropriate authorities and obtain action for us as soon as may be possible.

Yours sincerely,

(Signed) Lewis Clark

H. L. Keenleyside, Esquire,

Assistant Under Secretary of State

for External Affairs,

Ottawa.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, January 25, 1944.

Dear Mr. Clark,

I am replying to your letter to Mr. Keenleyside of January 18 requesting that the bait purchasing privilege in Canadian ports be extended to United States boats fishing for ling cod, grayfish and sharks on the British Columbia coast and also to boats fishing for rock fish or red cod.

I take pleasure in informing you that arrangements are being made immediately whereby the privileges granted for the year 1943 are being extended for the year 1944. These privileges will also be extended to vessels fishing for rock fish or red cod. The bait purchasing privilege for United States vessels fishing for ling cod, grayfish, sharks and rock fish or red cod is, of course, a special wartime measure which will not necessarily be applied in the post-war period.

Yours sincerely,

(Signed) N.A. Robertson

Under Secretary of State
for External Affairs.

Lewis Clark, Esquire,
Embassy of the United States of America,
O t t a w a, Canada.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, February 3, 1944.

Dear Mr. Clark,

In continuation of my letter of January 26 regarding the continuance for 1944 of certain port privileges on the Pacific coast for United States vessels, I enclose a copy of an Order-in-Council, P.C. 419, dated January 21, 1944, under the War Measures Act. I believe you will find that this confers the privileges which you were directed to request for the current year.

Yours sincerely,

(Signed) Escott Reid

(for the) Under Secretary of State
for External Affairs.

Lewis Clark, Esquire,
United States Embassy,
O t t a w a, Canada.

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, the 21st day of JANUARY, 1944.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS in the interests of the war effort of the United Nations and under the authority of the War Measures Act, special port privileges as follows to United States vessels fishing for ling cod (so-called), grayfish and sharks on the British Columbia Coast, were extended for the year 1943 by Order in Council dated March 1, 1943, P.C. 1804,-

1. To purchase bait, ice, nets, lines, coal, oil, provisions and all other supplies and outfits.
2. To ship crews.
3. To land their catches without the payment of duties, and
 - (a) Trans-ship them in bond to any port in the United States;
 - (b) Sell them in bond to such local dealer or dealers as may be properly authorized therefor by the Minister of National Revenue, which dealer shall export the same in compliance with the bonding requirements;
 - (c) Sell them for use in Canada on payment of duty.

AND WHEREAS the Minister of Fisheries reports that representations have been received from the United States Government that such privileges be continued as they are deemed highly desirable in the interests of furthering the war effort; also, that the privileges should be extended to include United States vessels fishing for rock cod.

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Minister of Fisheries, and under the authority of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, is pleased to authorize and doth hereby authorize the Minister of Fisheries to grant licenses to United States fishing vessels on the Pacific Coast engaging in fishing for ling cod (so-called) rock cod, grayfish and sharks, during the calendar year 1944, that will cover the above specified privileges, the fee on each license to be, as heretofore, \$1.00.

(Signed) A.D.P. Heeney,
Clerk of the Privy Council.

The Honourable
the Minister of Fisheries.

No. 239

The Canadian Ambassador presents his compliments to the Secretary of State and with reference to his Note of April 23, 1943, and previous correspondence concerning certain privileges accorded to Canadian halibut fishing vessels in Alaskan ports during the year 1942 and renewed for the calendar year 1943, would be grateful if the Department of State would inform the competent authorities of the United States Government that the Canadian Department of Fisheries desire these privileges, accorded to Canadian halibut vessels in Alaskan ports for the duration of the calendar year 1943, be renewed for the calendar year 1944.

In this connection it may be stated that the Canadian authorities are extending the privileges granted to United States vessels engaged in halibut and black cod fisheries at Canadian Pacific ports for 1944, as well as to United States boats fishing for ling cod (so-called), rock cod, grayfish and sharks.

As the halibut fishing season is now in progress the Canadian Department of Fisheries would be grateful if action could be taken in this matter as promptly as possible.

CANADIAN EMBASSY,

WASHINGTON: D.C.,

June 26, 1944.

The Secretary of State present his compliments to His Excellency the Canadian Ambassador and has the honor to refer to the Ambassador's note no. 239 of June 26, 1944 and the note of July 6, 1944 from the Department of State regarding the desire of the Canadian Department of Fisheries that certain privileges accorded to Canadian halibut vessels in Alaskan ports during the calendar years 1942 and 1943 be renewed for the calendar year 1944.

The Secretary of State has the honor to confirm the statement made on August 3, 1944 by an officer of the Department of State to Mr. Merchant Mahoney, Counselor of the Canadian Embassy, that on August 2, 1944 the Acting Secretary of the Treasury signed an order extending the privileges in Alaskan ports to Canadian halibut vessels for the calendar year 1944 and to enclose a copy of that order as received from the Secretary of the Treasury. The order was published in the Federal Register, volume 9, no. 156, August 5, 1944, page 9526.

Enclosure:

Copy of order.

Department of State,

Washington, August 25, 1944.

711.423/6-244

CANADA

TREATY SERIES, 1944

No. 22

EXCHANGE OF NOTES

(July 21 and August 5, 1944)

BETWEEN

CANADA AND THE UNITED STATES OF AMERICA

RECORDING AN AGREEMENT

TO FACILITATE THE ASCENT OF THE SALMON

IN HELL'S GATE CANYON

AND ELSEWHERE IN THE FRASER RIVER SYSTEM

IN FORCE AUGUST 5, 1944

OTTAWA
1944

SUMMARY

	Page
I. Note, dated July 21, 1944, from the Canadian Chargé d'Affaires a.i. at Washington, to the Secretary of State of the United States of America	3
<u>Appendix A:</u> Letter, dated January 11, 1944, from the International Pacific Salmon Fisheries Commission to the Hon. Ernest Bertrand, Minister of Fisheries, Ottawa	4
Recommendations of the International Pacific Salmon Fisheries Commission for overcoming obstructions to the ascent of sock-eye salmon, dated January 11, 1944	5
<u>Appendix B:</u> Obstructions on the Fraser River watershed, the investigation and improvement of which is recommended by the International Pacific Salmon Fisheries Commission	8
<u>Appendix C:</u> Order-in-Council, P.C. 5002, of June 30, 1944, authorizing the International Pacific Salmon Fisheries Commission to enter into contracts for the execution of work at Hell's Gate Canyon and elsewhere on the Fraser River to overcome obstructions to the ascent of sockeye salmon	14
II. Note, dated August 5, 1944, from the Secretary of State of the United States, to the Canadian Chargé d'Affaires a.i. at Washington	15

EXCHANGE OF NOTES (JULY 21 AND AUGUST 5, 1944) BETWEEN CANADA
AND THE UNITED STATES OF AMERICA RECORDING AN AGREEMENT
TO FACILITATE THE ASCENT OF THE SALMON IN HELL'S GATE
CANYON AND ELSEWHERE IN THE FRASER RIVER SYSTEM.

I

The Canadian Charge d'Affaires at Washington
to the Secretary of State of the United States

CANADIAN EMBASSY

Washington, July 21, 1944.

No.266

Sir,

I have the honour to refer to the Convention between Canada and the United States for the Protection, Preservation and Extension of the Sockeye Salmon Fisheries in the Fraser River System, signed at Washington on May 26, 1930.(1)

2. Under Article 111 of the Convention, the International Pacific Salmon Fisheries Commission is required to "make a thorough investigation into the natural history of the Fraser River sockeye salmon, into hatchery methods, spawning ground conditions and other related matters". The Commission may also recommend to the two Governments "removing or otherwise overcoming obstructions to the ascent of sockeye salmon, that may now exist or may from time to time occur, in any of the waters covered by this Convention, where investigation may show such removal of or other action to overcome obstructions to be desirable".

3. As a result of extensive investigation the Commission recommended to the two Governments on January 11, 1944, remedial measures for overcoming obstructions to the ascent of the salmon in Hell's Gate Canyon and further investigation and remedial measures for overcoming obstructions to the ascent of the salmon elsewhere in the Fraser River watershed. It was estimated that the costs of the works recommended would be \$2,000,000, which, in accordance with Article 111, paragraph 2, of the Convention, would be shared equally between the two Governments. One copy of the letter and memorandum from the Commission under date of January 11, signed by the Chairman and secretary are attached hereto as appendix A. Also attached as appendix B is one copy of a list of the remedial works recommended by the Commission.

4. The Canadian Government has approved of these recommendations of the Commission as set forth in its letter and report of January 11. A vote of \$1,000,000 to provide for Canada's share of the costs of these works has been recommended to Parliament. The Commission has also been authorized by Order in Council P.C. 5002 of June 30, 1944, to let contracts for the remedial works recommended. One copy of Order in Council P.C. 5002, marked appendix C, is attached hereto.

(1) For the text of that Convention see Canada Treaty Series 1937, No.9.

5. The regular procedure for the payment of expenses properly incurred by the Commission is that such expenses are paid by the Canadian Government, one-half being recoverable later by Canada from the United States. This procedure was agreed to by the United States by your note of December 10, 1937. It is acceptable to the Canadian Government that this procedure should be followed with respect to expenditures incurred by the Commission for the proposed remedial works.

6. It would appear desirable that the recommendations of the Commission as set forth in its letter and report of January 11, 1944 and the arrangements proposed for implementing these recommendations should be formally approved by Exchange of Notes between the two Governments.

7. If these proposals are acceptable to the Government of the United States, this note and your reply thereto accepting the proposals shall be regarded as placing on record the agreement of the two governments concerning this matter.

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

L.B. PEARSON

Charge d'Affaires.

Enclosures

APPENDIX "A"

Document No.1

Letter from the International Pacific Salmon Fisheries Commission to the Honourable Ernest Bertrand, Minister of Fisheries, Ottawa.

January 11th, 1944.

Sir,

In the Pacific Northwest a particularly valuable species of salmon, known as Sockeye, was once so abundant that in 1913 it produced a pack of almost a quarter of a billion one pound cans which, at present prices, would be worth over forty million dollars. Now, one-eighth of that amount is considered a good pack.

The blasting of rocks during railroad construction in a narrow gorge of the Fraser River known as Hell's Gate Canyon, is charged with causing this huge decline by obstructing passage of the fish to their up-river spawning grounds. It is now believed, however, that great numbers of fish were fatally retarded at this canyon even under natural conditions.

Canada and the United States created this Commission to rehabilitate this once enormous food supply of the two nations - for though the spawning all takes place in Canada, United States fishermen get first chance to catch the fish as they pass through Puget Sound to approach the Fraser River mouth.

After intensive investigation it has been conclusively shown that the terrific rush and surge of water at Hell's Gate Canyon is largely responsible for failure of the salmon run to recover its former magnitude. Furthermore, the Commission finds that construction of so-called fish-ladders at this point will largely eliminate the difficulty. Some lesser obstructions also should be eliminated.

The Treaty requires the Commission to recommend to the two Governments the removal of obstructions. Accordingly the Commission herewith submits a biological report showing the necessity for action, an engineering report showing the action required, and a request for two million dollars with which to accomplish the desired result.(1)

Respectfully submitted,

International Pacific Salmon Fisheries Commission

By EDWARD W. ALLEN.

Chairman.

A. J. WHITMORE,

Secretary.

Document No.2

Recommendation of the International Pacific Salmon Fisheries Commission for overcoming obstructions to the ascent of sockeye salmon, pursuant to the terms of a treaty between Canada and the United States.

The International Pacific Salmon Fisheries Commission was created for the purpose of rehabilitating a Pacific Coast salmon run known as the sockeye salmon of the Fraser River. In its largest year this run produced almost a quarter of a billion pounds of finest quality canned salmon which at present prices would have a value of more than forty million dollars. An eighth of that amount is now considered a good pack.

Among causes suggested for this great decline were need for international regulation and damage to the runs by blasting of rocks and by rock slides during railroad construction in the narrow gorge of the Fraser River, up which the fish must ascend to reach their spawning grounds. The first function of the Commission was to determine what were the actual causes, next to suggest remedies, and after eight years to regulate the catch.

Sockeye salmon normally spawn in late summer or fall in gravel beds in streams which are near lakes, or in the lakes themselves in the upper Fraser River drainage area, some 90,000 square miles in extent. The eggs hatch in early spring, and the young usually spend a year in lakes, then go down to sea and when four years old return to the very stream in which they were born, then in turn to spawn and die. The production of each stream therefore depends upon the run to that stream four years before. In a big river system like the Fraser with its numerous feeder streams there are therefore many separate runs each year. These may occur at different times during a season, though in fact there is much overlapping of such runs.

If the salmon had to keep on their way upstream or die and a run lasted only 30 days and there was a period of 30 days right at the time of such run when the fish could not pass up the river, the conclusion would be natural that such run would not reproduce itself. The problem is not that simple. However, the Commission did find that salmon could only stand a limited delay and that if the delay exceeded such limit they dropped downstream and were lost for reproductive purposes.

(1) Identical copies of the Reports were presented to each Government by the Commission. It was therefore deemed unnecessary to attach them to the note of the Canadian Charge d'Affaires of July 21st, 1944.

The Commission further found that there were specific levels of the river during which the salmon were unable to get up through the terrific rush of water at Hell's Gate Canyon and that these impassable levels occurred during the salmon season, but varied greatly in time, length, and seriousness from year to year. In some years practically all the runs which had survived to that year got through. In other years the entire season was nearly impassable (in 1941 it is estimated that one million fish were unable to ascend the Canyon, dropped down below and died). In some years certain runs were affected; others were not.

It was also found that, although Hell's Gate Canyon was by far the most serious obstruction of this character, there were other places in the river system, each of which took its toll. Some forty such obstructions were specifically noted, of greatly varying importance, but a much more thorough survey of the seriousness of each, and of conditions at other points where difficulty may exist than the Commission has thus far been able to make, is essential. Moreover, the Commission found large areas apparently suitable to salmon spawning which never had been utilized because of some natural obstruction, and that it was probable that an adequate survey and proper remedial action would be the means of opening up such areas, thereby increasing the productivity of the system beyond what it had ever been.

A most important consideration is that a depleted run of sockeye salmon if given a reasonable opportunity recuperates rapidly. There are, however, great areas to which the runs of certain years have been completely destroyed. Such areas require distinctive treatment. Moreover, any measure of redress, in order to be effective, will require the aid of regulation of the catch.

Viewing the entire field, the Commission found that it would be uneconomical and unsound, if not wholly futile, to attempt to resort to any recuperative or regulatory measure if the same might in any year be rendered fruitless by reason of the restored runs being again depleted by being obstructed in their attempted passage up Hell's Gate Canyon or other points of difficulty.

Accordingly, it is essential that as a first step in an orderly rehabilitation of the sockeye salmon of the Fraser River system as a whole that this continuous threat of destruction at Hell's Gate Canyon be removed. After that, many runs will promptly proceed to restore themselves and this natural process can be going on while the Commission effectuates its plan to bring back lost runs as well as those so close to extinction as to require artificial stimulation, and to produce runs into new areas. Gradual removal of minor obstructions can also be carried on concurrently, as biological and engineering studies indicate the corrective action necessary.

These facts and conclusions are the result of six years of intensive investigation of every available source of information from official and commercial records and from one of the largest fish tagging experiments ever conducted, many thousands of fish having been tagged in salt water and at different parts of the river with observable celluloid tags these then having been collected by means of rewards and otherwise, also by the use of trained observers systematically stationed throughout the area.

Submitted herewith is a biological report from the Commission's scientific staff which presents a remarkable record of investigation and analysis.(1) Dr. W.F. Thompson, until he came to this Commission, had been Scientific Director of the International Fisheries Commission (Halibut) and was largely responsible for the accomplishments of that Commission which have justly won world-wide recognition. He is now the Scientific Consultant for this Commission.

When the Commission became convinced that a basic difficulty in rehabilitating the Fraser sockeye salmon run lay at Hell's Gate Canyon, it not only concentrated its biological work to bear upon that point but also engaged the most experienced fishery engineers available. Milo Bell, the Commission's chief engineer is the only active engineer in either nation who has specialized in fishery conservation devices directly related to Pacific salmon. And he in turn has had the assistance of Professor Charles W. Harris, an outstanding hydraulic engineer, as consultant.

So-called fish-ladders have been in use for many years as a means of enabling fish to ascend rivers blocked by dams and natural obstructions. The greatest installation heretofore made was at the Bonneville Dam on the lower Columbia River. The fishery devices at the Bonneville are said to have cost approximately \$7,000,000.00. Nevertheless, these fully justified the expenditure for they have successfully demonstrated their effectiveness in passing the well known Chinook salmon up the Columbia. The practical use of fish-ladders is therefore well recognized in the engineering field.

In the engineering report submitted herewith(1), the use of fish-ladders to obviate the Hell's Gate Canyon obstruction is presented. But although the Fraser salmon run substantially exceeds that of the Columbia both in quantity and value, the cost of the proposed fish-ladders at Hell's Gate Canyon, together with the estimated cost of investigating and overcoming other obstructions and incidental remedial proposals, all together is less than one-third of the cost of the work at Bonneville.

The Commission therefore requests a total appropriation of \$2,000,000, one-half from Canada, one-half from the United States, for the purposes above outlined. One good year's run restored should produce a catch ten times the entire proposed investment. And under continued and adequate regulation and protection, this enormous food resource should become recurrent year after year in perpetuity.

Respectfully submitted,

International Pacific Salmon Fisheries Commission

By EDWARD W. ALLEN

Chairman,

A.J. WHITMORE

Secretary.

January 11th, 1944.

(1) Identical copies of the Reports were presented to each Government by the Commission. It was therefore deemed unnecessary to attach them to the note of the Canadian Charge d'Affaires of July 21st, 1944.

APPENDIX "B"

Obstructions on the Fraser River watershed, the investigation and improvement of which is recommended by the International Pacific Salmon Fisheries Commission

Stream	Name of Obstruction and Location	Description and Importance	Remedial Measures
1. Fraser River	Hell's Gate Canyon.	Impassable obstruction at certain water levels. Principal spawning grounds of the Fraser system are controlled largely by conditions at this point.	Construction of permanent fishways on each bank at point of obstruction.
2. Fraser River	Bridge River Rapids. 6 miles above Lillooet	Two rapids 900 ft. apart. Both serious obstructions to salmon migration below 20 ft. level. \times Over $\frac{3}{4}$ of available spawning area above this point. Formerly bulk of escapement spawned above this obstruction.	Construct fishways and improve channel for each rapids on both banks of river.
3. Lillooet River	Skookumchuck Rapids. 18 miles above Harrison Lake.	Rapids in constricted, canyon-bound channel. Records of sockeye delayed from 1 to 21 days. Blockade forms above 1 ft. level on gauge. Commonly inflicts heavy mortality on important Birkenhead run.	Install fish-way on left bank and alter channel. Include 10 ft. maximum water fluctuations.
4. Chilcotin River	Farwell Canyon 11 miles from mouth.	Constricted, bed-rock channel with fall of 4 to 6 ft. at obstruction. Blockade above 3 ft. level on gauge. Over 15% of Chilko run run normally lost at this obstacle.	Construct fishway on left bank. Blast cut in rock on right bank. Cover 6 ft. maximum water fluctuations.
5. Chilko River	Keighley Holes 7 miles above confluence of Chilcotin River.	Channel between high dirt banks. Large boulders in bed cause fall of 5 ft. at obstruction. Chilko run run delayed at all common water levels.	Remove boulders and rock debris from channel. Construct baffles on right bank to reduce velocity of flow.

\times Hell's Gate gauge.

~~run~~ Chilko run composes over 80% total escapement, 1940-1941.

Stream	Name of Obstruction and Location	Description and Importance	Remedial Measures
6.Quesnel River	Rapids 4 miles below Likely.	Obstruction caused by tailings from Boullion mine. Present channel is constricted by dumped rock so that velocity of flow is too great for normal passage of salmon.	Remove rock debris from channel and restore original conditions.
7.Stellako River	Falls 4 miles above Fraser Lake	A 3 ft. falls located in spawning area is ascended with difficulty.Elimination of obstruction would encourage extension of spawning area to desirable streams above.	Reduce flow in channel.
8.Bowron River	Gravel bars, mouth of Bowron River.	At low water stages there is not sufficient water on gravel bars to allow salmon to ascend.	Dredge one main channel for entire flow of river
9.Morris Creek	Shallow channel. Mouth of Morris Creek	Similar to above. At low water channel nearly dry caused by seepage near mouth. Run commonly delayed two to three weeks before able to enter.	Concentrate flow into one main channel.

Stream	Tributary to	Description	Remedial Measures
10.Boise Creek	Upper Pitt River.	Excellent sockeye stream with large amount of potential spawning area. Numerous log jams present of which some are impassable to salmon. Serious damage done by floods.	Remove log jams and improve spawning conditions.
11.Douglas Creek	Harrison Lake.	Spawning beds scoured by logs and further damaged by floods. Formerly a very important spawning stream.	Remove log jams from channel.

Stream	Tributary to	Description	Remedial Measures
12. Railway Creek	Upper Lillooet River.	Beaver dam is located $\frac{1}{2}$ mile above mouth. Good spawning area above dam. Sockeye now limited to lower part of stream.	Transplant beavers to non-salmon stream. Remove dam.
13. McKenzie Creek	Upper Lillooet River.	Beaver dam located 20 yards from mouth. Sockeye formerly spawned above dam but now confined to lower part of stream.	Transplant beavers to non-salmon stream and remove dam.
14. Pemberton Creek	One-mile Lake	Numerous log jams which not only block salmon but encourage shifting of channel during high water. Formerly supported run of sockeye.	Remove log jams and re-establish channel in former location.
15. Silver Creek	Fraser River.	Place of difficult passage 1 - 5 miles below lake. Caused by log jams and rapids. Excellent spawning area above.	Remove log jams and improve channel.
16. Nahatlatch River	Fraser River.	Large log jam at outlet of lake and numerous log jams on spawning areas that limit areas used by salmon. Extensive spawning area available and formerly produced large run of sockeye.	Remove log jams and general stream improvement.
17. Momich River	Adams Lake.	Series of rapids $\frac{3}{4}$ mile from mouth. Sockeye spawn in lower part of creek.	Install fishpass in channel so that sockeye can ascend to upper regions.
18. Scotch Creek	Shuswap Lake	Large log jams near mouth of creek. Channel changes frequently during high water. Only remnant of former large run remains.	Remove log jams and establish channel.
19. Mann Creek	North Thompson River.	Beaver dams near mouth which limits present spawning area. Log jams and dense brush in stream $\frac{1}{2}$ mile from mouth. Present depleted run spawn at mouth.	Transplant beaver to non-salmon stream. Remove dam and log jams. Improve spawning area generally.

Stream	Tributary to	Description	Remedial Measures
20.Finn Creek	North Thompson River.	Large impassable log jams throughout entire spawning area. Channel frequently changes. Few salmon spawn in creek at present.	Remove log jams and establish channel. Make general stream improvements.
21.Gates Creek	Anderson Lake.	Numerous log jams in creek form def- inite obstruction to migration of salmon. Formerly important spawning area but now runs only spawn near mouth.	Remove log jams and improve spawning area.
22.McKinley Creek	Horsefly River.	Log jams in creek prevent salmon ascending lakes above which were used for spawning before 1913.	Remove log jams and improve channel for salmon migration.
23.Nadina River	Francois Lake.	One serious log jam and numerous minor ones. Small run of sockeye and spawn in river. Large areas suitable for spawning in upper portion of stream.	Remove log jams and improve spawning area.
24.Forfar Creek	Middle River.	Impassable log jams 3 miles above mouth. Good spawning stream and would increase the spawning area available.	Remove log jams.
25.Kynoch Creek	Middle River.	Impassable log jams 3 to 4 miles above mouth. Important spawning stream of this district.	Remove log jams.
26.Rossette Creek	Middle River.	Log jams and brush block stream $\frac{1}{2}$ mile from mouth. Formerly good spawning creek but only remnant of former run remains.	Remove log jams and improve stream conditions.

Stream	Tributary to	Description	Remedial Measures
27.Narrows Creek	Takla Lake.	Numerous log jams cause constant shifting of channel. Formerly excellent spawning stream but now nearly void of fish.	Remove log jams and restore stream to former condition.
28.Pomeroy Creek	Bowron River.	Beaver dam at mouth entirely blocks creek to salmon. This stream formerly supported over 2/3 of the Bowron run.	Transplant beaver to non-salmon stream. Remove dam.
29.Indian-point Creek	Bowron River.	Four beaver dams on creek and spawning tributaries. Formerly important spawning and nursery area. No sockeye can enter creek at present.	Transplant beaver to non-salmon stream. Remove all dams and improve stream conditions.

Stream	Location of Obstruction	Description	Remedial Measures
30.Nicola River	Dam at outlet of Nicola Lake.	The irrigation dam has a poorly designed fish-way and an unscreened diversion channel just above the dam. This was formerly good salmon spawning area.	Install satisfactory fishway and revolving screen on diversion channel.
31.Adams River	Dam at outlet of Adams Lake	The old sluice dam, not in use at present, has an inadequate fish-way. The dam is in poor repair and structure is rotten.	Remove dam or install efficient fishways.
32.Louis Creek	Dam on creek for C.N.R. water supply and irrigation.	Fish-way in dam closed during salmon run. Salmon drop back into irrigation ditches and die unspawned. Many fry are lost in ditches.	Install revolving screens on diversions and have sufficient water guaranteed during salmon runs for proper operation of fishways.

Stream	Location of Obstruction	Description	Remedial Measures
33.Barriere River	Hydro-electric project located ten miles above mouth.	Dam is 12 to 15 feet high.Fishway is very poor and usually dry during salmon run. This was formerly a good sockeye spawning area. Flume to turbines is unscreened.	Construct new fishpass over dam and screen turbine intake.
34.Lemieux Creek	Low irrigation dam on creek 2 miles above mouth.	Dam is 32 in. high with no fishway installed and during low water is a complete barrier to salmon migration. Unscreened diversion above dam.	Construct fishway in dam and install revolving screen on diversion.
35.Scotch Creek	Irrigation dam $2\frac{1}{4}$ miles from mouth.	The 3 foot dam has no fishway and cuts off the former main spawning area. Also has unscreened diversion.	Install fishway and construct revolving screen in diversion.
36.Seton Creek	Hydro-electric and water supply.	Fishway now installed is not satisfactory for passage of salmon. Formerly important spawning area; now nearly depleted.	Construct proper fishway.
37.Conni Lake	Dry channel.	Divert Klokkon creek into original channel emptying into Conni Lake. Sockeye formerly spawned in this area.	Divert creek into old channel.

APPENDIX "C"

Order-in-Council, P.C.5002, of June 30, 1944
authorizing the International Pacific Salmon Commission
to execute work at Hell's Gate Canyon and elsewhere on the
Fraser River to overcome obstructions to the ascent of salmon.

At the Government House at Ottawa
Friday, the 30th day of June, 1944

Present:

His Excellency The Governor General in Council:

WHEREAS the Minister of Fisheries reports that the following
item appears in the Estimates tabled in Parliament for the fiscal
year 1944-45:

Vote 83 To provide for Canadian share of expenses of the Inter-
national Pacific Salmon Fisheries Commission to overcome obstruc-
tions to the ascent of sockeye salmon at Hell's Gate Canyon, and
for investigating and overcoming obstructions to such salmon at
other points on the Fraser River Watershed\$1,000,000

That a similar sum has been provided for the same purpose by
the Government of the United States, thus enabling the work to
proceed at joint expense;

That persons who, in the opinion of the Minister, may be
interested in the work contemplated at Hell's Gate, including the
Government of the Province of British Columbia, the Canadian
Pacific Railway Company and the Canadian National Railways, have
been consulted with reference thereto and that such persons have
no objection thereto provided their interests are adequately safe-
guarded;

That by arrangements between Canada and the United States all
expenditures properly incurred by the Commission are paid by the
Canadian Government, one-half of such payments to be recovered
later by Canada from the United States Government; and

That it is, by reason of the war, necessary for the security,
defence, peace, order and welfare of Canada that the Order herein-
after set forth be made.

THEREFORE, His Excellency the Governor General in Council,
on the recommendation of the Minister of Fisheries, and under the
authority of the War Measures Act, is pleased, hereby, to authorize
the International Pacific Salmon Fisheries Commission constituted
pursuant to the Fraser River Sockeye Convention, confirmed by chap-
ter ten of the Statutes of Canada, one thousand, nine hundred and
thirty, to enter into contracts in the name of His Majesty in right
of Canada for the execution of the work at Hell's Gate Canyon and
other points on the Fraser River, British Columbia, for which money
is, or is to be, provided by the said Vote 83 hereinbefore set out;
and is further pleased to authorize and doth hereby authorize the
chairman and secretary of the said Commission to execute any such
contract on behalf of the Commission.

A. D. P. HEENEY,

Clerk of the Privy Council

II

The Secretary of State of the United States
to the Canadian Charge d'Affaires at Washington

DEPARTMENT OF STATE

Washington, August 5, 1944.

Sir,

I have your Embassy's note No. 266 of July 21, 1944, with enclosures, in regard to the recommendation of remedial measures for overcoming obstructions to the ascent of the salmon in Hell's Gate Canyon and further investigation and remedial measures for overcoming obstructions to the ascent of the salmon elsewhere in the Fraser River system, which, pursuant to Article III of the Convention between the United States and Canada for the Protection, Preservation and Extension of the Sockeye Salmon Fisheries in the Fraser River system, signed at Washington on May 26, 1930, was made to the American and Canadian Governments on January 11, 1944 by the International Pacific Salmon Fisheries Commission.

As you point out the estimated cost of the works recommended, which was two million dollars, would in accordance with Article III, paragraph 2 of the Convention, be shared equally between the two governments.

The Government of the United States has approved the recommendation of the Commission as set forth in its letter and report of January 11, 1944, and the accompanying documents including the "General Engineering Report Covering Fraser River Fisheries Projects" and the first Deficiency Appropriation Act, 1944, approved April 1, 1944 (Public Law 279, 78th Congress), contained the following appropriation:

"INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION

Restoration of salmon runs Fraser River system: For the share of the United States of expenses incident to the work of improving facilities for sockeye salmon migration in the Fraser River by the International Pacific Salmon Fisheries Commission, under the convention between the United States and Canada, concluded May 26, 1930, including personal services; traveling expenses; rent; purchase, maintenance, repair, and operation of not to exceed four motor-propelled, passenger-carrying vehicles; purchase of furniture, instruments, and equipment; construction of fishways; removal of obstructions and stream improvement; construction of warehouse for storage of equipment; and such other expenses as the Secretary of State may deem proper, to be expended under his direction, \$1,000,000, to remain available until expended."

The Department observes from paragraph 5 of your note that it is acceptable to the Canadian Government that the regular procedure whereunder expenses properly incurred by the Commission are paid by the Canadian Government, one-half being recoverable later by Canada from the United States, should be followed with respect to expenditures incurred by the Commission for the proposed remedial works. The Government of the United States agrees to this procedure and, subject to the limits of the above-quoted appropriation, will reimburse the Canadian Government for one-half of the joint expenses properly incurred by the Commission

(...)

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1944.No.22

in connection with the remedial works in question, the full amount of such expenses having been paid by the Government of Canada, it being understood that in the settlement of such amounts the procedure now observed by the two governments in settling the joint expenses of the Commission will be followed.

Accept, Sir, the renewed assurances of my high consideration,

For the Secretary of State:

G. HOWLAND SHAW.

Certified to be a true copy of a Minute of a Meeting
of the Committee of the Privy Council, approved
by His Excellency the Governor General on the
20 November 1944.

The Committee of the Privy Council have had before them a report, dated 15th November, 1944, from the Minister of Fisheries, stating that for many years past special port privileges to United States halibut fishing vessels visiting ports on the British Columbia coast have been authorized on an annual basis;

That in recent years the privilege has been extended to cover sable fish (black cod) taken by halibut fishing vessels, and that these privileges, for the present year, are as follows:

1. To purchase bait, ice, nets, lines, coal, oil, provisions and all other supplies and outfits.
2. To ship crews.
3. To land their catches without the payment of duties, and
 - (a) Trans-ship them in bond to any port in the United States;
 - (b) Sell them in bond to such local dealer or dealers as may be properly authorized therefor by the Minister of National Revenue, which dealer shall export the same in compliance with the bonding requirements;
 - (c) Sell them for use in Canada on payment of duty.

The Minister is of opinion that the privileges above referred to should be continued during 1945, and recommends that he be authorized to grant licenses to United States halibut fishing vessels on the Pacific coast engaging in fishing for halibut and sable fish (black cod) during the calendar year 1945, that will cover the privileges as specified above, the fee on each such license to be, as in the past, one dollar.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Sgd.) A.D.P. HEENEY

Clerk of the Privy Council.

The Right Honourable
the Secretary of State
for External Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA

Ottawa, January 29, 1945.

No. 279

Sir:

I have the honor to state that, the attention of my Government having been drawn to Canadian Order in Council P.C. 8746 of November 20, 1944, extending privileges in British Columbia ports to United States vessels fishing for halibut and sable fish (black cod) during the year 1945, I am instructed to request that consideration be given by the Canadian authorities to the extension of the port privileges covered by this Order in Council to United States vessels engaged in fishing for ling cod, sharks, grayfish and rockfish (red cod) as well.

It has been noted that under Order in Council P.C. 419 of January 21, 1944, Canadian Port privileges in 1944 covered vessels fishing for these species as well as those fishing for halibut and sable fish. It is emphasized that, since fishing operations will again this year be carried on subject to the same wartime stringencies respecting fuel, fishing equipment and manpower, it would seem advisable to continue the extension of port privileges to all vessels previously covered. The need for maximum production to meet the food requirements of the United Nations continues to be as urgent as it was before.

I am also instructed to request that consideration be given by the Canadian authorities to the extension of port privileges on the British Columbia coast to United States salmon trollers and otter trawlers. It is pointed out that the extension of port privileges to these vessels will encourage them to fish in areas where fish are in the greatest abundance, and thereby increase production of urgently needed food supplies for the war program and will likewise increase the well being and safety of crew members through opportunity for rest in quiet harbors which would be reflected in longer fishing hours and greater production.

Should the Canadian Government grant such privileges to otter trawlers and salmon trollers it has been suggested that the following stipulations be made a condition of the privilege in order to curb potential abuses:

- (1) Licenses should require that before entering harbor all fish be stowed in the holds, hatches closed, and decks washed down;

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

- (2) No dressing of fish or work on fishing gear to be permitted while entering, mooring in or leaving harbor;
- (3) Penalties for violations of these or other regulations be severe and in no case be less than revocation of the permit or license.

I may add that it has been customary for the United States Government to grant certain port privileges in Alaska to Canadian fishing vessels; it is believed by certain authorities of my Government that the United States Government should grant privileges to Canadian vessels in all respects identical to those granted United States vessels in Canada, thus permitting Canadian vessels to enter ports in Alaska or in the Pacific Coast states under similar conditions and limitations.

For the Ambassador:

(Signed) Lewis Clark
Counselor of Embassy

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, March 31, 1945.

No. 33

Excellency,

I have the honour to refer to your Note No. 279 of January 29, 1945, concerning port privileges for United States fishing vessels on the Pacific Coast, which has been carefully considered by the appropriate Canadian authorities.

2. Your Government requests that consideration be given to extending to United States vessels engaged in fishing for ling cod, sharks, grey-fish and rock-fish (red cod), the port privileges already extended by Order-in-Council P.C. 8746 of November 20, 1944, to vessels fishing for halibut and sable fish (black cod). Your Government also requests that consideration be given to extending, under certain conditions, similar port privileges to United States salmon trollers and otter trawlers with a view to increasing the production of fish.

3. Your note adds that it is believed by certain authorities of your Government "that the United States Government should grant privileges to Canadian vessels in all respects identical to those granted United States vessels in Canada, thus permitting Canadian vessels to enter ports in Alaska or Pacific Coast states under similar conditions and limitations."

4. The Canadian Government is pleased to note this suggestion of reciprocal port privileges and is taking immediate steps to extend for the year 1945 port privileges in Pacific Coast ports to United States vessels fishing by the long lining method for ling cod, sharks, grey fish and rock fish (red cod), similar to those already extended to United States vessels fishing for halibut and sable fish (black cod) by Order-in-Council P.C. 8745 of November 20, 1944. It is understood that similar port privileges in Alaska and the Pacific Coast states of the United States will be granted to Canadian fishing vessels fishing for halibut and sable fish (black cod) as well as to those fishing for ling cod, sharks, grey fish and rock fish (red cod).

5. With regard to the extension of Port privileges to United States salmon trollers and otter trawlers, Canadian authorities concerned foresee serious difficulties. The smaller British Columbia ports are not equipped to handle any substantial increase in the numbers of fishing vessels, and, indeed, the facilities at many outports are already fully taxed by Canadian vessels. Use of Canadian ports by United States salmon trollers and otter trawlers would also entail expansion of offices and personnel for customs administration which is not feasible at the present time.

6. Moreover, Canadian authorities are not convinced

His Excellency, the United States Ambassador to Canada,
Embassy of the United States of America,
Ottawa.

that the extension of port facilities to United States salmon trollers and otter trawlers would materially increase supplies. United States and Canadian salmon trollers have fished in the same extra-territorial waters off the British Columbia Coast for many years under conditions similar to those existing today. The drain presently being taken from the salmon runs of the Pacific Coast states, British Columbia and Alaska by the different agencies including trollers appears to be all that these runs can reasonably stand. The extension of port privileges by Canada to United States otter trawlers would probably tend to encourage more intensive fishing of areas close to Canadian southern ports, rather than newer areas more remote. Some of the areas convenient to these Canadian ports already show signs of depletion due to the expansion of this type of fishing.

7. I may add that the recent intensive exploitation of fishing grounds by the method of otter trawl fishing is of concern to both Canadian and United States Governments. I suggest for the consideration of your Government that the international regulation of these fisheries with a view to conservation might prove advantageous. The extension of reciprocal port privileges would probably be more feasible if adequate conservation measures were in force.

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

(Signed) N. A. Robertson,

(for the) Secretary of State for
External Affairs.

PRIVY COUNCIL

CANADA

AT THE GOVERNMENT HOUSE AT OTTAWA

THURSDAY, the 12th day of APRIL, 1945.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

WHEREAS in the interests of the war effort of the United Nations and under the authority of the War Measures Act, special port privileges as follows to United States fishing vessels fishing for ling cod (so-called) rock fish (red cod), grayfish and sharks, were extended on the British Columbia coast for the year 1944 by Order in Council dated January 21st, 1944, P.C. 419,-

1. To purchase bait, ice, nets, lines, coal, oil, provisions and all other supplies and outfits.
2. To ship crews.
3. To land their catches without the payment of duties, and
 - (a) Trans-ship them in bond to any port in the United States;
 - (b) Sell them in bond to such local dealer or dealers as may be properly authorized therefor by the Minister of National Revenue, which dealer shall export the same in compliance with the bonding requirements;
 - (c) Sell them for use in Canada on payment of duty.

AND WHEREAS the Minister of Fisheries reports that representations have been received from the United States Government seeking continuation of such privileges as they are deemed to be highly desirable in the interests of furthering essential food production, having in mind particularly the importance of the availability of adequate bait supplies.

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Minister of Fisheries, and under the authority of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, is pleased to authorize and doth hereby authorize the Minister of Fisheries to grant licenses to United States fishing

vessels/

The Right Honourable
The Secretary of State
for External Affairs

vessels on the Pacific Coast engaging in fishing by the long lining method for ling cod (so-called), rock fish (red cod), grayfish and sharks, during the calendar year 1945, that will cover the above specified privileges, the fee on each such license to be, as heretofore, \$1.00.

(Sgd) A.D.P. Heaney

Clerk of the Privy Council

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Administrator on the 23 October 1945

The Committee of the Privy Council have had before them a report, dated 22nd October, 1945, from the Minister of Fisheries, representing that for many years past Special port privileges to United States halibut fishing vessels visiting ports on the British Columbia coast have been authorized on an annual basis. In recent years the privilege has been extended to cover sable fish (black cod) taken by halibut fishing vessels. These privileges, for the present year, are as follows:

1. To purchase bait, ice, nets, lines, coal, oil, provisions and all other supplies and outfits.
2. To ship crews.
3. To land their catches without the payment of duties, and
 - (a) Trans-ship them in bond to any port in the United States;
 - (b) Sell them in bond to such local dealer or dealers as may be properly authorized therefor by the Minister of National Revenue, which dealer shall export the same in compliance with the bonding requirements;
 - (c) Sell them for use in Canada on payment of duty.

The Minister, being of opinion that the privileges above referred to should be continued during 1946, recommends that he be authorized to grant licenses to United States halibut fishing vessels on the Pacific coast engaging in fishing for halibut and sable fish (black cod) during the calendar year 1946, that will cover the privileges as specified above, the fee on each such license to be, as in the past, one dollar.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Sgd.) A.D.P. HENNEY

The Right Honourable
the Secretary of State
for External Affairs.

Clerk of the Privy Council.

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EMBASSY OF THE
UNITED STATES OF AMERICA

Ottawa, October 26, 1945.

Dear Mr. Macdonnell:

Confirming my telephone conversation of September 12 in which I informed you that port privileges in Alaska for Canadian halibut fishing vessels had been granted by the Treasury Department, I transmit herewith a copy of Treasury Decision 51309 of September 11, 1945, on this subject. The Decision was published in the United States Federal Register (vol. 10, no. 181, September 14, 1945, p. 11739.)

Very truly yours,

(Sgd) Ray Atherton

Enclosure:

Treasury Decision
51309

R. M. Macdonnell, Esquire,
Chief of Third Political Division,
Department of External Affairs,
Ottawa.

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(T. D. 51309)

WAIVER OF SECTION 4311 OF THE REVISED STATUTES

Section 4311 of the Revised Statutes waived to the extent necessary to permit Canadian halibut fishing vessels to land catch of halibut in Alaska.

**TREASURY DEPARTMENT
WASHINGTON, D.C. SEPTEMBER 11, 1945**

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

TITLE 19 -- CUSTOMS DUTIES

CHAPTER 1 -- BUREAU OF CUSTOMS

Part 4--VESSELS IN FOREIGN AND DOMESTIC TRADES

AN ORDER

Waiving compliance with the provisions of section 4311 of the Revised Statutes

Upon the written recommendation of the Acting Secretary of State and by virtue of the authority vested in me by section 501 of the Second War Powers Act, 1942 (50 U.S.C. Sup. App. 635), as extended by the Act of December 20, 1944 (50 U.S.C. Sup. App. 645), I hereby waive compliance with the provisions of section 4311 of the Revised Statutes (46 U.S.C. 251), to the extent necessary, until and including December 31, 1945, to permit Canadian fishing vessels engaging in the North Pacific halibut fishery only to land their catch of halibut in ports of entry in Alaska upon compliance with the applicable customs laws. I deem that such action is necessary in the conduct of the war.

(Signed) HERBERT E. GASTON

Acting Secretary of the Treasury

CANADA - UNITED STATES

WARTIME AGREEMENTS

FOREIGN NATIONALS

Foreign Nationals

be responsible for the performance of said duty. This provision shall not be construed to relieve any member of the crew of any responsibility with which he would otherwise be chargeable.

Supervision of Unloading and Weighing

13. The unloading and weighing of the halibut of any vessel licensed or holding a permit under these regulations shall be under such supervision as the customs or other authorized officer may deem advisable in order to assure the fulfilment of the provisions of these regulations.

Previous Regulations Superseded

14. These regulations shall supersede all previous regulations adopted pursuant to the Convention between the Dominion of Canada and the United States of America for preservation of the halibut fishery of the northern Pacific Ocean and Bering Sea, signed January 29, 1937, except as to offences occurring prior to the approval of these regulations. These regulations shall be effective as to each succeeding year, with the dates herein specified changed accordingly, until superseded by subsequently approved regulations. Any determination made by the International Fisheries Commission pursuant to these regulations shall become effective immediately.

D. B. FINN,
Deputy Minister.

Ottawa, March 21, 1944.

OTTAWA—Printed by EDMOND CLOUTIER, Printer to the
King's Most Excellent Majesty.

(Extract from the CANADA GAZETTE of Saturday,
April 1, 1944.)



CANADA

DEPARTMENT OF FISHERIES

NOTICE

UNDER the provisions of the Pacific Halibut Fishery Convention that was signed on January 29, 1937, the Governor General of the Dominion of Canada, by Order in Council of March 7, 1944, P.C. 1486, pursuant to Section 9 of the Northern Pacific Halibut Fishery (Convention) Act, 1937, Chapter 36, 1 George VI, and the President of the United States of America on March 20, 1944, approved that the International Pacific Halibut Fishery Regulations that were, on the above dates, in force be rescinded and replaced by the following Regulations which are, therefore, now effective:

INTERNATIONAL FISHERIES COMMISSION

Pacific Halibut Fishery Regulations—1944

REGULATIONS OF THE INTERNATIONAL FISHERIES
COMMISSION ADOPTED PURSUANT TO THE PACIFIC
HALIBUT FISHERY CONVENTION BETWEEN THE
DOMINION OF CANADA AND THE UNITED
STATES OF AMERICA, SIGNED JANUARY 29,
1937

Regulatory Areas

1. (a) The convention waters shall be divided into the following areas, all directions given being magnetic.

(b) Area 1 shall include all convention waters southeast of a line running northeast and southwest through Willapa Bay light on Cape Shoalwater, as shown on Chart 6185, published in July, 1939, by the

United States Coast and Geodetic Survey, which light is approximately in latitude $46^{\circ} 43' 17''$ N., longitude $124^{\circ} 04' 15''$ W.

(c) Area 2 shall include all convention waters off the coasts of the Dominion of Canada and the United States of America and of Alaska between Area 1 and a line running through the most westerly point of Glacier Bay, Alaska, to Cape Spencer Light as shown on Chart 8304, published in June, 1940, by the United States Coast and Geodetic Survey, which light is approximately latitude $58^{\circ} 11' 57''$ N., longitude $136^{\circ} 38' 18''$ W., thence south one-quarter east and is exclusive of the areas closed to all halibut fishing in Section 9 of these regulations.

(d) Area 3 shall include all the convention waters off the coast of Alaska that are between Area 2 and a straight line running south from the southwestern extremity of Cape Sagak on Umnak Island, at a point approximately latitude $52^{\circ} 49' 30''$ N., longitude $169^{\circ} 07' 00''$ W., according to Chart 8802, published in January, 1942, by the United States Coast and Geodetic Survey, and that are south of the Alaska Peninsula and of the Aleutian Islands and shall also include the intervening straits or passes of the Aleutian Islands.

(e) Area 4 shall include all convention waters which are not included in Areas 1, 2, and 3, and in those areas defined in Section 9 of these regulations.

Limit of Catch in Each Area

2. (a) The catch of halibut to be taken during the halibut fishing season of the year 1944 from Area 2 shall be limited to approximately 23,500,000 pounds of salable halibut, and from Area 3 to approximately 27,500,000 pounds of salable halibut, the weights in each or any such limit to be computed as with heads off and entrails removed.

(b) The catch of halibut to be taken from each area during the halibut fishing season of the year 1944 shall also be limited to halibut which with the head on are 26 inches or more in length as measured from the tip of the lower jaw to the extreme end of the middle of the tail or to halibut which with the head off and entrails removed are 5 pounds or more in weight, and the possession of any halibut of less than the above length or the above weight,

(c) Second, that area lying in the waters off the north coast of Graham Island, British Columbia, within the following boundary: from the northwest extremity of Wiah Point, latitude $54^{\circ} 06' 50''$ N., longitude $132^{\circ} 19' 18''$ W., true north five and one-half miles to a point approximately latitude $54^{\circ} 12' 20''$ N., longitude $132^{\circ} 19' 18''$ W.; thence true east approximately sixteen and three tenths miles to a point which shall lie northwest (according to magnetic compass at any time) of the highest point of Tow Hill, Graham Island, latitude $54^{\circ} 04' 24''$ N., longitude $131^{\circ} 48' 00''$ W.; thence southeast to the said highest point of Tow Hill. The points on the shoreline of the above mentioned island shall be determined from Chart 3754, published at the Admiralty, London, April 11, 1911, provided that the duly authorized officers of the Dominion of Canada may at any time place a plainly visible mark or marks at any point or points as nearly as practicable on the boundary line defined herein, and such marks shall thereafter be considered as correctly defining said boundary.

Dory Gear Prohibited

10. The use of any hand gurdy or other appliance in hauling halibut gear by hand power in any dory or small boat operated from a vessel licensed under the provisions of these regulations is prohibited in all convention waters.

Nets Prohibited

11. It is prohibited to retain halibut taken with a net of any kind or to have in possession any halibut while using any net or nets other than bait nets for the capture of other species of fish, nor shall any licence or permit held by any vessel under these regulations be valid during the use or possession on board of any net or nets other than bait nets which are utilized for no other purpose than the capture of bait for said vessel.

Responsibility of Master

12. Wherever in these regulations any duty is laid upon any vessel, it shall be the personal responsibility of the master or operator of said vessel to see that said duty is performed and he shall personally

tion knows to have been taken by an unlicensed vessel or a vessel without a permit when such licence or permit is required, is prohibited.

Closed Small Halibut Grounds

9. (a) The following areas have been found to be populated by small, immature halibut and are hereby closed to all halibut fishing and the possession of halibut of any origin is prohibited therein during fishing for other species:

(b) First, that area in the waters off the coast of Alaska within the following boundary as stated in terms of the magnetic compass unless otherwise indicated: from the north extremity of Cape Ulitka, Noyes Island, approximately latitude 55° 33' 48" N., longitude 133° 43' 35" W., to the south extremity of Wood Island, approximately latitude 55° 39' 44" N., longitude 133° 42' 29" W.; thence to the east extremity of Timbered Islet, approximately latitude 55° 41' 47" N., longitude 133° 47' 42" W.; thence to the true west extremity of Timbered Islet, approximately latitude 55° 41' 46" N., longitude 133° 48' 01" W.; thence southwest three-quarters south sixteen and five-eighths miles to a point approximately latitude 55° 34' 46" N., longitude 134° 14' 40" W.; thence southeast by south twelve and one-half miles to a point approximately latitude 55° 22' 23" N., longitude 134° 12' 48" W.; thence northeasterly thirteen and seven-eighths miles to the southern extremity of Cape Addington, Noyes Island, latitude 55° 26' 11" N., longitude 133° 49' 12" W.; and to the point of origin on Cape Ulitka. The boundary lines herein indicated shall be determined from Chart 8157, as published by the United States Coast and Geodetic Survey at Washington, D.C., in June, 1929, and Chart 8152, as published by the United States Coast and Geodetic Survey at Washington, D.C., in March, 1933, and reissued March, 1939, except for the point of Cape Addington which shall be determined from Chart 8158, as published by the United States Coast and Geodetic Survey in December, 1923, provided that the duly authorized officers of the United States of America may at any time place a plainly visible mark or marks at any point or points as nearly as practicable on the boundary line defined herein, and such mark or marks shall thereafter be considered as correctly defining said boundary.

according to whether the head is on or off, by any vessel or by any master or operator of any vessel or by any person, firm or corporation, is prohibited.

(c) The International Fisheries Commission shall as early in the said year as is practicable determine the date on which it deems each limit of catch defined in paragraph (a) of this Section will be attained, and the limit of each such catch shall then be that which shall be taken prior to said date, and fishing for or catching of halibut in the area or areas to which such limit applies shall at that date be prohibited until after the end of the closed season as defined and modified in Section 3 of these regulations, except as provided in Section 5 thereof and in Article I of the Convention, and provided that if it shall at any time become evident to the International Fisheries Commission that the limit will not be reached by such date, it may substitute another date.

Length of Closed Season

3. (a) Under the authority of Article I of the aforesaid Convention the closed season as therein defined shall be modified so as to end at 12 midnight of the 15th day of April of the year 1944 and of each year thereafter and shall begin at 12 midnight of the 30th day of November of each year unless an earlier date is determined upon for any area under the provisions of paragraph (b) of this Section of these regulations, provided that the International Fisheries Commission may fix any date subsequent to the 1st day of November as the commencement of the closed season regardless of the catch which it deems will be attained by such date.

(b) Under authority of Article I of the Convention, the closed season as therein defined shall begin in each area on the date on which the limit is reached as provided in paragraph (c) of Section 2 of these regulations and the closing of such area or areas shall be taken to have been duly approved unless before the said date either the Governor General of Canada or the President of the United States shall have signified his disapproval, (the burden of proving any such signification being upon the person alleging it) and provided that the closing date of Area 2 or of Area 3, whichever shall be later, shall

apply to Area 4, and that the closure of Area 2 shall apply to Area 1.

(c) Nothing contained in these regulations shall prohibit the fishing for species of fish other than halibut or prohibit the International Fisheries Commission from conducting fishing operations as provided for in Article I of the Convention.

*Issuance of Licences and Conditions Limiting
Their Validity*

4. (a) All vessels of any tonnage which shall fish for halibut in any manner or hold halibut in possession in any area, or which shall transport halibut otherwise than as a common carrier documented by the Government of Canada or of the United States for the carriage of freight, must be licensed by the International Fisheries Commission, provided that vessels of less than five net tons or vessels which do not use set lines need not be licensed unless they shall require a permit as provided in Section 5 of these regulations.

(b) Each licensed vessel shall carry this licence on board at all times while at sea whether it is validated for halibut fishing or endorsed with a permit as provided in Section 6 of these regulations and this licence shall at all times be subject to inspection by authorized officers of either of said Governments or by representatives of the International Fisheries Commission.

(c) The licence shall be issued without fee by the customs officers of either of said Governments or by representatives of the International Fisheries Commission. A new licence may be issued by the officer accepting statistical return at any time to vessels which have furnished proof of loss of the licence form previously issued, or when there shall be no further space for record thereon, providing the receipt of statistical return shall be shown on the new form for any halibut or other species taken during or after the voyage upon which loss occurred. The old licence form shall be forwarded in each case to the International Fisheries Commission.

(d) The licence of any vessel shall be validated before departure from port for each fishing operation for which statistical returns are required. This validation of a licence shall be by customs officers or by

permit after such sworn return is made shall be provisional and shall not render the licence or permit valid in case the return shall later be shown to be false or fraudulently made.

(e) The master or operator of any vessel holding a licence or permit under these regulations shall keep an accurate log of all fishing operations including therein date, locality, amount of gear used, and the amount of halibut taken daily in each such locality. This log record shall be open to inspection of representatives of the International Fisheries Commission authorized for this purpose.

(f) The master, operator and/or any other person engaged on shares in the operation of any vessel licensed under these regulations may be required by the International Fisheries Commission or by any officer of either of said Governments to certify to the correctness of such log record to the best of his information and belief and to support the certificate by a sworn statement.

Statistical Return by Dealers

8. (a) All persons, firms or corporations that shall buy halibut or receive halibut for any purpose from fishing or transporting vessels or other carrier shall keep and on request furnish to customs officers or to any enforcing officer of either of said Governments or to representatives of the International Fisheries Commission, records of each purchase or receipt of halibut, showing date, locality, name of vessel, person, firm or corporation purchased or received from and the amount in pounds according to trade categories of the halibut and other species landed with the halibut.

(b) All records of all persons, firms or corporations concerning the landing, purchase, receipt and sale of halibut and other species landed therewith shall be open at all times to inspection of any enforcement officer of either of said Governments or of any authorized representative of the International Fisheries Commission. Such persons, firms or corporations may be required to certify to the correctness of such records and to support the certificate by a sworn statement.

(c) The possession by any person, firm or corporation of halibut which such person, firm or corpora-

the provisions of Section 7 of these regulations, the permit of such vessel may be granted by customs officers upon evidence either that there has been a judicial determination of the offence or that the laws prescribing penalties therefor have been complied with, or that the said master or operator is no longer responsible for, nor sharing in, the operations of said vessel.

Statistical Return by Vessels

7. (a) Statistical return as to the amount of halibut taken during fishing operations must be made by the master or operator of any licensed vessel and as to the amount of halibut and other species by the master or operator of any vessel operating under permit as provided for in Sections 5 and 6 of these regulations, within 48 hours of landing, sale or transfer of halibut or of first entry thereafter into a port where there is an officer authorized to receive such return, except that when operating within any area in which the catch is not limited in amount by these regulations the master or operator of a licensed vessel shall make statistical returns at such times as are required by the customs officers or the International Fisheries Commission, but shall at all times keep with the licence form such records as are necessary to make such return.

(b) The statistical return must state the port of landing and the amount of each species taken within the area defined in these regulations, for which the vessel's licence is validated.

(c) The statistical return must include all halibut landed or transferred to other vessels and all halibut held in possession on board and must be full, true and correct in all respects herein required. A copy of such return must be forwarded to the International Fisheries Commission at such times as the latter shall require.

(d) The master or operator and/or any person engaged on shares in the operation of any vessel licensed or holding a permit under these regulations may be required by the International Fisheries Commission or by any officer of either of said Governments authorized to receive such return to certify to its correctness to the best of his information and belief and to support the certificate by a sworn statement. Validation of a licence or issuance of a

fishery officers of either of said Governments when available at places where there are no customs officers and shall not be made unless the area in which the vessel will fish is entered on the licence form and unless the provisions of Section 7 of these regulations have been complied with for all landings and all fishing operations since issue of the licence, provided that if the master or operator of any vessel shall fail to comply with the provisions of Section 7 of these regulations, the licence of such vessel may be validated by customs officers upon evidence either that there has been a judicial determination of the offence or that the laws prescribing penalties therefor have been complied with, or that the said master or operator is no longer responsible for, nor sharing in, the operations of said vessel.

(e) No licence shall be validated for departure for halibut fishing in Areas 1 or 2 more than three days, and in Areas 3 or 4 more than five days before the end of the closed season as defined in Section 3 (a) of these regulations.

(f) No licence shall be valid for halibut fishing in more than one area, as defined in Section 1 of these regulations, during any one trip nor shall it be revalidated for halibut fishing in another such area while the vessel has any halibut on board.

(g) The licence shall not be valid for halibut fishing in any area closed to halibut fishing or for the possession of halibut in any area closed to halibut fishing except while in actual transit to or within a port of sale.

(h) The licence shall not be valid for halibut fishing in any area while a permit endorsed thereon is in effect, nor shall it be validated while halibut taken under such permit is on board.

(i) The licence of any vessel shall not be valid for the possession of any halibut in any area other than that for which validated, if such vessel is in possession of baited gear, except in those waters included within a twenty-five mile radius of Cape Spencer Light, Alaska.

Retention of Halibut Taken with Other Fish Under Permit

5. (a) There may be retained in possession on any vessel which shall have a permit as provided in Section 6 of these regulations such halibut as is caught

incidentally to fishing by that vessel in any area that is closed to halibut fishing under Section 2 of these regulations with set lines (of the type commonly used in the Pacific coast halibut fishery) for other species, not to exceed at any time one pound of halibut for each seven pounds of salable fish, actually utilized, of other species not including salmon or tuna, and such halibut may be sold as the catch of said vessel, the weight of all fish to be computed as with heads off and entrails removed.

(b) The catch of halibut taken and retained under such permit shall be limited to halibut which with the head on are 26 inches or more in length as measured from the tip of the lower jaw to the extreme end of the middle of the tail or to halibut which with the head off and entrails removed are 5 pounds or more in weight and the possession of any halibut of less than the above length or the above weight, according to whether the head is on or off, by any vessel or by any master or operator of any vessel or by any person, firm or corporation, is prohibited.

(c) Halibut retained under such permit shall not be landed or otherwise removed or be received by any person, firm or corporation from the catching vessel until all halibut on board shall have been reported to a customs, fishery or other authorized officer of either of said Governments nor shall any vessel receive it for transportation unless it shall be reported to the said officer prior to departure from port, and no halibut or other fish shall be landed or removed or be received from the catching vessel except under such supervision as the said officer may deem advisable.

(d) Halibut retained under such permit shall not be purchased or held in possession by any person other than the master, operator or crew of the catching vessel in excess of the proportion herein allowed until such excess whatever its origin shall have been forfeited and surrendered to the customs, fishery or other authorized officers of either of said Governments. In forfeiting such excess, the vessel shall be permitted to surrender any part of its catch of halibut, provided that the amount retained shall not exceed the proportion herein allowed.

(e) Permits for the retention and landing of halibut in the year 1944 shall become invalid at 12 mid-

night of the 30th day of November of said year or at such earlier date as the International Fisheries Commission shall determine.

*Issuance of Permits and Conditions
Limiting Their Validity*

6. (a) Any vessel which shall be used in fishing for other species than halibut in any area closed to halibut fishing under Section 2 of these regulations must have a licence and a permit if it shall retain, land or sell any halibut caught incidentally to such fishing or possess any halibut of any origin during such fishing, as provided in Section 5 of these regulations.

(b) The permit shall be shown by endorsement of the issuing officer on the face of the halibut licence form held by said vessel and shall show the area for which the permit is issued.

(c) The permit shall terminate at the time of first landing thereafter of fish of any species and a new permit shall be secured before any subsequent fishing operation for which a permit is required.

(d) A permit shall not be issued to any vessel which shall have halibut on board taken while said vessel was licensed to fish in an open area unless such halibut shall be considered as taken under the issued permit and as thereby subject to forfeiture when landed if in excess of the amount permitted in Section 5 of these regulations.

(e) A permit shall not be issued to, or be valid if held by, any vessel which shall fish with other than set lines of the type commonly used in the Pacific coast halibut fishery.

(f) The permit of any vessel shall not be valid unless the permit is granted before departure from port for each fishing operation for which statistical returns are required. This granting of a permit shall be by customs officers or by fishery officers of either of said Governments when available at places where there are no customs officers and shall not be made unless the area in which the vessel will fish is entered on the licence form and unless the provisions of Section 7 of these regulations have been complied with for all landings and all fishing operations since issue of the licence or permit, provided that if the master or operator of any vessel shall fail to comply with

FOREIGN NATIONALS

P.C. 2546; Foreign Forces Order 1941	<u>Apr. 15, 1941</u>
Exchange of Notes constituting an arrangement governing visits by uniformed members of the armed forces	<u>Aug. 28, 1941</u> <u>Sept. 4, 1941</u>
Exchange of Notes recording an agreement respecting Co-ordination and Integration of Unemployment Insurance Laws	<u>Mar. 6, 1942</u> <u>Mar. 12, 1942</u>
Exchange of Notes recording agreement for the transfer to United States Forces of the certain United States citizens serving in Canadian Forces	<u>Mar. 18, 1942</u> <u>Mar. 20, 1942</u>
Exchange of Notes concerning the applications of the United States Selective Training and Service Act of 1940 to Canadian Nationals in the United States	<u>Mar. 30, 1942</u> <u>April 6, 8, 1942</u>
Treaty for the extradition of criminals	<u>April 29, 1942</u>
Exchange of Notes concerning transfer of Nationals serving in a Foreign Army to the Army of their own country	<u>Sept. 30, 1942</u> <u>Nov. 6/42</u> Feb. 8 <u>May 25, June 25, 1943</u>
Exchange of Notes concerning Workman's Compensation and Unemployment Insurance	<u>Nov. 2, 1942</u> <u>Nov. 4, 1942</u>
Letters from the United States War and Navy Departments concerning medical and dental care of foreign personnel	<u>Dec. 15, 1942</u> <u>Dec. 17, 1942</u>
Exchange of Notes regarding the status of "Inactive" Officers of the United States Army in Canada	<u>Dec. 24, 1942</u> <u>Jan. 13, 1943</u>
Exchange of Letters concerning medical care of personnel of United States forces in Canada	<u>Feb. 2, 1943</u>
Exchange of Notes concerning the jurisdiction of offences committed by members of the Armed Forces of the United States in Canada	<u>Dec. 27, 1943</u> <u>Feb. 10, Mar. 9, 1944</u>
<i>Exchange of Notes concerning exchange of deserters</i>	<u>June 13, 1945</u> <u>Oct 26, 1945</u>

AT THE GOVERNMENT HOUSE AT OTTAWA

TUESDAY, the 15th day of APRIL, 1941.

PRESENT:

The Deputy of
HIS EXCELLENCY

The Governor General in Council:

WHEREAS the Minister of National Defence reports that there are at present, with the consent of the Government of Canada naval, military and air forces of certain foreign Powers carrying on naval, military and air training in Canada;

That it is considered desirable that naval, military and air forces courts of the foreign Power to which such a force belongs may, subject to certain conditions, exercise within Canada or on board any of His Majesty's Canadian ships or aircraft, in relation to members of that force in matters concerning discipline and internal administration, all such powers as are conferred upon them by the law of that foreign Power; and

That it is also considered desirable that provisions similar to certain of those provisions contained in The Visiting Forces (British Commonwealth) Act, 1933, being Chapter 21 of the Statutes of 1932-33, should be made with respect to such forces.

THEREFORE The Deputy of His Excellency the Governor General in Council, on the recommendation of the Minister of National Defence, concurred in by the Secretary of State for External Affairs, and the Minister of Justice, is pleased, under and by virtue of the War Measures Act, Chapter 206 of the Revised Statutes of Canada, to order and doth hereby order as follows:-

1. This Order may be cited as the Foreign Forces Order, 1941.
2. In this Order:
 - (a) "Court" includes a service Court of Inquiry, and any officer of a foreign force who is empowered by the law of the foreign Power to which the force belongs to review the proceedings of a service court of that Power, or to investigate charges, or himself to dispose of charges, and the expression "sentence" shall be construed accordingly;
 - (b) "Foreign force" means any body, contingent or detachment of the naval, military or air forces of a foreign Power which is, with the consent of the Government of Canada, present in Canada or on board any of His Majesty's Canadian ships or aircraft;

.....(c)

- (c) "Foreign Power" means any of the following - Belgium, the Czechoslovak Republic, the Netherlands, Norway, Poland - and any other Power which may be designated by order of the Governor-in-Council as a foreign Power to which this Order shall apply;
- (d) "Home forces" means the naval, military and air forces of His Majesty raised in Canada, and "home force" means any body, contingent, or detachment of any of the home forces;
- (e) "Member" in relation to a foreign force includes a person who, being a member of another force of the same foreign Power, is attached to the foreign force, but a person shall not be deemed to be a member of the forces of a foreign Power unless he serves in the armed forces of that Power, in a capacity corresponding to that of an officer or other rating or rank of the home forces;
- (f) "Service courts" and "service authorities" mean naval, military and air force courts and authorities.

3. When a foreign force is present in Canada or on board any of His Majesty's Canadian ships or aircraft, the service courts and service authorities of the foreign Power to which the force belongs may, subject to the provisions of this Order, exercise within Canada or on board any such ship or aircraft in relation to members of that force, in matters concerning discipline and internal administration, all such powers as are conferred upon them by the law of that power;

Provided that such service courts or authorities shall not have jurisdiction in respect of any acts or omissions which would constitute the offences of murder, manslaughter or rape under the Criminal Code; and provided further that such service courts or authorities acting under or pursuant to the provisions of this section shall not have jurisdiction to sentence any person to death for any offence, except for an offence which, under the law of the foreign Power to which the force belongs, is an offence for which a member of that force may be so sentenced and which is an offence of the same nature as one for which a member of a like home force would, under the law applicable to such home force, be liable to be sentenced to death.

4. (1) Nothing in the last preceding section shall affect the jurisdiction of any civil court in Canada to try a member of any foreign force for any act or omission constituting an offence against any law in force in Canada.

(2) If a person sentenced by a court exercising jurisdiction by virtue of the last preceding section to punishment for an offence is afterwards tried by any such

.....civil

civil court as aforesaid in respect of any act or omission which constituted that offence, the civil court shall, in awarding punishment in respect of that act or omission, have regard to any punishment imposed on him by the said sentence.

(3) A court shall not have jurisdiction by virtue of the last preceding section to try any person for any act or omission constituting an offence for which he has been acquitted or convicted by any such civil court as aforesaid.

5. The members of any service court of a foreign Power exercising jurisdiction by virtue of this Order, and witnesses appearing before any such court, shall enjoy the like immunities and privileges as are enjoyed by a service court exercising jurisdiction by virtue of the laws of Canada, and by witnesses appearing before such a court.

6. (1) Where any sentence has, whether within or without Canada, been passed upon a member of a foreign force by a service court of the foreign Power to which the force belongs, then for the purposes of any legal proceedings within Canada the court shall be deemed to have been properly constituted, and its proceedings shall be deemed to have been regularly conducted, and the sentence shall be deemed to be within the jurisdiction of the court and in accordance with the law of that Power, and if executed accordingly to the tenor thereof shall be deemed to have been lawfully executed, and any member of a foreign force who is detained in custody in pursuance of any such sentence, or pending the determination by such a service court as aforesaid of a charge brought against him, shall for the purposes of any such proceedings as aforesaid be deemed to be in lawful custody.

(2) For the purposes of any such proceedings as aforesaid a certificate under the hand of the officer commanding a foreign force that a member of that force is being detained for either of the causes aforesaid shall be conclusive evidence of the cause of his detention, but not of his being such a member, and a certificate under the hand of such an officer that the persons specified in the certificate sat as a service court of the foreign Power to which the force belongs shall be conclusive evidence of that fact.

7. No proceedings in respect of the pay, terms of service or discharge of a member of a foreign force shall be entertained by an court of Canada.

8. For the purpose of enabling the service courts and service authorities of a foreign Power to exercise more effectively the powers conferred upon them by this Order, the Minister of National Defence, if so requested by the officer commanding a foreign

4.....force

force or by the Government of the foreign Power to which the force belongs, may from time to time by general or special orders to any home force direct the members thereof to arrest members of the foreign force alleged to have been guilty of offences against the law of that Power and to hand over any person so arrested to the appropriate authorities of the foreign force.

9. Any Government Department, Minister of the Crown, or other person in Canada, may perform, at the request of the officer commanding a foreign force, any function in relation to that force and members thereof which that Department, Minister or person performs or could perform in relation to a home force of like nature to the foreign force, or in relation to members of such a force and, for the purpose of the exercise of any such function, any power exercisable by virtue of any enactment by the Minister, Department or person in relation to a home force or members thereof shall be exercisable by him or them in relation to the foreign force and members thereof;

Provided that nothing in this section shall authorize interference with any such foreign force in matters relating to discipline or to the internal administration of the force.

10. (1) Any member of a foreign force, if sentenced by a service court of the foreign Power to which the force belongs to penal servitude, imprisonment or detention may, under the authority of the Minister of National Defence, given at the request of the officer commanding the foreign force, be temporarily detained in custody in a prison or detention barrack in Canada, and if so sentenced to penal servitude or imprisonment may, under the like authority, be imprisoned during the whole or any part of the term of his sentence in a prison or detention barrack in Canada.

(2) The provisions of any enactment, regulations, rules or orders relating to the treatment of persons serving sentences of imprisonment in prisons in Canada, and the manner in which such persons are to be dealt with in the event of their unsoundness of mind, shall apply to persons detained or imprisoned in prisons in Canada under this Order in like manner as if

(a) any such person who has been sentenced to detention or imprisonment for a term of less than two years were a person sentenced to imprisonment by a court of Canada;

(b) any such person who has been sentenced to detention, imprisonment or penal servitude for a term of two years or more were a person sentenced to imprisonment in a penitentiary by a court of Canada.

(3) The provisions of any enactment so far as they relate or are applied in relation to the reception of prisoners, who are to be detained and imprisoned as aforesaid, from and their return to the service authorities of the home forces, their treatment while in custody in a detention barrack, and the circumstances under which they are to be released, shall apply in relation to members of any foreign force sentenced as aforesaid in like manner as they apply in relation to members of a home force sentenced by a service court, subject to any necessary modification.

In this subsection the expression 'enactment' includes the King's Regulations for the Army, the King's Regulations and Admiralty Instructions, the King's Regulations and Air Council Instructions for the Royal Air Force and any rules, regulations and orders made under any enactment.

11. Subject as hereinafter provided, any Act of the Parliament of Canada, or any order, rule or regulation made thereunder, (whether contained in the Militia Act, the Naval Service Act, The Royal Canadian Air Force Act, or any other statute) which -

- (a) exempts, or provides for the exemption of, any vessel, vehicle, aircraft, machine or apparatus of, or employed for the purposes of the home forces or any of them from the operation of any enactment; or
- (b) in virtue of a connection with the home forces or any of them, confers a privilege or immunity on any persons, or
- (c) in virtue of such a connection, exempts any property, trade or business, in whole or in part, from the operation of any enactment, or from any tax, rate, imposition, toll or charge; or
- (d) imposes upon any person or undertaking obligations in relation to the home forces, or any of them or any member or service court thereof; or
- (e) penalises misconduct by any person in relation to the home forces or any of them, or any member or service court thereof, shall, with any necessary modification, apply in relation to a foreign force as it would apply in relation to a home force of a like nature to the foreign force;

Provided that the Governor-in-Council may direct that any such enactment either shall not apply, or shall apply with such exceptions and subject to such adaptations or modifications as may be specified.

12. (1) Subject to the provisions of this section, paragraphs (1) to (4) of section one hundred and fifty-four of the Army Act, (which relates to the apprehension of deserters and absentees without leave from a home military force), shall, to the extent to which by the Militia Act it is given force and effect as if it had been enacted by the Parliament of Canada for the government of the militia within Canada, apply in relation to a deserter or absentee without leave from any foreign force, as they apply in relation to a deserter or absentee without leave from a home military force, but as if any reference in the said paragraphs to military custody included a reference to naval or air force custody.

(2) No person who is alleged to be a deserter or absentee without leave from a foreign force shall be apprehended and dealt with under this section except in compliance with a request, whether specific or general, from the officer commanding that force.

(3) The provisions of this section shall not apply to any person who, while in Canada, has been called up for service under the law of a foreign Power, and who has failed to comply with such call or to be enrolled in the foreign force of that Power.

(4) For the purposes of any proceedings under this section:-

(i) A document purporting to be a certificate under the hand of the Secretary of State for External Affairs or the Minister of National Defence that a request has been made under sub-section (2) of this section shall be admissible without proof as evidence of such request

(ii) A document purporting to be a certificate under the hand of the officer commanding a unit or detachment of any force to which this section applies that a named and described person was at the date of the certificate a deserter or absentee without leave from that force, shall be admissible without proof as evidence of the facts so certified.

13. (1) Nothing in the following enactments shall apply to members of foreign forces acting in the course of their duty;

(i) Regulations 57, 37A, 37B, and 37C, of the Defence of Canada Regulations (Consolidation) 1949, relating to possession of explosives, ammunition and firearms.

(ii) Sections 114 to 116, inclusive, and sections 118 to 121A, inclusive, of the Criminal Code, relating to possession of explosives, ammunition and firearms.

(iii) Section 99 of the Criminal Code, relating to unlawful drilling.

(2) It shall be lawful for members of foreign forces, acting in the course of their duty, to possess and carry explosives, ammunition and firearms.

Sgd. A.D.P. Heeney
Clark of the Privy Council

LEGATION OF THE
UNITED STATES OF AMERICA
Ottawa, Canada, August 28, 1941.

No. 474

Sir:

With a view to securing greater uniformity of practice in the matter of the wearing of uniform by unarmed members of the United States Army and Navy when visiting Canada, and by unarmed members of the Canadian forces when visiting the United States, and to adopting on a reciprocal basis a more liberal regime than has prevailed hitherto, my Government suggests that the following procedure may be agreed upon:

Unarmed members of the military, naval and air forces of each country may travel in uniform to the other country and wear uniform while within the other country provided:

(1) that the privileges thus granted to military personnel shall not be construed as waiving or modifying in any way Immigration regulations of the other country, or permit the actual movement of troops by one country through the territory of the other, and (2) that military personnel of one country proceeding to the territory of the other shall have in their possession valid military papers, i.e., "leave of absence" papers, soldier's "pass", or a Navy "identification card" or Naval

The Right Honorable
The Acting Secretary of State
for External Affairs,
Ottawa.

"leave ticket" if travelling for personal reasons;
or "official orders" if travelling on duty.

This note and your reply, accepting my Government's proposals, will together constitute an arrangement that becomes effective the 7th day from the date of your reply. It is understood that the arrangement is terminable by either Government on notice, and that it will supersede the arrangement effected between the two Governments by the exchange of notes dated March 7, April 5 and June 22, 1939, as amended by the further exchange of notes dated May 17 and May 29, 1940.

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

(Sgd.) Pierrepont Moffat

DEPARTMENT OF EXTERNAL AFFAIRS, OTTAWA

Ottawa, September 4, 1941.

No. 158

Sir,

I have the honour to refer to your note of August 28, No. 474, concerning the proposed arrangements for governing the wearing of uniforms by members of the United States forces when visiting Canada and by members of the Canadian forces when visiting the United States, and wish to state that the suggested arrangement, which will become effective the 7th day from the date of this reply, is agreeable to this Government.

It is understood that this arrangement is terminable by either Government on notice, and that it will supersede the arrangement effected between the two Governments by the exchange of notes dated March 7th, April 5th and June 22nd, 1939, as amended by the further exchange of notes dated May 17th and May 29th, 1940.

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

(Sgd.) Laurent Beaudry

(for the) Acting Secretary of State
for External Affairs.

The United States Minister to Canada,
Legation of the United States of America,
OTTAWA, Canada.

COPY

OTTAWA, March 6, 1948.

NO. 22

Sir,

I have the honour to state that discussions have recently taken place between representatives of the Unemployment Insurance Commission of Canada and the Social Security Board of the United States of America on matters of mutual interest arising under the laws of both countries.

The United States of America, by the enactment of the Social Security Act (Act of August 14, 1935, c. 531, 49 Stat. 620, 42 U.S.C., c. 7 (Supp.), as amended by Act of August 10, 1939, c. 666, 53 Stat. 1360), has made provision for the maintenance of a Federal-State unemployment insurance program in the United States of America. The Parliament of Canada, by the enactment of the Unemployment Insurance Act, 1940, chapter 44 of the Statutes of Canada, 1940, has made provision for an unemployment insurance program in Canada.

There are now in operation unemployment insurance laws in the various states of the United States of America and in Canada.

The representatives of the Unemployment Insurance Commission and the Social Security Board concluded that it is desirable that the application of such laws be co-ordinated and integrated so that duplication of contributions with respect to the same services and duplication of insurance payments with respect to the same periods of unemployment may be avoided.

In order to achieve this result, the Government of Canada is prepared to make with the Government of the United States of America the agreement which is annexed as an Appendix to this note.* The agreement would come into force one month from the date of your reply stating that the Government of the United States of America accepts the Canadian Government's proposal.

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

(Sgd.) N.A. ROBERTSON

FOR SECRETARY OF STATE FOR
EXTERNAL AFFAIRS.

The United States Minister to Canada,
Legation of the United States of America,
Ottawa, Canada.

* See attached Note.

APPENDIXAgreement between the Government
of Canada and the Government of
the United States of America

ARTICLE I

(a) In this agreement, unless the context otherwise requires,

- (i) "agency" means any officer, board, commission or other authority designated by an Unemployment Insurance Law in force in any state or in Canada to administer the Unemployment Insurance Fund for which provision is made by such Unemployment Insurance Law;
- (ii) "state" means any state of the United States of America, the territories of Alaska and Hawaii, and the District of Columbia;
- (iii) "Social Security Board" means the Board designated in the Social Security Act to administer those provisions of the laws of the United States of America which relate to the Federal-State unemployment insurance programme;
- (iv) "jurisdiction" means any State or Canada.

(b) Services performed by an individual for an employer shall be deemed to be localized within a jurisdiction if -

- (i) such services are performed entirely within such jurisdiction, or
- (ii) such services are performed both within and without such jurisdiction, but the services performed without such jurisdiction are incidental to the individual's services performed within such jurisdiction, for example, are temporary or transitory in nature or consist of isolated transactions.

ARTICLE II

This agreement shall not be applicable to employment with respect to which contributions are payable under the railroad Unemployment Insurance Act of the United States of America or to periods of unemployment with respect to which benefits are payable under that Act.

ARTICLE II

This agreement shall not be applicable to employment with respect to which contributions are payable under The Railroad Unemployment Insurance Act of the United States of America or to periods of unemployment with respect to which benefits are payable under that Act.

ARTICLE III

The Government of the United States of America agrees that the Social Security Board will recommend to each of the states that it carry out the provisions herein contained, and Canada agrees to carry out such provisions; Provided that if any state does not substantially carry out any such provisions, the unemployment insurance Commission of Canada may suspend the operation of such provision with reference to such state.

ARTICLE IV

(a) An individual's entire services for an employer in insurable employment as defined in the unemployment insurance law of a jurisdiction will be insured under the unemployment insurance law of such jurisdiction in respect of services performed by him within, or both within and without such jurisdiction if -

- (1) his services are localized in such jurisdiction, or
- (2) his services are not localized in any jurisdiction but some of his services are performed in such jurisdiction, and

- (i) his base of operations, or if he has no base of operations, the place from which his services are directed or controlled, is in such jurisdiction, or
- (ii) his base of operations or the place from which his services are directed or controlled is not in any jurisdiction in which some of his services are performed, but his residence is in such jurisdiction.

(b) If Clauses 1 and 2 of paragraph (a) of this article do not apply with respect to an individual's services, the agency of any jurisdiction may approve, subject to such conditions as it may prescribe or as may be prescribed by its unemployment insurance law, an election by such individual's employer pursuant to which such individual's entire services for that employer shall be deemed to be insured employment under the un-

employment insurance law of such jurisdiction.

ARTICLE V

The Agency of any jurisdiction may perform services for the agency of any other jurisdiction in the taking and development of any claim for benefits by an individual absent from such latter jurisdiction and desirous of claiming benefits under the unemployment insurance law of such jurisdiction.

ARTICLE VI

(a) To avoid the duplication of unemployment insurance payments with respect to the same period of unemployment, no benefits shall be payable on the basis of a claim filed through an agency of another jurisdiction unless the claimant's benefit rights, if any, under the law of the jurisdiction in which he files his claim shall have been exhausted or otherwise terminated.

(b) If, after such rights have been exhausted or otherwise terminated, any such individual has rights under the unemployment insurance laws of two or more jurisdictions, such individual may be required to exhaust or otherwise terminate his rights to benefits under such other laws in such order as may be determined jointly by the Social Security Board of the United States of America and the Unemployment Insurance Commission of Canada, to be reasonable and just as between all affected interests.

ARTICLE VII

This agreement may be amended by mutual arrangement evidenced by an exchange of notes between the two Governments, and may be terminated by either Government after sixty days notice to the other Government.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, March 12, 1942.

No. 620

Sir:

I have the honour to acknowledge receipt of your note dated March 6, 1942, setting forth as an appendix the agreement which the Government of Canada is prepared to make with the Government of the United States of America respecting coordination and integration of the unemployment insurance laws of the United States of America and Canada, so that duplication of contributions with respect to the same services and duplication of insurance payments with respect to the same periods of unemployment may be avoided.

Under instructions from my Government, I hereby advise you that the Government of the United States of America accepts the Canadian Government's proposal and understands that the agreement will come into force one month from the date of this note; namely, April 12, 1942.

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

(Sgd.) PIERRE-PONT MOFFAT

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

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, March 18, 1942.

No. 629

Sir,

With reference to conversations that have recently taken place among the competent officials of the United States and the Canadian Governments concerning the proposed transfer to the Armed Forces of the United States of certain American citizens now serving in the Naval, Military, or Air Forces of Canada, I have the honor to propose that an agreement be entered into between the two Governments as follows :

I. FORCES WITHIN CANADA

1. The appropriate Canadian and United States authorities shall prepare a statement of the conditions of transfer and thereafter, as soon as possible, but not later than April 6, 1942, the appropriate Canadian authorities shall inform all United States citizens and former United States citizens who have lost their citizenship as a result of having taken an oath of allegiance on enlistment in the Naval, Military or Air Forces of Canada, and who are now serving in these Forces in Canada, that they have an opportunity prior to and not after April 20, 1942, to apply for appointment or enlistment in the United States Armed Forces. Personnel making such applications may withdraw them at any time prior to appointment or enlistment in the United States Armed Forces.
2. The United States War and Navy Departments shall furnish National Defence Headquarters, Ottawa, information governing the conditions of service in the United States Armed Forces, which information shall be communicated by National Defence Headquarters to all concerned.
3. National Defence Headquarters, Ottawa, shall send nominal rolls of the applicants to the War or Navy Department of the United States.
4. The United States War and Navy Departments shall appoint Boards to come to Canada to interview applicants with full power to appoint or to enlist them in the United States Forces.
5. The Naval, Military and Air Forces of Canada shall set up Boards empowered to authorize resignations and discharge of the applicants accepted by the United States Forces.
6. The Canadian Board shall be empowered to postpone transfers if in their opinion immediate transfer would prejudicially affect the common war effort.
7. Medical examinations, resignations and discharges from

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

the Naval, Military or Air Forces of Canada, and immediate appointment or enlistment in the United States Forces, shall take place at joint meetings of the United States and Canadian Boards.

8. The United States Board will issue the necessary travel and meal vouchers to the appropriate assembly points in the United States to the accepted applicants. Accepted applicants shall be permitted to wear Canadian badges and uniform until such time as they arrive at the assembly points in the United States and are equipped with United States uniform. The United States Armed Forces will return all public clothing, arms and equipment of such accepted applicants to points in Canada to be designated.
9. Sentences of detention of selected applicants will be remitted at the request of the United States Board.
10. Except with the authority of National Defense Headquarters applicants for appointment or enlistment in the United States Armed Forces shall not be discharged from the Naval, Military or Air Forces of Canada until their application has been heard by the United States Board in accordance with the proposed plan.

II. FORCES OUTSIDE CANADA

1. The rules which apply to the above mentioned persons serving within Canada will apply without change to those serving in the Canadian Forces in Newfoundland and Jamaica. If despite all efforts notifications to United States citizens and former United States citizens serving in Newfoundland or Jamaica are not deliverable before April 8, 1942, the option to apply for transfer will be exercisable for fifteen days after the receipt of the notification.
2. The rules which apply to the above mentioned persons serving within Canada will apply without change to those serving outside of Canada, Newfoundland and Jamaica except that:
 - (a) The transfer will not ordinarily be made until the individual can be transferred to a United States unit serving in the area in which he is located, and
 - (b) The option to apply for transfer will be exercisable within fifteen days after notice of the right to exercise it has appeared in the orders of the unit with which he is serving.
3. Representatives of Canada and of the United States will discuss with the authorities of Great Britain the transfer to the United States Forces of Royal Canadian Air Force personnel now serving in the Royal Air Force whose transfer might affect the efficiency of the Royal Air Force.

III. UNITED STATES FORCES

1. The United States will accord the same right of transfer to Canadian citizens now serving in the United States Forces as is accorded United States citizens serving in the Canadian Forces.

In submitting the foregoing proposal, I may add that if an agreement in this sense is acceptable to the Canadian Government, this note and your reply thereto accepting the terms outlined 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.

PIERREFONT MOFFAT
American Minister

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, March 20, 1942.

No. 53

Sir,

I have the honour to refer to your Note of March 18, 1942, No. 629, proposing an agreement between the Governments of Canada and of the United States concerning the transfer to the Armed Forces of the United States of certain United States citizens and former United States citizens now serving in the Naval, Military or Air Forces of Canada.

I am glad to inform you in reply that the Canadian Government undertakes to give effect to the agreement set forth in your Note.

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

W. L. MACKENZIE KING

Secretary of State for External
Affairs

DEPARTMENT OF STATE

WASHINGTON, March 30, 1942.

Sir:

I have the honor to refer to conversations which have taken place between officers of the Canadian Legation and of the Department with respect to the application of the United States Selective Training and Service Act of 1940, as amended, to Canadian nationals residing in the United States.

As you are aware the Act provides that with certain exceptions every male citizen of the United States and every other male person residing in the United States between the ages of 18 and 65 shall register. The Act further provides that, with certain exceptions, registrants within specified age limits are liable for active military service in the United States armed forces.

This Government recognizes that from the standpoint of morale of the individuals concerned and the over-all military effort of the countries at war with the Axis Powers, it would be desirable to permit certain classes of individuals who have registered or who may register under the Selective Training and Service Act of 1940, as amended, to enlist in the armed forces of a co-belligerent country, should they desire to do so. It will be recalled that during the World War this Government signed conventions with certain associated powers on this subject. The United States Government believes, however, that under existing circumstances the same ends may now be accomplished through administrative action, thus obviating the delays incident to the signing and ratification of conventions.

This Government is prepared, therefore, to initiate a procedure which will permit aliens who have registered under the Selective Training and Service Act of 1940, as amended, who are nationals of co-belligerent countries and who have not declared their intention of becoming American citizens to elect to serve in the forces of their respective countries, in lieu of service in the armed forces of the United States, at any time prior to their induction into the armed forces of this country. Individuals who so elect will be physically examined by the armed forces of the United States, and if found physically qualified, the results of such examinations will be forwarded to the proper authorities of the co-belligerent nation for determination of acceptability. Upon receipt of notification that an individual is acceptable and also receipt of the necessary travel and meal vouchers from the co-belligerent government involved, the appropriate State Director of the Selective Service System will direct the local Selective Service Board having jurisdiction in the case to send the individual to a designated reception point for induction into active

The Honorable Leighton McCarthy, K.C.,
Minister of Canada.

service in the armed forces of the co-belligerent country. If upon arrival it is found that the individual is not acceptable to the armed forces of the co-belligerent country, he shall be liable for immediate induction into the armed forces of the United States.

Before the above-mentioned procedure will be made effective with respect to a co-belligerent country, this Department wishes to receive from the diplomatic representative in Washington of that country a note stating that his government desires to avail itself of the procedure and in so doing agrees that :

- (a) No threat or compulsion of any nature will be exercised by his government to induce any person in the United States to enlist in the forces of any foreign government;
- (b) Reciprocal treatment will be granted to American citizens by his government; that is, prior to induction in the armed forces of his government they will be granted the opportunity of electing to serve in the armed forces of the United States in substantially the same manner as outlined above.
- (c) No enlistments will be accepted in the United States by his government of American citizens subject to registration or of aliens of any nationality who have declared their intention of becoming American citizens and are subject to registration.

This Government is prepared to make the proposed regime effective immediately with respect to Canada upon the receipt from you of a note stating that your government desires to participate in it and agrees to the stipulations set forth in lettered paragraphs (a), (b), and (c) above.

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

SUMNER WELLES

Acting Secretary of State

CANADIAN LEGATION

WASHINGTON, April 6, 1942.

No. 222

Sir:

I have the honour to refer to your Note of March 30, 1942, concerning the application of the United States Selective Training and Service Act of 1940, as amended, to Canadian nationals residing in the United States.

2. In your note you make certain proposals which, so far as they affect Canada, may be set forth as follows:-

- (1) The Government of the United States is prepared to initiate a procedure which will permit non-declarant Canadian nationals who register under the United States Selective Training and Service Act of 1940, as amended, to elect, at any time prior to their induction into the Armed Forces of the United States, to serve in the Naval, Military or Air Forces of Canada in lieu of service in the Armed Forces of the United States. Individuals who elect for service with the Canadian Forces will be physically examined by the Armed Forces of the United States; if they are found to be physically qualified, the results of the examinations will be forwarded to the proper authorities of Canada. On receipt from the Canadian Government of notification that an individual is acceptable and also receipt of the necessary travel and meal vouchers, the appropriate State Director of the Selective Service System will direct the local Selective Service Board concerned to send the individual to a designated reception point for induction into the Naval, Military or Air Forces of Canada. If, on arrival at the reception point, the individual is found to be not acceptable to the Naval, Military or Air Forces of Canada, he shall be liable for immediate induction into the Armed Forces of the United States.
- (2) The Government of the United States is prepared to make the proposed regime effective immediately with respect to Canada on receipt of a note stating that the Canadian Government desires to participate in the regime and agrees to the following stipulations:-
 - (a) The Canadian Government shall not exercise any threat or compulsion of any nature to induce any person in the United States to enlist in the Naval, Military or Air Forces of Canada or of any other foreign Government;

The Honourable Sumner Welles,
Acting Secretary of State
of the United States,
Washington, D. C.

- (b) The Canadian Government shall grant reciprocal treatment to United States citizens, that is, United States citizens subject to compulsory military service in Canada shall, prior to induction into the Naval, Military or Air Forces of Canada, be granted the opportunity of electing to serve in the Armed Forces of the United States in substantially the same manner as that outlined above;
- (c) The Canadian Government shall not accept enlistments in the United States from United States citizens subject to registration or from aliens of any nationality who have declared their intention of becoming United States citizens and are subject to registration.

3. The policy of the Canadian Government and Canadian legislation have been based on the assumption that measures applying compulsory military service to aliens should be founded upon agreement with the interested Governments. The Canadian Government is of the opinion that difficulties might arise if there were general recognition of a right to conscript aliens, implying corresponding rights in other countries to conscript Canadian nationals. The Canadian Government, however, does not wish to raise a legal objection at the present time. In view of the close cooperation between Canada and the United States in the prosecution of the war, and in view of the time that will be saved and of the other undoubted, practical advantages to be derived from the acceptance of these United States proposals, the Canadian Government is prepared to cooperate with the Government of the United States by participating in the regime set forth above, full reciprocity on all points being assured by the United States Government.

4. The Canadian Government agrees to stipulation (a) on the understanding that the United States Government is willing, if requested, to make a reciprocal promise. It is understood, of course, that the engagement set out in stipulation (a) is limited to the present case and, furthermore, that it is not intended to prevent the Canadian Government from declaring the legal liability of Canadians everywhere, including the United States, to serve in the Canadian Forces, so long as nothing is said or done by the Canadian Government in the United States by way of threat or compulsion. The reason for this reservation is that Canada may decide in the future to create a general legal liability of Canadians abroad to serve in the Canadian Forces similar to the existing provision in the United States Selective Training and Service Act imposing a liability on United States citizens everywhere. If Canada creates such a liability, the Canadian Government would not wish to exclude any part of the globe.

5. The Canadian Government agrees to stipulation (b) on the understanding, firstly, that the United States Government is agreeable to the Canadian Government imposing a liability to compulsory military service on United States citizens residing in Canada, and secondly, that declarant United States citizens in Canada, like declarant Canadian nationals in the United States, will not be granted an opportunity of electing to serve in the armed forces of the country of which they are nationals.

6. The Canadian Government agrees to stipulation (c) on a basis of reciprocity, that is, that the United States will not accept enlistments in Canada from Canadian nationals or from declarant aliens of any nationality who may be subject to liability to compulsory military service under Canadian law.
7. The Canadian Government assumes that the words "active service in the armed forces of the co-belligerent country" in paragraph four of your Note mean, so far as Canada is concerned, full time duty in the Naval, Military or Air Forces of Canada.
8. The Canadian Government understands that nothing in this exchange of notes will be construed as imposing any obligation on the Canadian Government to return to the United States Canadian nationals who may be deemed to be draft delinquents under United States law.
9. In order that non-declarant Canadian nationals in the United States may be informed of the conditions of service in the Naval, Military and Air Forces of Canada, National Defence Headquarters in Ottawa will give the Selective Service System of the United States copies of a pamphlet setting forth the conditions of service, on the understanding that the Selective Service System will make the pamphlets available to non-declarant Canadian nationals who are called up for induction into the Armed Forces of the United States.
10. The Canadian Government trusts that Canadian nationals who are permanent residents of the United States and who elect for service in the Naval, Military or Air Forces of Canada and are accepted by one of those Forces will be permitted to return to the United States at any time within six months after the termination of their service with the Canadian Forces.

I have the honour to be,
with the highest consideration,

Sir,

Your most obedient
humble servant,

H. H. WRONG

For the Minister.

DEPARTMENT OF STATE

WASHINGTON, April 8, 1948.

Sir :

I have the honor to acknowledge the receipt of your note no. 828 of April 6, 1948, referring to my note of March 30 concerning the application of the United States Selective Training and Service Act of 1940, as amended, to Canadian nationals residing in the United States and stating that the Canadian Government is prepared to cooperate with the Government of the United States by participating in the regime outlined in my note of March 30, on the understanding that full reciprocity on all points contained therein will be accorded by the Government of the United States.

I am pleased to inform you that the Government of the United States hereby assures the Government of Canada full reciprocity with respect to the regime in question and likewise agrees to the understandings, limitations, and assumptions set forth in numbered paragraphs 4 through 9 inclusive of your note under acknowledgment.

With respect to numbered paragraph 10 of your note relating to the return to the United States of Canadian nationals who elect to serve in the Naval, Military or Air Forces of Canada and are accepted by one of these forces, you are informed that the Department of State is requesting the Department of Justice to recommend to the Congress of the United States the adoption of appropriate legislation with a view to simplifying to the fullest extent possible the reentry to the United States of the individuals in question at any time within six months after the termination of their service with the Canadian forces.

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

SUMNER WELLES

Acting Secretary of State

Mr. Hume Wrong,
Charge d'Affaires ad interim of Canada.

CANADIAN LEGATION

WASHINGTON, September 30, 1942.

No. 638

Sir:

I have the honour to refer to your note of April 8, 1942, in reply to my note No. 222 of April 6 concerning the application of the United States Selective Training and Service Act of 1940, as amended, to Canadian nationals residing in the United States, and stating that the Government of the United States assures the Government of Canada full reciprocity with respect to the regime outlined in your note of March 30 under which Canadian nationals in the United States who have not declared their intention of becoming United States citizens may elect to serve in the naval, military or air forces of Canada in lieu of service in the armed forces of the United States. In your note you further state that the Government of the United States agrees to the understandings, limitations and assumptions set forth in numbered paragraphs 4 to 9 inclusive of my note.

2. One of these understandings is that the Government of the United States is agreeable to the Canadian Government imposing a liability to compulsory military service on United States citizens residing in Canada. A second understanding is that while non-declarant United States citizens in Canada will, prior to their induction into the naval, military or air forces of Canada be granted an opportunity of electing to serve in the armed forces of the United States, this opportunity will not be granted to declarant United States citizens in Canada.

3. In accordance with these understandings the Canadian Government has recently imposed on United States citizens residing in Canada a liability to compulsory military service identical with that imposed on British subjects ordinarily resident in Canada, and the Canadian Government now desires to initiate a procedure satisfactory to the Government of the United States under which United States citizens in Canada who have not declared their intention of applying for naturalization in Canada may elect to serve in the armed forces of the United States, in lieu of service in the armed forces of Canada, at any time prior to enrolment in the Canadian Army.

4. The following proposals are made by the Canadian Government :

- (a) Individuals who elect for service with the armed forces of the United States will be physically examined by the Canadian Army. The results of the examination will be forwarded to the proper authorities of the United States. On receipt from these authorities of notification that an individual is acceptable the competent Canadian authority will send the individual to a designated reception point for induction into the armed forces of the United States. If, on arrival at the reception point, the individual is found to be not acceptable to the armed forces of the United States, he shall be liable to be enrolled immediately in the Canadian Army.

The Honourable Cordell Hull,
Secretary of State
of the United States,
Washington, D. C.

(b) In order that non-declarant United States citizens in Canada may be informed of the conditions of service in the armed forces of the United States, the Canadian Government suggests that the United States authorities give the Canadian authorities copies of a pamphlet setting forth the conditions of service so that the pamphlets may be made available to non-declarant United States citizens who are called up for military service by Canada.

(c) United States citizens in Canada who elect to serve in the armed forces of the United States and are accepted by one of these forces and who return to Canada for permanent residence within six months after the termination of their service with the United States armed forces will not lose any rights they may have previously acquired under the Immigration and Naturalization Acts of Canada.

5. Acceptance by the United States of these proposals will not be construed by the Canadian Government as imposing any obligation on the United States Government to return to Canada United States citizens who may be deemed to be defaulters under the National War Services (Recruits) Regulations of Canada.

6. If these proposals are acceptable to the Government of the United States, this note and your reply thereto accepting the proposals shall be regarded as placing on record the understanding arrived at between the two Governments concerning this matter. The practical details may then be arranged directly between the appropriate governmental agencies.

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

LEIGHTON MCGARTHY

September 30, 1942.

Sir:

I have the honor to acknowledge the receipt of your note no. 658 of September 30, 1942 proposing an arrangement under which American citizens residing in Canada, who have not declared their intention of applying for naturalization in Canada, and who may become subject to enrolment in the armed forces of Canada will, prior to such enrolment, be given an opportunity of electing to serve in the armed forces of the United States. You also state that acceptance of the proposals will not be construed by your Government as imposing any obligation on the Government of the United States to return to Canada any citizens of the United States who may be deemed to be defaulters under the National War Services (Recruits) Regulations of Canada. Your proposals are made on the understanding that the United States Government is agreeable to the Canadian Government imposing a liability to compulsory military service on United States citizens residing in Canada, and that the opportunity of electing to serve in the armed forces of the United States will be granted only to American citizens residing in Canada who have not declared their intention of applying for naturalization in Canada.

I am pleased to inform you that the Government of the United States agrees to the Canadian Government imposing a liability to military service on United States citizens residing in Canada, and that the proposed arrangement as outlined in your note under acknowledgment is satisfactory to this Government.

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

For the Secretary of State

A. A. BERLE, Jr.

DEPARTMENT OF STATE

WASHINGTON, September 30, 1943.

Sir :

I have the honour to refer to the arrangement between Canada and the United States concerning the services of nationals of one country in the armed forces of the other country, and to inform you that the War Department is prepared to discharge, for the purposes of transferring to the armed forces of their own country, nondeclarant Canadian nationals now serving in the United States forces who have not heretofore had an opportunity of electing to serve in the forces of their own country, under the same conditions existing for the transfer of American citizens from the Canadian forces.

The Inter-Allied Personnel Board of the War Department, which is headed by Major General Guy V. Henry, is prepared to make the necessary arrangements for the contemplated transfers, and to discuss matters related thereto. In the case of a person serving outside the United States, however, the commanding officer of the theater of operations in which he may be serving is the proper authority to arrange the release.

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

For the Secretary of State :

BRACKINRIDGE LONG

811.2222(1940)/1628

CANADIAN LEGATION

WASHINGTON, November 6, 1942.

No. 716

Sir:

I have the honour to refer to your note of September 30, 1942, concerning the agreement between Canada and the United States with regard to the services of nationals of the one country in the armed forces of the other.

In the note under reference it is stated that the War Department is prepared to discharge, for the purpose of transferring to the armed forces of their own country, non-declarant Canadian nationals now serving in the United States forces who have not heretofore had an opportunity of electing to serve in the forces of their own country, under the same conditions existing for the transfer of United States citizens from the Canadian forces.

It will be recalled that Part III of the United States Legation's note dated March 18, 1942, in outlining the reciprocal nature of the agreement, does not restrict the right of transfer to non-declarant Canadians. It will be further recalled that the Canadian authorities, in extending the corresponding rights to United States citizens, have also permitted former United States citizens to exercise the same option. These former citizens of the United States, who had lost their citizenship by reason of taking the oath of allegiance on enlistment in Canada, were therefore in a position similar to that of declarant Canadians in the United States forces but were not debarred on that account from the right of transfer.

It is noted that the United States authorities propose also to limit this right to Canadians who have not heretofore had the opportunity of electing to serve in the Canadian forces. In this connection I wish to refer to my note No. 654 of October 6, 1942, in which the difficulties encountered by the Canadian authorities in notifying Canadians of their rights were outlined. Since the United States authorities have never undertaken to make this opportunity known to Canadians who were conscripted under the Selective Training and Service Act of 1940, (as amended) and since it is known that some local draft boards were not aware of the right, it would be difficult to prove that all non-declarant Canadians who have been drafted into the United States forces had actually been given the opportunity to elect to serve in the Canadian forces.

In view of these considerations I suggest therefore that the right of transfer should be accorded to all declarant and non-declarant Canadian nationals who are now serving in the United States forces.

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

LEIGHTON McCARTHY

The Honourable Cordell Hull,
Secretary of State
of the United States,
Washington, D. C.

DEPARTMENT OF STATE

WASHINGTON, February 6, 1943.

Sir:

I have the honor to refer to your note no. 716 of November 6, 1942, in which you suggest that all Canadian nationals, both declarant and non-declarant, who may now be serving in the Army of the United States be given the right to apply for transfer to the Canadian Forces.

This matter has received the careful attention of this Department and of the War Department, and I take pleasure in informing you that the Secretary of War has indicated his readiness to apply the provisions of the agreement made with your Government on March 18 and 20, 1942 to all Canadian citizens, both declarant and non-declarant, who were serving in the Armed Forces of the United States on April 20, 1942. The date of April 20, 1942 is the date applicable to transfers of American citizens from the Canadian Forces and, accordingly, similar privileges will be accorded to Canadian nationals serving on that date in the United States Forces.

In regard to your request that Canadian nationals who were inducted into the Army of the United States subsequent to April 6, 1942, on which date the agreement effected by the exchange of notes of March 30, April 6 and April 8, 1942 became effective, be permitted to exercise an option for transfer to the Canadian Forces, I regret to inform you that this Government cannot accede to your request. This Government desires to fulfill its obligations under that agreement, and the War Department therefore will give all due consideration to individual cases where non-declarant Canadian nationals apply for discharge from the Army of the United States and it is shown that such persons were denied the privilege of opting for service in the Canadian Forces in lieu of service in the United States Forces.

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

For the Secretary of State :

G. HOWLAND SHAW

The Honorable Leighton McCarthy, K.C.,
Minister of Canada.

DEPARTMENT OF STATE

WASHINGTON, May 25, 1943.

Sir:

I have the honor to refer further to your note no. 654 of October 6, 1942 in the matter of your desire to receive the names of Canadian nationals who become subject to military service in the United States.

This matter has received careful consideration by the various governmental agencies concerned, and it has now tentatively been decided that each alien in the United States who is entitled to exercise an option under one of the existing mutual induction agreements will be so informed by his local board at the time when he is classified into Class I-A. A copy of the letter advising the registrant of his privilege under the agreement will be forwarded to the National Headquarters of the Selective Service System at Washington, where the registrant's name and address will be available to the Legation.

Since it is desired that this procedure be satisfactory to all countries with which such mutual induction agreements have been made, the Director of Selective Service has requested that the suggested procedure be submitted for consideration. I am enclosing a copy of the form letter which has been prepared, and shall appreciate it if you will advise the Department of your views in regard thereto. In order that the contemplated procedure may be begun at as early a date as possible, I shall appreciate it if you will expedite your reply.

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

For the Secretary of State :

G. HOWLAND SHAW

Enclosure: Form letter

The Honorable
Leighton McCarthy, K.C.,
Minister of Canada.

S P E C I M E N

.....

.....

Dear Sir :

Our records show that you are a citizen or subject of _____ . If this information is correct, if you are not a citizen of the United States and have not declared your intention to become a citizen of the United States (have not taken out "first papers"), you have the privilege, in accordance with procedures which have been established, of electing to serve in the armed forces of your country in lieu of service in the armed forces of the United States.

If you desire to serve in the armed forces of your country, you should apply to this board for DSS Form 508, and return it properly completed at the earliest practicable date. You may, however, submit such form at any time before your actual induction into the armed forces of the United States.

We wish to make it clear that your privilege to serve in the armed forces of your country is entirely voluntary, and any threat or attempted coercion from anyone should be reported to the Director of Selective Service, Washington, D. C. If you desire information as to the conditions of service, pay, family allowances, insurance, etc., applicable to members of the armed forces of your country, it is suggested that you communicate with the appropriate representative of your country.

Member or Clerk of Local Board

CANADIAN LEGATION
Washington

June 25, 1943.

No. 340

Sir:

I have the honour to refer to your note of May 25th with regard to the use of the form letter for obtaining the names of Canadian nationals who become subject to military service in the United States.

I am pleased to receive the information conveyed in your note with regard to the notification which the United States authorities propose to send to each Canadian entitled under the existing mutual induction agreement to exercise an option in respect of his military service.

In the note under reference you express a desire to have my views with regard to the proposed form letter. I am therefore venturing to suggest that the changes which are numbered (1) and (2) in the paragraphs immediately following this should be made for the purpose of making the procedure and conditions clearer to those who have the privilege of exercising an option under the mutual induction agreement.

(1) The first sentence of the last paragraph in the form letter should be altered to read as follows:

We wish to make it clear that your privilege of exercising a free choice between service in the Armed Forces of your country and service in the Armed Forces of the United States is entirely voluntary, and any threat or attempted coercion from anyone should be reported to the Director of Selective Service, Washington, D.C.

(2) The final sentence of the last paragraph in the form letter, which at present reads: "it is suggested that you communicate with the appropriate representative of your country", should be altered so as to read as follows:

it is suggested that you communicate with the Embassy, Legation, or appropriate representative of your country at Washington, D.C.

With the changes suggested herein I am assured that the use of the form letter will be satisfactory to the Canadian Government. There is however one other point on which I should be glad to receive your assurance with regard to the procedure of obtaining the names of the Canadians notified by form letter.

Your note states that a copy of the letter will be forwarded to the National Headquarters of the Selective Service System at Washington, where the registrant's name and address will be available to the Legation. It was my understanding that, in accordance with the discussions which took place between the representatives of the Selective Service System and the representatives of certain nations interested herein, the registrants' names and addresses would be sent to the Embassies or Legations concerned. If that understanding is incorrect I shall be grateful

The Honourable Cordell Hull,
Secretary of State
of the United States,
Washington, D.C.

to receive further information with regard to the procedure which may now be proposed by the United States authorities.

I wish to take this opportunity to express my appreciation of the steps which have been proposed by the various Governmental agencies of the United States towards the solution of this question. I hope that the proposals made herein will be found to be mutually acceptable and that the new procedure can be put into effect at an early date.

Accept, Sir, the renewed assurance of my high consideration.

LEIGHTON McCARTHY

LEGATION OF THE UNITED
STATES OF AMERICA

Ottawa, November 2, 1943.

No. 785

Sir:

I have the honour to refer to the discussions which took place in Ottawa June 3 and 4, 1942, between representatives of my Government and representatives of the Canadian Government regarding workmen's compensation and unemployment insurance in connection with the construction of the military highway to Alaska and other American projects in Canada.

It is the understanding of my Government that, as a result of these discussions, it has been agreed :

- A-(1) that American contractors engaged upon the construction of the military highway to Alaska as well as upon or in connection with all other current and future projects of the United States in Canada undertaken pursuant to agreement between the two Governments, shall normally employ only employees whose original contract of employment is made outside Canada and who have not been ordinarily resident in Canada in the three months prior to such original contract. These employees are hereinafter designated as American employees;
- (2) that it is, however, recognized that in some instances employees ordinarily resident in Canada have already been employed by American contractors engaged on projects to which this note applies and that in some special cases it may be necessary for American contractors to be permitted to engage employees ordinarily resident in Canada; but that in such cases it is agreed that the employees will be secured through the Canadian Employment Service;
- (3) that American contractors engaged on projects to which this note applies shall not in respect of their American employees be subject to Canadian laws or regulations, whether federal or provincial, governing wage rates, hours of labor and conditions of work;
- (4) that American contractors engaged upon projects to which this note applies shall not be subject in respect of their American employees to Canadian workmen's compensation laws and regulations, whether federal or provincial, but shall be subject in respect of such American employees to the provisions of the Longshoremen's and Harbor Workers' Compensation Act of the United States as amended by Public Law No. 208, 77th Congress;
- (5) that, with the exception provided in the succeeding paragraph of this note, Canadian contractors engaged on such projects shall, in respect of their Canadian employees, be subject to the applicable Canadian workmen's compensation laws;

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

- (6) that the employees whether American or Canadian of contractors, whether American or Canadian, engaged by the United States on such projects in the Northwest Territories and the Yukon, shall be covered by the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, and that pursuant to United States Public Law No. 208 representatives of the United States Employees' Compensation Commission will be available in these areas to hear and determine claims of workmen, both American and Canadian, and that no Canadian provincial or federal workmen's compensation laws shall apply to any such employees in the Northwest Territories and the Yukon; and that the applicability to such projects of the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, will be implemented either by appropriate American administrative ruling or by legislation.
- (7) that, except as otherwise provided in paragraphs A-(4) and A-(5) of this note, Canadians employed by American contractors and Americans employed by Canadian contractors on such projects will in respect of workmen's compensation be made the subject of agreement with the provincial governments concerned, and, if dominion authority is necessary to give effect to such agreement appropriate orders in council will be issued by the federal government at the request of the province concerned;
- (8) that, in case of appeal by a Canadian employee from a ruling of the United States Employees' Compensation Commission, the Canadian Government shall have the right in its discretion to have qualified counsel appear in behalf of such Canadian employee;
- (9) that civil employees of the United States Government on such projects, whether American or Canadian, will be subject to the Federal Employees' Compensation Act of the United States, and therefore no Canadian federal or provincial workmen's compensation law will be applied to them;
- B-(1) that the Canadian Unemployment Insurance Act will not be applicable to American employees of contractors in Canada on such projects, whether such contractors are American or Canadian;
- (2) that the Canadian Unemployment Insurance Act will be applicable to Canadian employees of contractors in Canada, whether such contractors are American or Canadian, and deductions for such insurance will be forwarded together with the contractors' contributions to the proper office of the Unemployment Insurance Commission of Canada;
- (3) that the Canadian Unemployment Insurance Act will not apply to civil employees of the United States Government on such projects in Canada whether American or Canadian.
- C - that the operation of American insurance companies in Canada under the United States War Department Insurance Rating Plan or similar plans of the other United States governmental agencies, in relation to the projects to which this note applies, will be

exempted in respect of such operations from Canadian taxation on premium and income; they shall nevertheless be registered in Canada and approved by the Canadian Superintendent of Insurance.

I shall appreciate receiving your confirmation of the correctness of my understanding as outlined above of the agreement between our Governments on this subject.

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

PLAINEPONT MOFFAT

OTTAWA, November 4, 1942.

No. 163

Sir,

I have the honour to acknowledge the receipt of your Note No. 785 of November the 2nd, in which you referred to the discussions which took place in Ottawa June 3 and 4, 1942, between representatives of the United States Government and representatives of the Canadian Government regarding workmen's compensation and unemployment insurance in connection with the construction of the military highway to Alaska and other United States projects in Canada.

It is also the understanding of the Canadian Government that, as a result of these discussions, it has been agreed:

- A-(1) that United States contractors engaged upon the construction of the military highway to Alaska as well as upon or in connection with all other current and future projects of the United States in Canada undertaken pursuant to agreement between the two Governments, shall normally employ only employees whose original contract of employment is made outside Canada and who have not been ordinarily resident in Canada in the three months prior to such original contract. These employees are hereinafter designated as United States employees;
- (2) that it is, however, recognized that in some instances employees ordinarily resident in Canada have already been employed by United States contractors engaged on projects to which this note applies and that in some special cases it may be necessary for United States contractors to be permitted to engage employees ordinarily resident in Canada; but that in such cases it is agreed that the employees will be secured through the Canadian employment Service;
- (3) that United States contractors engaged on projects to which this note applies shall not in respect of their United States employees be subject to Canadian laws or regulations, whether federal or provincial, governing wage rates, hours of labour and conditions of work;
- (4) that United States contractors engaged upon projects to which this note applies shall not be subject in respect of their United States employees to Canadian workmen's compensation laws and regulations, whether federal or provincial, but shall be subject in respect of

The United States Minister to Canada,
The United States Legation,
OTTAWA, Canada.

such United States employees to the provisions of the Longshoremen's and Harbor Workers' Compensation Act of the United States as amended by Public Law No. 208, 77th Congress;

- (5) that, with the exception provided in paragraph A-(6) of this note, Canadian contractors engaged on such projects shall, in respect of their Canadian employees, be subject to the applicable Canadian workmen's compensation laws;
 - (6) that the employees whether United States or Canadian of contractors, whether United States or Canadian, engaged by the United States on such projects in the Northwest Territories and the Yukon, shall be covered by the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, and that pursuant to United States Public Law No. 208 representatives of the United States Employees' Compensation Commission will be available in those areas to hear and determine claims of workmen, both United States and Canadian, and that no Canadian provincial or federal workmen's compensation laws shall apply to any such employees in the Northwest Territories and the Yukon; and that the applicability to such projects of the Longshoremen's and Harbor Workers' Compensation Act of the United States, as amended by Public Law No. 208, 77th Congress, will be implemented either by appropriate United States administrative ruling or by legislation;
 - (7) that, except as otherwise provided in paragraphs A-(4) and A-(5) of this note, Canadians employed by United States contractors and United States employees employed by Canadian contractors on such projects will in respect of workmen's compensation be made the subject of agreement with the provincial governments concerned, and, if federal authority is necessary to give effect to such agreement, appropriate orders in council will be issued by the federal government at the request of the province concerned;
 - (8) that, in case of appeal by a Canadian employee from a ruling of the United States Employees Compensation Commission, the Canadian Government shall have the right in its discretion to have qualified counsel appear in behalf of such Canadian employee;
 - (9) that civil employees of the United States Government on such projects, whether United States or Canadian, will be subject to the Federal Employees' Compensation Act of the United States, and therefore no Canadian federal or provincial workmen's compensation law will be applied to them;
- B-(1) that the Canadian Unemployment Insurance Act will not be applicable to United States employees of contractors in Canada on such projects, whether such contractors are United States or Canadian;

- (2) that the Canadian Unemployment Insurance Act will be applicable to Canadian employees of contractors in Canada, whether such contractors are United States or Canadian, and deductions for such insurance will be forwarded together with the contractors' contributions to the proper office of the Unemployment Insurance Commission of Canada;
- (3) that the Canadian Unemployment Insurance Act will not apply to civil employees of the United States Government on such projects in Canada whether United States or Canadian.
- 0 - that the operation of United States insurance companies in Canada under the United States War Department Insurance Rating Plan or similar plans of the other United States governmental agencies, in relation to the projects to which this note applies, will be exempted in respect of such operations from Canadian taxation on premium and income; they shall nevertheless be registered in Canada and approved by the Canadian Superintendent of Insurance.

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

M. L. Mackenzie King

Secretary of State for External Affairs.

DEPARTMENT OF THE NAVY
Bureau of Medicine & Surgery

Washington, D.C.

PS-2/EF13-39(054)

December 15, 1942.

Gentlemen:

Please be advised that the following procedure shall govern the hospitalization of Armed Forces of the Dominion of Canada in U.S. Naval Hospitals:

(a) Until further notice, Armed Forces of the Dominion of Canada may be admitted to a Naval Hospital upon the written request of the individual's Commanding Officer or any Canadian Liaison Officer.

(b) Other medical Department activities having adequate dispensary facilities may admit the above personnel for emergency care and treatment, pending transfer to a Naval Hospital or return to duty. It should be understood that, in general, a dispensary is merely a collecting station for patients prior to transfer to a Naval Hospital. Such personnel should not be retained at dispensaries for prolonged periods.

(c) No charges for subsistence or treatment shall be collected by Naval Hospitals or other activities.

(d) While in general, any case may be admitted to a Naval Hospital, early disposition of mental, pulmonary tuberculosis, and cases requiring only domiciliary care should be undertaken by the Canadian authorities.

(e) Reasonable ambulance service incident to hospitalization will be furnished by the Medical Department activity involved.

(f) Upon completion of hospitalization, the patient will be returned to the vessel or station from which received, if in local port; otherwise, a request for disposition of the case will be made to the nearest Canadian official.

(g) In general, the Bureau of Medicine and Surgery undertakes to provide the following:

HOSPITALIZATION IN U.S. NAVAL HOSPITALS OF ARMED FORCES OF THE DOMINION OF CANADA, INCLUDING CARE OF DECEASED PERSONNEL, (FUNERAL FLAGS AND UNIFORMS EXCEPTED) ENGAGED IN OR INCIDENT TO THE PROSECUTION OF THE WAR AGAINST THE AXIS POWERS.

(h) Naval Hospitals are required to keep a complete case record on each patient, a copy of which will be furnished the Canadian authorities upon request.

(i) ALNAVSTA, L Z SNOW 301900 TEND D ZRK CR 135 BT dated November 30, 1942 (copy attached hereto is applicable to Armed Forces of the Dominion of Canada.

Very truly yours,

L. SHELDON, Jr.
Rear Admiral (MC), U.S. Navy
Assistant Chief of Bureau

Commander E. G. Nares,

R.C.N.V.R.,
Naval Attache, Canadian Legation,
1771 N Street, Northwest, Washington, D.C.

FROM: SECNAV TO: ALNAVSTA

RELEASED BY: FRANK KNOX

DATE: 30 NOVEMBER 1942

L Z SNOW 301900 TEND D ZRK GR 135 BT

ALNAVSTA 031828 DECEMBER NINETEEN FORTY ONE CANCELLED X PURSUANT
PUBLIC LAW SEVEN SIX THREE APPROVED OCTOBER TWENTY SIXTH NINETEEN
FORTY TWO NAVAL APPROPRIATIONS AVAILABLE TO COVER COST OF MEDICAL
TREATMENT AND HOSPITALIZATION BRITISH PERSONNEL AND ALSO
TRANSPORTATION OF REMAINS AND BURIAL EXPENSES USING FEDERAL
FACILITIES AND CONTRACTS WHERE AVAILABLE X (50) CHARGE WILL BE
MADE TO TITLE TWENTY TWO AND TO SUBHEAD FIVE PAREN DEFENSE AID
PAREN UNDER THE APPLICABLE APPROPRIATION X REPORTS REQUIRED BY
PARAGRAPHS TWO NINE ZERO TWO THREE ONE SIX TWO AND THREE FIVE
ZERO EIGHT BULMED MANUAL WILL BE SUBMITTED X IN CASE OF DEATH
NOTIFY INDIVIDUALS (100) COMMANDING OFFICER BRITISH ADMIRALTY
REPAIR REPRESENTATIVE BRITISH CONSULAR AGENT OR OTHER NEAREST
BRITISH REPRESENTATIVE AND REQUEST INSTRUCTIONS AS TO DISPOSITION
OF REMAINS X UNIFORMS OR FUNERAL FLAGS IF REQUIRED SHOULD BE
REQUESTED FROM BRITISH OFFICIAL

NAC HAD NAF NBL NAH NAI NAM NAO NSO NAT NAJ NAU NPG
NPM NWU NTG NYM NSF NFV NBA AN NY WP CG DY T JODU
CABLE B T MEAN

DEPARTMENTAL DISTRIBUTION:

LISTS: IV VI (FOR VII VIII IX X) XI.

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(COPY)

REPLY REFER TO SPNCF

WAR DEPARTMENT

Services of Supply

Office of the Surgeon General
WASHINGTON

December 17, 1942.

The Director General, Medical Services,
National Defense Headquarters,
Elgin Building,
Ottawa, Canada.

Dear Sir:

Under a general policy, announced by letter of July 7, 1942, from the Adjutant General of the United States Army to the Commanding Generals of all United States Army and Air Forces, authorizing medical care (including out-patient, dental or medical treatment, and hospitalization) of foreign personnel by the medical facilities of the United States Army without cost, other than subsistence and unusual expenses, to the individual or his Government, the following procedure will govern the treatment of Canadian personnel:

a. Personnel of the armed forces of Canada (Royal Canadian Navy, Royal Canadian Army, Royal Canadian Air Forces, and any other components of the armed forces of Canada) while on duty, or on furlough, or leave of absence anywhere in the world, who can not reasonably obtain medical care and treatment from medical facilities provided by their own Government, shall receive such ordinary medical and dental attention as is necessary to meet immediate requirements from the medical facilities of the United States Army to the extent that such facilities are available. When, after the administering of treatment immediately required, it is determined that necessary further treatment and convalescence will likely extend for a period longer than approximately thirty (30) days, Canadian authorities will be notified and transfer of the patient to Canadian medical facilities will be requested. Such transfer will be made only after determination by the attending medical officer that the patient can be moved with reasonable safety.

b. Medical care and treatment furnished by United States Army medical facilities to personnel of the armed forces of Canada will be without charge to the individual or his Government, except that in such medical facilities within the continental United States subsistence at the rate of \$1.00 per day (\$1.50 per day at Army & Navy and Fitzsimons General Hospitals) for officer personnel, and, when other than ordinary medical care and treatment is necessary, the additional and unusual expenses incurred for the treatment of an individual patient, will be charged against the Canadian Government. Such unusual expenses will be interpreted to include blood transfusions, civilian specialists' fees, civilian nursing services, civilian ambulance service, transportation from one hospital to another of patients and attendants, and expensive equipment and supplies which have to be purchased for treatment of individual cases. The charges for such unusual expenses will be on an actual cost basis. When hospitalization is furnished by Army medical facilities outside the continental United States, there will be no charges of any kind either against the individual patient or the Canadian Government.

c. A system of reports is being maintained in this Office covering the hospitalization and treatment of Canadian personnel, and the records thus compiled will be made available to the Canadian Government upon request. It is requested that this Office be informed of documentation, desired by the Canadian Government covering hospitalized personnel. Statements of subsistence charges against Canadian officer personnel and of unusual expenses incurred in the treatment of individual patients as outlined above, will be forwarded monthly by this Office to the Foreign Relations Division, Department of Pensions and National Health, Ottawa, Canada.

It is to be understood that the above policy covers medical care and treatment in United States Army medical facilities only. In the event of hospitalization and treatment of Canadian personnel in civilian hospitals, bills for such services may be forwarded to The Surgeon General, United States Army, Washington, D.C., for auditing as to the reasonableness of charges, after which they will be forwarded through designated channels to the Canadian Government for payment.

Yours very truly,

"Larry B. McAfee"

LARRY B. McAFEE,
Brigadier General, Medical Department,
Acting the Surgeon General.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, December 24, 1942.

No. 810

Sir:

Under instructions of my Government, I have the honor to inform you that the Secretary of War of the United States has learned that there are a number of officers of the Army of the United States on an inactive status temporarily residing in Canada for the purpose of attending educational institutions, who, being subject to immediate call to active service in the armed forces of the United States, are concerned as to whether they are subject to Canadian compulsory military training and service laws and regulations.

It is the view of the War Department that, under the existing reciprocal agreement between Canada and the United States in respect of the service of the citizens of one country in the armed forces of the other, American army officers on inactive status while attending educational institutions in Canada are not liable for compulsory service in the Canadian forces.

Inasmuch as the War Department desires to retain such persons for service in the Army of the United States, and since it is deemed advisable by the War Department that they devote the maximum possible time to their studies while attending educational institutions in Canada for the purpose of preparing themselves for contemplated assignments in the United States forces, I have been directed to endeavor to obtain a clarification of the status in Canada of such persons.

As pertinent to this question, I may add that the War Department of the United States considers that a reserve officer of any of the United Nations with whom the United States has reciprocal agreements, similar to that in effect between Canada and the United States, is not liable for training and service under the Selective Training and Service Act, or for compulsory military training as part of the curricula of the colleges in the United States.

I have been directed therefore to endeavor to obtain the views of the Canadian Government in this matter and to express the hope that its view will concur with that held by the War Department of the United States, and that steps may in consequence be taken to exempt the officers concerned from compulsory military training or service while in Canada.

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

(Sgd) Pierrepont Moffat

The Right Honorable
The Secretary of State
for External Affairs,
Ottawa, Canada.

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, January 13th, 1943.

No. 5

Sir,

I have the honour to refer to your note No. 810 of December 24th relative to the application of Canadian compulsory military training and service laws and regulations to officers of the Army of the United States on an inactive status temporarily residing in Canada for the purpose of attending educational institutions.

The Mobilization Division of National Selective Service, Department of Labour, advises me that the section of National Selective Service Mobilization Regulations, P.C. 10924, of December 1st, 1942, which is applicable to such men is Section 3 (2) (i) which provides exemption from the regulations for non-declarant aliens who are nationals of the United States and certain other countries who file with the Registrar of a Mobilization Division satisfactory evidence that they are members of the Armed Forces of the state of which they are nationals.

With a view to removing the possibility of officers of the United States Armed Forces being compelled to undergo military training at Canadian universities, National Selective Service would appreciate being provided with a list of such officers and the universities at which they are in attendance in order that such universities may be advised that these officers are not subject to the regulations for students granted deferment to continue university work.

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

(sgd) H.L.Keenleyside

for the Secretary of State
for External Affairs.

The United States Minister to Canada,
Legation of the United States of America,
OTTAWA.

OTTAWA, February 2, 1943.

The Surgeon General,
United States Army,
Washington, D. C., U.S.A.

Dear Sir :

This is to inform you that personnel of the United States Navy, United States Army and any other components of the Armed Forces of the United States, while on duty, on furlough or on leave of absence anywhere in the world, who cannot reasonably obtain medical care (including out-patient, medical or dental treatment, and hospitalization) from the medical and dental facilities provided by their own government, will, until further notice, receive any such medical care as is necessary to meet their immediate requirements from the medical and dental facilities under the jurisdiction of the Naval, Military and Air Forces of Canada to the extent that such facilities are available. When after the administration of medical care immediately required, it is determined that necessary further care and convalescence will be likely to extend for a period longer than approximately thirty days, the United States authorities will be notified and transfer of the patients to United States medical or dental facilities will be requested. Such transfer will only be made after determination by the attending medical officer that the patient can be moved with reasonable safety.

Medical care furnished from medical and dental facilities within the continental limits of the Dominion of Canada under the jurisdiction of the Naval, Military and Air Forces of Canada will be without charge to the individual or the United States Government, except that in such medical and dental facilities of the Military and Air Forces of Canada, subsistence at the rate of \$1.00 per day for officer personnel will be charged against individual patients and collected locally by the hospital concerned, and with the further exception that when other than ordinary medical care is necessary in connection with patients treated by such medical and dental facilities of the Military and Air Forces of Canada, the additional and unusual expenses incurred in the treatment of an individual patient will be charged against the United States Government. Such unusual expenses will be interpreted to include blood transfusions, civilian specialists' fees, civilian nursing services, civilian ambulance service, transportation from one hospital to another of patients and attendants, and expensive equipment and supplies which have to be purchased for treatment of individual cases. Statements of charges for such unusual expenses will be forwarded monthly through designated channels to the United States Government for payment and will be computed on an actual cost basis.

Where medical care is furnished by medical facilities of the Naval, Military and Air Forces of Canada outside the continental limits of the Dominion of Canada, there will be no charges of any kind against the individual patient or the United States Government.

The method of identification, admission and discharge of personnel of the Armed Forces of the United States, and the required documentation, and all other administrative details, will be worked out by the appropriate Canadian officials with the authorized representatives of the Bureau of Medicine and Surgery and the Office of the Surgeon General of the United States.

It is to be understood that the above policy covers medical care, as defined, only in medical and dental facilities under the jurisdiction of the Naval, Military and Air Forces of Canada.

Satisfactory arrangements are already in effect covering the provision of medical care of personnel of the Armed Forces of the United States, the charges therefor and the appropriate administrative procedures in facilities of, or under contract to, the Department of Pensions and National Health.

If in an emergency, civilian facilities are utilized, bills for the services of such civilian facilities may be forwarded to the Foreign Relations Division, Department of Pensions and National Health, Ottawa, for auditing as to the reasonableness of charges, after which they will be forwarded through designated channels to the United States Government for payment.

It is intended that the foregoing, including the payment of subsistence where applicable, should accord generally with the reciprocal arrangements being put into effect concurrently for the provision of medical care of personnel of the Armed Forces of Canada from medical and dental facilities of the United States Navy and Army.

Furthermore, necessary eye refractions and the provision of spectacles for personnel of the Armed Forces of the United States within the Dominion of Canada will be carried out under similar facilities as are established for providing eye refractions and spectacles for personnel of the Armed Forces of Canada.

The foregoing arrangements will be deemed to be in full force and effect until further notice, subject to termination on ninety (90) days written notice to the Bureau of Medicine and Surgery (Navy) and to the Office of the Surgeon General (Army), of the United States.

Yours very truly,

Associate Minister of National Defence

(COPY)

H.Q. 54-27-7-251
H.Q. 54-27-7-259

Ottawa, Canada

February 2, 1943.

The Chief of Bureau of Medicine and Surgery,
Navy Department,
Washington, D.C.,
U.S.A.

Dear Sir,

This is to inform you that personnel of the United States Navy, United States Army and any other components of the Armed Forces of the United States, while on duty, on furlough or on leave of absence anywhere in the world, who cannot reasonably obtain medical care (including out-patient, medical or dental treatment, and hospitalization) from the medical and dental facilities provided by their own government, will, until further notice, receive any such medical care as is necessary to meet their immediate requirements from the medical and dental facilities under the jurisdiction of the Naval, Military and Air Forces of Canada to the extent that such facilities are available. When after the administration of medical care immediately required, it is determined that necessary further care and convalescence will be likely to extend for a period longer than approximately thirty days, the United States authorities will be notified and transfer of the patients to United States medical or dental facilities will be requested. Such transfer will only be made after determination by the attending medical officer that the patient can be moved with reasonable safety.

Medical care furnished from medical and dental facilities within the continental limits of the Dominion of Canada under the jurisdiction of the Naval, Military and Air Forces of Canada will be without charge to the individual or the United States Government, except, that in such medical and dental facilities of the Military and Air Forces of Canada, subsistence at the rate of \$1.00 per day for officer personnel will be charged against individual patients and collected locally by the hospital concerned, and with the further exception that when other than ordinary medical care is necessary in connection with patients treated by such medical and dental facilities of the Military and Air Forces of Canada, the additional and unusual expenses incurred in the treatment of an individual patient will be charged against the United States Government. Such unusual expenses will be interpreted to include blood transfusions, civilian specialists' fees, civilian nursing services, civilian ambulance services transportation from one hospital to another of patients and attendants, and expensive equipment and supplies which have to be purchased for treatment of individual cases. Statements of charges for such unusual expenses will be forwarded monthly through designated channels to the United States Government for payment and will be computed on an actual cost basis.

Where medical care is furnished by medical facilities of the Naval, Military and Air Forces of Canada outside the continental limits of the Dominion of Canada, there will be no charges of any kind against the individual patient or the United States Government.

The method of identification, admission and discharge of personnel of the Armed Forces of the United States, and the required documentation, and all other administrative details will be worked out by the appropriate Canadian Officials with the authorized representatives of the Bureau of Medicine and Surgery (Navy) and the Office of the Surgeon General (Army) of the United States.

It is to be understood that the above policy covers medical care, as defined, only in medical and dental facilities under the jurisdiction of the Naval, Military and Air Forces of Canada.

Satisfactory arrangements are already in effect covering the provision of medical care of personnel of the Armed Forces of the United States, the charges therefor and the appropriate administrative procedures in facilities of, or under contract to, the Department of Pensions and National Health.

If in an emergency, civilian facilities are utilized, bills for the services of such civilian facilities may be forwarded to the Foreign Relations Division, Department of Pensions and National Health, Ottawa, for auditing as to the reasonableness of charges, after which they will be forwarded through designated channels to the United States Government for payment.

It is intended that the foregoing, including the payment of subsistence where applicable, should accord generally with the reciprocal arrangements being put into effect concurrently for the provision of medical care of personnel of the Armed Forces of Canada from medical and dental facilities of the United States Navy and Army.

Furthermore, necessary eye refractions and the provision of spectacles for personnel of the Armed Forces of the United States within the Dominion of Canada will be carried out under similar facilities as are established for providing eye refractions and spectacles for personnel of the Armed Forces of Canada.

The foregoing arrangements will be deemed to be in full force and effect until further notice, subject to termination on ninety (90) days' written notice to the Bureau of Medicine and Surgery (Navy) and to the Office of the Surgeon General (Army) of the United States.

Yours very truly,

Associate Minister of National Defense.

DEPARTMENT OF EXTERNAL AFFAIRS
Canada

No. 160

Ottawa, December 27, 1943.

Sir :

I have the honour to invite your attention to the correspondence and discussions with regard to the legal position of members of the Armed Forces of the United States of America charged with having committed offences within Canada.

2. I am enclosing copies of an Order-in-Council, P.C. 9694 dated 20th December, 1943, which defines the legal position of members of the United States Forces in respect to offences committed in this country.

3. You will observe that this Order-in-Council conforms closely to the provisions which were discussed with representatives of your Government, and I have no doubt that they will be satisfactory.

4. Without commenting upon all of the provisions of this Order, I should like to mention several points.

5. You will observe that by virtue of the provisions of Regulations 2, 3, 5 and 6, United States Service Tribunals are enabled to exercise exclusive jurisdiction over members of the United States Forces within this country. The only cases in which Canadian civil authorities will be able to exercise any jurisdiction over members of the United States Forces are those in which your own Service authorities have refrained from action.

6. The second point is that when a request has been made under the provisions of the Regulations to Canadian civil authorities, normal proceedings cannot be continued in civil courts. The effective working of these arrangements is, therefore, dependent upon the United States Service authorities taking the accused and submitting him to trial before a United States military tribunal. The Canadian Government feels justified in assuming that your authorities will, in all cases, submit any person, who may be surrendered under the provisions of Regulation 6, to trial before a United States military court.

7. The third point to which I should like to invite your attention is that the Regulations enable United States military courts to exercise jurisdiction over certain classes of civilians who are subject to the military and naval law of the United States. The provisions of Regulations 5 and 6, do not apply to such persons and jurisdiction over them is, in fact, concurrent with that of the civilian courts in Canada. Under our constitutional system, the jurisdiction of the civilian court in such circumstances is necessarily paramount, and in the event that it is invoked in any case, either by the Attorney-General of Canada or by the Attorney-General of a province, it would be necessary for your military authorities to deliver the accused, notwithstanding that proceedings have been commenced in accordance with the provisions of Regulations 2 and 3. It is assumed that you will give directions to your military commanders to this effect.

The United States Ambassador to Canada,
United States Embassy,
Ottawa, Canada.

8. You will observe that the Regulations, read in conjunction with the Foreign Forces Order 1941, provide a comprehensive procedural code whereby Canadian authorities are under a legal obligation to do all things which are necessary in fact to enable the jurisdiction conferred by the Regulations to be exercised in an effective manner.

9. An arrangement of this sort presents insurmountable difficulty unless it is based upon effective reciprocity. The legal advisers of the Government, and especially the Judge Advocate General's office, are of the opinion that it would be impracticable for Canadian Service Court to exercise similar jurisdiction in respect of Canadian forces in the United States of America in the present state of the law in the United States of America. They are convinced that, until some measures similar to those embodied in the legislation now before Congress are enacted, it will be impossible to cope with the complex problems presented in unusual cases in which crimes have been committed by Canadian sailors, soldiers or airmen. It is hoped, therefore, that your Government will endeavour to obtain the necessary legislation.

10. There is a point of practice with regard to Form B which I venture to bring to your attention. Form B is intended to be a basis for a document to be issued by the United States military and naval authorities. It is intended for service within Canada, and I assume that your authorities would want the finished document to be in a form which would insure its effectiveness. In order to make the scheme work, it is essential that the person summoned should fully understand the consequences of failure to comply with its provisions. It is thought that the documents should be prepared with a foot-note along the following lines:

This summons is issued in accordance with the provisions of a Canadian Order-in-Council, P.C. 9694, December 20, 1943, which makes regulations including the following (Here might be printed Regulations 9, 10, 11.)

9. (1) Any United States service court, or any commissioned officer of the forces of the United States of America authorized to do so under the laws of the United States, shall have power to require the attendance before such court in Canada of any person whose evidence is required for the purpose of the trial before it of any member of the forces of the United States of America.

(2) If the person whose attendance is so required is a member of the home forces, such attendance shall be obtained by a request in writing made to any appropriate officer of the home forces indicating the place and time at which the attendance of such person is required, and the proper officer of the home forces, subject to the military exigencies of the moment, of which he shall be the sole judge, shall make the appropriate Order for the attendance of such person accordingly.

(3) If the person whose attendance as a witness is required as aforesaid is not a member of the home forces, the officer of the forces of the United States of America authorized to require his attendance may issue a subpoena, in form "B" attached hereto, which may be served by a peace officer or by a Canadian service authority; and any person served with such a subpoena shall attend and give evidence as thereby required upon payment to him of an amount sufficient to cover his necessary travelling expenses going to, staying at and returning from the place at which his attendance is required and an additional amount of \$3.00 a day during his necessary absence from his place of residence for the purpose of such attendance.

10. Any person who, not being a member of the home forces, fails to comply with the provisions of the last preceding section shall be liable to be dealt with by any civil court in the same way as if such failure had followed the service of a subpoena out of such court or such refusal had occurred on a trial therein.

11. Every person other than a member of the forces of the United States of America who attends as a witness before a United States service court shall be entitled to all the privileges and immunities as a witness to which he would be entitled if his evidence were being given in proceedings in a Canadian civil court.

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

N. A. ROBERTSON

For the Secretary of State
for External Affairs.

Order in Council re legal position of members of the Armed Forces of the United States of America charged with having committed offences while in Canada, etc.

P.C. 9694

AT THE GOVERNMENT HOUSE AT OTTAWA

MONDAY, the 20 day of DECEMBER, 1943.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS the Minister of Justice reports that as the result of a request made on behalf of the United States Government discussions have recently taken place at Ottawa by means of a joint committee of United States and Canadian officials for the purpose of clarifying the legal position of members of the armed forces of the United States of America charged with having committed offences while in Canada and of members of the armed forces of Canada charged with having committed offences while in the United States, and that the joint committee aforesaid drafted regulations which if enacted as law in Canada will establish a regime acceptable for the said purposes.

THEREFORE, His Excellency the Governor General in Council, for the security, defence, peace, order and welfare of Canada, is pleased, on the recommendation of the Minister of Justice and under the authority of the War Measures Act, to make the following regulations and they are hereby made and established accordingly:

REGULATIONS

1. The United States of America is hereby designated as a foreign power to which the Foreign Forces Order, 1941, shall, subject as hereinafter provided, apply.

2. (1) "Member" shall, except as hereinafter provided, include all persons who are by the law of the United States of America for the time being subject to the military or naval law of that country, provided that no person employed in connection with the said forces not being a citizen or National of the United States of America shall be deemed to be a member of those forces unless he entered into that employment outside of Canada and further provided that in paragraphs five and six hereof the word "member" means a member of the military or naval forces of the United States of America stationed in Canada or in Canada on military or naval duty who, when detained as mentioned therein, is wearing a uniform of such forces.

(2) For the purpose of any proceeding

in any court of Canada, a certificate issued for or on behalf of such authority as may be appointed for the purpose by the Government of the United States of America stating that a person of the name and description specified in the certificate is or was at the time so specified subject to the military or naval law of the United States of America shall be conclusive evidence of that fact.

(3) For the purpose of any proceeding in any court of Canada in which the question is raised, whether a party to the proceeding is or was at any time a member of the military or naval forces of the United States of America, any such certificate as aforesaid relating to a person bearing the name in which that party is charged or appears in the proceeding shall, unless the contrary be proved, be deemed to relate to that party.

(4) Any document purporting to be a certificate issued for the purpose of this section and to be signed by or on behalf of an authority described as appointed by the Government of the United States of America for the purpose of this section shall be received in evidence and shall unless the contrary is proved, be deemed to be a certificate issued by or on behalf of an authority so appointed.

3. Notwithstanding the provisions of Section 3 of the Foreign Forces Order, 1941, a service court of the United States of America shall have jurisdiction to try all members of its forces in Canada in respect of every offence committed by any of its members in Canada.

4. Every member of the forces of the United States of America charged with an offence committed in Canada and detained by a United States service authority in respect thereof shall be deemed to be in lawful custody.

5. Whenever a member of the forces of the United States of America is detained by any authority of Canada in respect of an offence, such authority shall forthwith notify the commanding officer of the member detained, or the commanding officer of the nearest United States force, or the military or naval attaché of the United States Legation at Ottawa, or such other officer of the forces of the United States of America as the said military or naval attaché may designate.

6. (1) Whenever a member of the forces of the United States of America is detained by any authority of Canada, the officer commanding the unit to which the said member belongs, or the officer commanding the nearest United States force, or the military or

naval attache of the United States Legation at Ottawa, or any commissioned officer authorized to act on their behalf may, by request in writing made not later than thirty days after a notice given pursuant to the next preceding section, require the authority so detaining to release the said member to such person or persons as he may designate, and the authority so detaining shall thereupon release the member accordingly: Provided that if such member has been admitted to bail in respect of any offence, such request in writing may be made to the judge or justice who has admitted the said member to bail and such bail shall thereupon be released.

(2) After a request in writing has been made as aforesaid, no criminal proceedings shall be prosecuted in Canada before any court of Canada against the said member based on the offence in respect of which the said member was detained.

7. The said request in writing shall be substantially in form "A" attached hereto, and shall certify that the member so detained is required for trial before a United States service court on a charge in respect of the offence for which he is detained by the authority of Canada, and shall state on its face the authority of the officer signing same.

8. No proceedings by way of injunction, prohibition or otherwise shall be entertained by any court in Canada for the purpose of enjoining, prohibiting, restraining or in any way reviewing the proceedings of a United States service court in connection with the detention, trial, conviction or punishment of a member of the forces of the United States of America.

9. (1) Any United States service court, or any commissioned officer of the forces of the United States of America authorized to do so under the laws of the United States, shall have power to require the attendance before such court in Canada of any person whose evidence is required for the purpose of the trial before it of any member of the forces of the United States of America.

(2) If the person whose attendance is so required is a member of the home forces, such attendance shall be obtained by a request in writing made to any appropriate officer of the home forces indicating the place and time at which the attendance of such person is required, and the proper officer of the home forces, subject to the military exigencies of the moment, of which he shall be the sole judge, shall make the appropriate Order for the attendance of such person accordingly.

(3) If the person whose attendance as a witness is required as aforesaid is not a member of the home forces, the officer of the forces of the United States of America authorized to require his attendance may issue a subpoena, in form "B" attached hereto,

which may be served by a peace officer or by a Canadian service authority; and any person served with such a subpoena shall attend and give evidence as thereby required upon payment to him of an amount sufficient to cover his necessary travelling expenses going to, staying at and returning from the place at which his attendance is required and an additional amount of \$3.00 a day during his necessary absence from his place of residence for the purpose of such attendance.

10. Any person who, not being a member of the home forces, fails to comply with the provisions of the last preceding section shall be liable to be dealt with by any civil court in the same way as if such failure had followed the service of a subpoena out of such court or such refusal had occurred on a trial therein.

11. Every person other than a member of the forces of the United States of America who attends as a witness before a United States service court shall be entitled to all the privileges and immunities as a witness to which he would be entitled if his evidence were being given in proceedings in a Canadian civil court,

12. Save as herein otherwise provided, the Foreign Forces Order, 1941, except Part 11 thereof, shall be of force and effect in respect of members and forces of the United States of America, and these Regulations shall be read and construed as one with the said Foreign Forces Order, 1941.

Certified to be a true copy.

"A.D.P. Heaney

Clerk of the Privy Council.

EMBASSY OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, February 10,
1944.

No. 95

Sir :

I have the honor to acknowledge the receipt of your note No. 160 of December 27, 1943, concerning jurisdiction of offenses committed by members of the armed forces of the United States in Canada.

A copy of your note was communicated in due course to my Government and I have been directed in reply to express to you the appreciation of my Government of the cooperation of the Canadian Government in this matter. I have been directed to add, however, that in view of certain comments in your note the following observations are considered necessary to clarify my Government's position in the matter.

Paragraph six of your note states that the Canadian Government feels justified in assuming that the authorities of the United States will, in all cases, submit any person who may be surrendered under the provisions of regulation 6 to trial before a United States Military Court.

I have been directed to say that as the Canadian Government is aware, my Government considers that under international law members of its armed forces in Canada are immune from the local jurisdiction in criminal matters. Whether a member of such forces, accused of an offense, should be brought to trial before a service court of the United States and if so, the nature of the charge which should be made against him, can only be determined by the Authorities of my Government in accordance with its laws. However, as a matter of courtesy my Government does not object to the procedure laid down in regulations 6 and 7, subject to the following understandings:

"Under the Articles of War (the act of Congress concerning courts-martial of the United States Army, 10 U.S. Code 1471-1593), no case can be tried by court-martial except after reference of the charges by the appropriate commanding officer to the court for trial. The 70th Article provides that no charge will be referred to a general court-martial until after a thorough and impartial investigation, at which the accused soldier has a right to be present, to cross-examine witnesses against him if they are available, and to offer evidence in his own behalf. All charges of felonies or other grave offenses against our soldiers must be so investigated before they may be tried by court-martial. Less serious charges may be informally investigated in a similar manner. It may be anticipated that, in the majority of cases with

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

which we are concerned, a prima facie case will be shown to exist, and the officer exercising court-martial jurisdiction will forthwith refer the charges for trial; but there will undoubtedly be some in which, on the ground of mistaken identity, self-defense, lack of evidence or its unconvincing character, or other good and sufficient reason, that officer will be of opinion that a prima facie case does not exist and that a trial is not justified. In such a case it is proposed that the appropriate military officer confer with the local Canadian prosecuting officer and endeavor to reach an agreement as to the proper disposition of the case. If such an agreement cannot be reached, it is suggested that the Canadian prosecuting officer refer the matter to the Attorney General of Canada for his opinion as to whether a trial should be held. Should the Attorney General, after considering the reasons why the United States military authorities think a trial should not be held, nevertheless conclude that a trial is necessary, the appropriate commanding officer will order that the trial proceed."

With reference to paragraph seven of your note, I have been directed to say that while concurrent jurisdiction would ordinarily be understood in the United States to mean that the authority first taking jurisdiction of the case would continue to exercise it, my Government has no objection to the procedure set forth in your note and it will issue appropriate instruction to its military commanders in Canada.

Concerning the comments in paragraph nine of your note, I may say that the legislation introduced in the Congress of the United States to implement the jurisdiction enjoyed by service courts of friendly foreign forces under the law of the United States, has the active support of the Department of State and it is hoped that the legislation will be enacted in the near future.

I have been directed to say that my Government appreciates the suggestions contained in paragraph ten of your note and appropriate instructions will be issued to assure the cooperation of the service authorities of the United States in the matters referred to therein.

Section 2(1) of the regulations defining "member" contains a proviso that in paragraphs 5 and 6 of the regulations the word "member" means a member of the military or naval forces of the United States of America stationed in Canada or in Canada on military or naval duty, who when detained as mentioned therein, is wearing a uniform of such forces. It is assumed that this proviso was intended to remove from the operation of paragraphs 5 and 6 of the regulations civilians attached to the armed forces of the United States in Canada. As worded, however, a member of the military personnel of the United States who is not wearing his uniform when detained appears to be excluded from the provisions of paragraphs 5 and 6 of the regulations. Although it may be improbable that a case of this kind will occur, the possibility exists and I have been directed to say that my Government could not agree that the status of a member of its armed forces is governed by whether he be in uniform.

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

RAY ATHERTON

DEPARTMENT OF EXTERNAL AFFAIRS
Canada

Ottawa, March 9, 1944.

No. 26

Excellency :

I have the honour to refer to your Note No. 95 of February 10, 1944, concerning jurisdiction over offences committed by members of the armed forces of the United States of America in Canada.

2. I am very much gratified to learn that the arrangements are in general satisfactory to your Government. We have been greatly helped in reaching a mutually satisfactory solution of this question by the assistance rendered by you and by the members of your staff, as well as by the other members of the United States public service who have taken part in the negotiations.

3. The arrangements which you have set forth in the fourth paragraph of your Note will furnish a practical solution to the difficulty presented by the difference between the two Governments on the legal question.

4. With regard to the point dealt with in the eighth paragraph of your Note, it would not be possible to modify the position established by the provisions of the Order in Council in this respect. I am confident, however, that no insuperable difficulties will arise in actual practice.

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

J. E. READ

For the Secretary of State
for External Affairs

His Excellency
The United States Ambassador to Canada,
United States Embassy,
Ottawa, Canada.

EMBASSY OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, June 13, 1945.

No. 532

Sir:

I have the honor to state that my Government believes the prosecution of the war would be facilitated by a more speedy and effective return to military jurisdiction of members of the Armed Forces of the United States and Canada who have either deserted or are absent without leave and are located in the territory of the other country.

I have been directed to suggest, therefore, that the Canadian Government may wish to agree that the military authorities of the United States and Canada shall cooperate to the full extent provided by the respective laws and regulations of the two countries in apprehending such offenders and returning them to the custody of the appropriate authority of the government from whose military service they have deserted or are absent without leave.

If this proposal meets with your approval I suggest that my note and your reply constitute the agreement of our two governments on the subject.

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

(Sgd.) Ray Atherton)

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

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DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, Oct. 26, 1945.

No. 104

Excellency,

I have the honour to acknowledge receipt of your Excellency's Note No. 332 of June 13, 1945 in which you inform me of your Government's belief that the prosecution of the war would be facilitated by a more speedy and effective return to military jurisdiction of members of the armed forces of the United States and Canada who have either deserted or are absent without leave and are located in the territory of the other country. Consequently, your Government suggests that the Canadian Government may wish to enter into an agreement to the effect that the military authorities of the United States and Canada shall cooperate to the full extent provided by the respective laws and regulations of the two countries in apprehending such offenders and returning them to the custody of the appropriate authority of the government from whose military service they have deserted or are absent without leave.

Before concluding such an agreement, the Canadian Government thought it advisable to make provision in Canadian law for the apprehension and return to the United States of deserters and absentees without leave from the United States Armed Forces. Suitable provision has now been made by Order in Council P.C.6577 of Oct. 23, 1945, two copies of which are enclosed herewith.

Although actual hostilities have now ceased, it is assumed that the general considerations which prompted the proposals put forward in your above mentioned Note remain unchanged and that it is still the desire of your Government that the proposed agreement be concluded.

I have, therefore, the honour to inform your Excellency that my Government is prepared to accept the proposals put forward. The agreement may accordingly be regarded as concluded by your Excellency's Note and this reply thereto.

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

(Sgd.) H.H. Wrong

(for the) Acting Secretary of State
for External Affairs.

The United States Ambassador to Canada,
Embassy of the United States of America,
Ottawa.

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PRIVY COUNCIL

AT THE GOVERNMENT HOUSE AT OTTAWA

TUESDAY, the 23rd day of OCTOBER, 1945.

PRESENT:

HIS EXCELLENCY

THE ADMINISTRATOR IN COUNCIL

WHEREAS representations have been made on behalf of the Government of the United States of America to the effect that there should be a more speedy and effective return to the jurisdiction of their respective services of members of the armed forces of the United States and Canada who have deserted or are absent without leave and are in the territory of the other country;

AND WHEREAS it has been intimated on behalf of the United States Government that that Government will make the necessary provisions for this purpose in due course;

AND WHEREAS it is therefore deemed necessary, by reason of the war, for the security, defence, peace, order and welfare of Canada that provision as hereinafter set forth be made for the arrest and deportation of persons in Canada suspected of being deserters from the United States forces or of being absent from the United States forces without leave;

NOW, THEREFORE, His Excellency the Administrator in Council, on the recommendation of the Minister of National Defence, concurred in by the Acting Secretary of State for External Affairs, the Minister of National Defence for Naval Services, the Minister of National Defence for Air and the Minister of Justice, and under and by virtue of the War Measures Act, is pleased to make the following regulations and they are hereby made and established accordingly.

Regulations

1. These regulations may be cited as the "United States Deserters Regulations".
2. In these regulations, unless the context otherwise requires,
 - (a) "Immigration Board of Inquiry" means a Board of Inquiry constituted pursuant to the provisions of the Immigration Act;
 - (b) "Immigration Officer" has the same meaning as "officer" in the Immigration Act;
 - (c) "peace officer" has the same meaning as in

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The Right Honourable
The Secretary of State for External Affairs

- (d) the Criminal Code; and
"United States authority" includes
- (i) the authorities of all branches of the armed forces of the United States of America;
 - (ii) the members of the United States Immigration and Naturalization Service;
 - (iii) officers of the Federal Bureau of Investigation of the United States; and
 - (iv) such United States Marshals, state and municipal police and government officials as the Government of the United States may from time to time designate.

3. A peace officer, an Immigration Officer or a member in uniform of His Majesty's Canadian naval, military or air forces may arrest, without warrant, any person whom he believes, on reasonable and probable grounds, to be a member of one of the armed forces of the United States of America who is, under the laws of the United States of America, a deserter from such force or absent from such force without leave.

4. (1) A person arrested under these regulations shall, unless he signs a declaration in the form set out in Schedule "A" to those regulations, be brought before an Immigration Board of Inquiry which shall determine whether he is a member of one of the armed forces of the United States of America who is alleged by a United States authority to be, under the laws of the United States of America, a deserter from such force or absent from such force without leave.

(2) Such provisions of the Immigration Act and regulations made thereunder as apply to a hearing before an Immigration Board of Inquiry or to an appeal from a decision of an Immigration Board of Inquiry shall, as far as applicable, apply mutatis mutandis to hearings before an Immigration Board of Inquiry and to decisions of an Immigration Board of Inquiry under these regulations.

5. (1) If a person arrested under these regulations signs a declaration in the form set out in Schedule "A" of these regulations, he shall be surrendered to a United States authority authorized to receive him on behalf of the United States Government.

(2) If an Immigration Board of Inquiry decides that a person arrested under these regulations is not a member of one of the armed forces of the Government of the United States who is alleged by a United States authority to be, under the laws of the United States of America, a deserter from such force or absent from such force without leave, such person shall be released from custody.

(3) If an Immigration Board of Inquiry decides that a person arrested under these regulations is a member of one of the armed forces of the United States of America who is alleged by a United States authority to be, under the laws of the United States of America, a deserter from such force or absent without leave from such force, such person shall be surrendered to a United States authority authorized to receive him on behalf of the United States Government.

6. (1)

6. (1) A peace officer, an Immigration Officer, a member in uniform of His Majesty's Canadian naval, military or air forces or a United States authority may hold in custody in Canada any person who has been arrested under these regulations unless, after he is so arrested, an Immigration Board of Inquiry has decided that he is not a member of one of the armed forces of the United States of America who is alleged by a United States authority to be, under the laws of the United States of America, a deserter from such force or absent from such force without leave; and may convey within the jurisdiction of the United States of America a person who has signed a declaration in the form set out in Schedule "A" or who has been held by an Immigration Board of Inquiry to be a member of one of the armed forces of the United States of America who is alleged by an United States authority to be, under the laws of the United States of America, a deserter from such force or absent from such force without leave.

(2) If any person escapes from lawful custody under these regulations, he may be retaken in the same manner as a person accused or convicted of a crime against the laws of Canada may be retaken after an escape.

7. (1) Notwithstanding section five of these regulations, no person who has been accused of an offence under the laws of Canada or any province of Canada or under Canadian military law, or who is undergoing sentence under a conviction in Canada shall be surrendered to a United States authority under that section until after he has been discharged, whether by acquittal or by expiration of his sentence, or otherwise.

(2) Nothing in this section affects anything contained in Order-in-Council P.C. 9694 dated the twentieth day of December, nineteen hundred and forty-three or The Foreign Forces Order, 1941.

8. (1) Everyone who, having been arrested under these regulations, escapes from lawful custody in which he may be under these regulations, is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding two years.

(2) Everyone who rescues any person or assists any person in escaping or attempting to escape from lawful custody under these regulations is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding two years.

(3) Every peace officer, Immigration Officer, or member of His Majesty's Canadian naval, military or air forces, having any person in his lawful custody under these regulations and every officer of a prison in which a person is lawfully confined under these regulations who voluntarily and intentionally permits such person to escape therefrom is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding two years.

9. The expenses incurred in arresting, detaining or conveying a person arrested under these regulations and the expenses incurred in connection with the proceedings of an Immigration Board of Inquiry before whom such person is brought shall be paid out of the War Appropriation and the Commissioner of the Royal Canadian Mounted Police shall submit a statement thereof together with supporting evidence to the Department of External Affairs for collection from the Government of the United States of America to the extent that that Government has agreed to reimburse Canada for such expenses.

10. These regulations shall come into force on the twenty-third day of October, nineteen hundred and forty-five.

(Sgd.) A.D.P. Heeney

Clerk of the Privy Council

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SCHEDULE "A"

CANADA)
Province of)
TO WIT:)

I, _____, of the City of _____,
in the Province of _____, hereby
declare as follows:

1. I am a member of one of the armed forces
of the United States of America.

2. I am informed and verily believe that I am
alleged by an United States authority to be, under the
laws of the United States of America, a deserter from
such force or absent from such force without leave.

DATED AT the _____ of _____, in
the Province of _____, this _____ day of _____
A.D. 19 ____ .

Witness.

COPY

CANADA - UNITED STATES

WARTIME AGREEMENTS

INTERNATIONAL BOUNDARY WATERS

International
Boundary Waters

8

INTERNATIONAL BOUNDARY WATERS

Exchange of Notes granting blanket permission for U.S. Coast Guard vessels to enter Canadian Territorial Waters	<u>Sept. 23, 1940</u> <u>Oct. 18, 1940</u>
Convention for emergency regulation of the level of waters in the Rainy Lake Watershed	<u>Oct. 3, 1940</u>
Exchange of Letters regarding the development of the Great Lakes - St. Lawrence Basin Project	<u>Oct. 14, 1940</u> <u>Oct 31, Nov. 7,</u>
Exchange of Notes concerning a Conference to establish uniform rate requirements for Great Lakes ships <i>Exchange of Notes concerning the simplification of procedure in connection with the transit of public vessels and tonnage</i>	<u>Dec. 13, 1940</u> <u>Dec. 21, 1940</u> <u>Oct 27, Nov. 20,</u> <i>Dec 16, 1940</i> <i>March 7, April 18, May 6, 1941</i>
Great Lakes - St. Lawrence Basin Agreement	<u>Mar. 19, 1941</u>
Exchange of Notes concerning the need for additional power in the Niagara Falls area	<u>May 20, 1941</u>
Exchange of Notes providing for reciprocal arrangements of the Load Line Regulations for ships making voyages on lakes and rivers	<u>July 22, 1941</u> <u>Aug. 7, Sept. 8,</u> <u>Oct. 20, 1941</u>
Exchange of memoranda concerning water diversions authorized under the Exchange of Notes of Oct. 14/40	<u>Oct. 20, 1941</u> <u>Nov. 14, 1941</u>
Exchange of Notes regarding temporary diversion of water at Niagara Falls	<u>Oct. 27, 1941</u> <u>Nov. 27</u>
Exchange of Notes concerning the temporary raising of the level of Lake St. Francis	<u>Nov. 10, 1941</u>
Exchange of Notes granting blanket permission for United States Coast Guard Cutters to moor at Canadian docks	<u>Nov. 17, 1941</u> <u>Dec. 4, 1941</u>
Recommendations of the Canadian Temporary Great Lakes - St. Lawrence Basin Committee and the United States - St. Lawrence Advisory Committee	<u>Jan. 23, 1942</u>
Exchange of Notes concerning approval of above recommendations for the construction of remedial works in the Niagara River	<u>Jan. 30, 1942</u> <u>Feb. 28, 1942</u>
Exchange of Notes outlining a simplification of procedure for passage of U.S. War vessels through Canadian canals	<u>Feb. 20, 1942</u> <u>Mar. 9, April 20</u> <u>1942</u>
Exchange of Letters concerning Navigation Regulations in the waters connecting Lake Huron and Lake Erie	<u>July 16, 1942</u> <u>Aug. 13, Oct. 5,</u> <i>1942</i>
Exchange of Notes concerning the continuation of the temporary raising of the levels of Lake St. Francis (Reference Nov. 10, 1941)	<u>Oct. 5, 1942</u> <u>Oct. 9, 1942</u>
Exchange of Letters concerning emergency diversions from the Niagara River	<u>Oct. 6, 1942</u> <u>Oct. 20, 1942</u>
Exchange of Letters concerning a proposed conference on uniform rate requirements for safety purposes on the Great Lakes	<u>Apr. 17, 1943</u> <u>May 10, 1943</u>
Exchange of Notes concerning the division of the cost of construction of the Niagara River remedial works	<u>May 4, 1943</u> <u>June 30, 1943</u>

Exchange of Notes concerning a study of the
Upper Columbia River Channel

Oct. 4, 1943
Dec. 10, 1943
Feb. 25, Mar. 5,
1944

Exchange of Notes notifying the continuance of
arrangements for the temporary raising of the
levels of Lake St. Francis

Oct. 5, 1943
Oct. 9, 1943

Exchange of Notes constituting an agreement for
the temporary additional diversion of water at
Niagara

May 3, 1944

Exchange of Notes concerning the continuation of
the agreement for a temporary raising of the levels
of Lake St. Francis

AUG. 31, 1944
Sept. 7, 1944

LEGATION OF THE
UNITED STATES OF AMERICA

OTTAWA, September 23, 1940.

No. 137

Sir,

Under existing practice it is necessary, before a vessel of the Coast Guard may enter Canadian territorial waters, that permission be obtained from the Canadian Government. The activities of the Coast Guard with respect to patrolling regattas and yacht races on Great Lakes in the interest of safety to life, where the course of a race may be partly in Canadian territorial waters; having cutters and picket boats proceed from one lake to another as, for instance, from Lake Erie to Lake Ontario for repairs or overhaul, involving transit through the Welland Canal; and other movements of Coast Guard vessels through the Great Lakes involving passage through Canadian waters, have led to a continuing flow of requests for permission in each case, involving considerable correspondence through a long chain of intermediaries, delays in arrangements, and quite frequent resort to telegraph. This situation has become more acute since the consolidation of the former Lighthouse Service with the Coast Guard, effective July, 1939, resulting in placing under the administration of the Coast Guard aids to navigation in Canadian territorial waters, as follows: 6 United States aids to navigation in the St. Lawrence River; 7 in the Niagara River; 3 in Lake Erie; 25 in the Detroit River; 7 in the St. Clair River; and 47 in the St. Marys River. To service these aids to navigation involves entrance of the Coast Guard cutter into Canadian territorial waters.

In view of the foregoing I have been instructed to inquire whether the Canadian Government would be willing to grant blanket authority to enter Canadian territorial waters to vessels of the United States Coast Guard when establishing, servicing or inspecting United States aids to navigation, in Canadian territorial waters; when proceeding from one lake to another, including passage through the Welland Canal; and when patrolling regattas or yacht races in the interest of safety to life. Such permission would not contemplate that vessels of the Coast Guard would enter Canadian ports except in cases of emergency.

Accept, Sir, etc.

PIERREPOINTE MOFFAT

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

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, October 18, 1940.

No. 208

Sir,

I have the honour to refer to your note number 157 of September 25 and to state that blanket permission to enter Canadian territorial waters is hereby granted to vessels of the United States Coast Guard when establishing, servicing or inspecting United States aids to navigation in Canadian territorial waters; when proceeding from one lake to another, including passage through the Welland Canal; and when patrolling regattas or yacht races in the interest of safety to life.

It is noted that this permission does not contemplate that vessels of the United States Coast Guard would enter Canadian ports except in cases of emergency.

I have, etc.

G. D. SKELTON

for the Secretary of State for
External Affairs.

The Honourable J. Pierrepont Moffat,
United States Minister to Canada,
Ottawa.

**CONVENTION BETWEEN CANADA AND THE UNITED STATES OF AMERICA
PROVIDING FOR EMERGENCY REGULATION OF THE LEVEL OF RAINY
LAKE AND OF THE LEVEL OF OTHER BOUNDARY WATERS IN THE
RAINY LAKE WATERSHED**

(Ratifications exchanged at Ottawa October
3, 1940)

- In Force October 3, 1940 -

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada and the United States of America,

Desirous of providing for emergency regulation of the level of Rainy Lake and of the level of other boundary waters in the Rainy Lake watershed, in such a way as to protect the interests of the inhabitants of Canada and the United States of America, and,

Accepting as a basis of agreement the following recommendations made by the International Joint Commission in its Final Report dated May 1, 1934, on the Reference concerning Rainy Lake and the boundary waters flowing into and from that lake, and particularly in answer to Question 2 of that Reference namely,

that it would be wise and in the public interest that the Commission be clothed with power to determine when unusual or extraordinary conditions exist throughout the watershed, whether by reason of high or low water, and that it be empowered to adopt such measures of control as to it may seem proper with respect to existing dams at Kettle Falls and International Falls, as well as any future dams or works, in the event of the Commission determining that such unusual or extraordinary conditions exist.

Have resolved to conclude a convention for that purpose and have accordingly named as their plenipotentiaries:-

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, for Canada:

The Right Honorable WILLIAM LYON MACKENZIE KING,
Prime Minister, President of the Privy Council
and Secretary of State for External Affairs;

The President of the United States of America:

JOHN PAHR SIMMONS, Charge d'Affaires ad interim
of the United States of America at Ottawa;

Who, after having communicated to each other their full powers, found in good and due form, have agreed as follows:

ARTICLE I

The International Joint Commission, established pursuant to the provisions of the treaty signed at Washington on the 11th day of January, 1909, relating to questions arising between Canada and the United States of America, is hereby clothed with power to determine when emergency conditions exist in the Rainy

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Lake watershed, whether by reason of high or low water, and the Commission is hereby empowered to adopt such measures of control as to it may seem proper with respect to existing dams at Kettle Falls and International Falls, as well as with respect to any existing or future dams or works in boundary waters of the Rainy Lake watershed, in the event the Commission shall determine that such emergency conditions exist.

ARTICLE II

This convention shall be ratified in accordance with the constitutional forms of the Contracting Parties and shall take effect immediately upon the exchange of ratifications which shall take place at Ottawa as soon as possible.

IN WITNESS WHEREOF, the undersigned plenipotentiaries have signed the present convention and have hereunto affixed their seals.

Done in duplicate at Ottawa this fifteenth day of September, A. D. 1938.

(L.S.) W. L. MACKENZIE KING

(L.S.) JOHN FARR SIMMONS

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DEPARTMENT OF STATE
WASHINGTON

October 14, 1940.

Sir:

I have the honor to refer to the conversations which have taken place recently between officials of the Governments of the United States and Canada in regard to the desirability of taking immediate steps looking to the early development of certain portions of the Great Lakes - St. Lawrence Basin project. These conversations have indicated that there is apprehension in both countries over the possibility of a power shortage; these apprehensions have been heightened by the necessity for increased supplies of power in consequence of Canada's war effort and of the major national defense effort in the United States.

In the light of these considerations the Government of the United States proposes that each Government appoint forthwith a Temporary Great Lakes - St. Lawrence Basin Committee consisting of not more than five members. These two Committees would co-operate in preliminary engineering and other investigations for that part of the project which is located in the International Rapids Section of the St. Lawrence River, in order that the entire project may be undertaken without delay when final decision is reached by the two Governments. The Government of the United States is prepared to advance the necessary funds up to \$1,000,000 to pay for these preliminary engineering and other investigations, on the understanding that their cost shall ultimately be prorated by agreement between the two Governments.

Meanwhile, to assist in providing an adequate supply of power to meet Canadian defense needs and contingent upon the Province of Ontario's agreeing to provide immediately for diversions into the Great Lakes System of waters from the Albany River Basin which normally flow into Hudson Bay, the Government of the United States will interpose no objection, pending the conclusion of a final Great Lakes - St. Lawrence Basin agreement between the two countries, to the immediate utilization for power at Niagara Falls by the Province of Ontario of additional waters equivalent in quantity to the diversions into the Great Lakes Basin above referred to.

I shall be glad if you will let me know if your Government is in accord with the foregoing proposals.

Accept, Sir, etc.

For the Secretary of State

ADOLF A. BERLE, JR.

The Honourable Loring C. Christie,

Minister of Canada.

CONFIDENTIAL

CANADIAN LEGATION AT WASHINGTON

October 14, 1940.

No. 516

Sir:

I have the honour to refer to your Note of October 14, in which you proposed that the Governments of Canada and the United States take immediate steps looking to the early development of certain portions of the Great Lakes - St. Lawrence Basin project.

I am instructed to inform you that the Canadian Government is in accord with the proposals which you have made.

I have the honour to be,
with the highest consideration,

Sir,

Your most obedient,
humble servant,
LORING C. CHRISTIE

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

5

CANADIAN LEGATION AT WASHINGTON

October 31, 1940.

No. 340

Sir :

I have the honour to refer to the third paragraph of your note of October 14, concerning the Great Lakes - St. Lawrence Basin project, in which you state that to assist in providing an adequate supply of power to meet Canadian defense needs and contingent upon the Province of Ontario's agreeing to provide immediately for diversions into the Great Lakes System of waters from the Albany River Basin which normally flow into Hudson Bay, the Government of the United States would interpose no objection, pending the conclusion of a final Great Lakes - St. Lawrence Basin Agreement between the two countries, to the immediate utilization for power at Niagara Falls by the Province of Ontario of additional waters equivalent in quantity to the diversions into the Great Lakes Basin above referred to.

I am instructed to inform you that the Canadian Government has received appropriate assurances that the Hydro-Electric Power Commission of Ontario is prepared to proceed immediately with the Long Lac - Ogoki diversions and that this action has been approved by the Government of the Province.

The Canadian Government is therefore giving appropriate instructions to authorize the additional diversion of 5,000 cubic feet per second at Niagara by the Hydro-Electric Power Commission of Ontario.

I have, etc.

LEWIS G. CHRISTIE

The Honourable Cordell Hull,

Secretary of State of the United States,

Washington, D. C.

6

DEPARTMENT OF STATE

WASHINGTON

November 7, 1940.

Sir :

I have the honor to acknowledge the receipt of your Note No. 540 of October 31, 1940, stating that the Hydro-Electric Power Commission of Ontario is prepared to proceed immediately with the Long Lac - Ogoki diversions of waters from the Albany River Basin into the Great Lakes System and that this action has been approved by the Government of the Province.

I note also that the Canadian Government is giving appropriate instructions to authorize the additional diversion of 5,000 cubic feet per second of water at Niagara Falls by the Hydro-Electric Power Commission of Ontario.

Accept, Sir, etc.

For the Secretary of State

A. A. BERLE, JR.

The Honorable Loring G. Christie,

Minister of Canada.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, December 13, 1940.

No. 225

Sir :

I have the honor to state that I have been directed by my Government to seek the concurrence of the Canadian Government for the holding of a conference having for its objective a treaty to establish uniform radio requirements for safety purposes for ships navigating the Great Lakes.

Under the Communications Act of 1934, as amended on May 20, 1937, the Federal Communications Commission was requested and directed to make a special study of the radio requirements necessary or desirable for safety purposes for ships navigating the Great Lakes and the inland waters of the United States, and to report its recommendations and the reasons therefor to the Congress not later than December 31, 1939, a date which was later extended to January 1, 1941.

In their reports on the proposed legislation which later became the amendment of 1937, the Senate Committee on Commerce and the House Committee on Merchant Marine and Fisheries included the observation that no drastic change in the policy affecting radio on ships on the Great Lakes should be undertaken without consultation with Canada, and expressed the hope and expectation that an agreement might be reached with the Canadian Government for the utilization of radio as a safety factor for shipping on the Great Lakes so that the ships of both countries would be placed on a basis of equality in this respect and would receive assistance from the ships of each other as on the high seas.

The Federal Communications Commission has now completed the study as directed in the legislation referred to and a report is ready for submission to Congress before January 1, 1941. There remains, however, the question of a formal agreement with Canada to obtain the desired uniformity and to carry out the obvious intent of Congress as expressed in the Committee reports. The Commission has not hitherto been in a position to advocate the holding of a conference because as the study and investigation proceeded it became apparent that no useful purpose would be served until all of the facts in this connection had been assembled. The report, together with other information in the possession of the American authorities, are now considered sufficient as a basis for discussion with the Canadian Government and it is therefore proposed to hold a conference at such time as it can be arranged.

While no definite date is advanced by my Government it could, provided the concurrence of the Canadian Government is obtained, presumably be arranged for the conference to take place in the early part of 1941. Since the initiative in this matter has been taken by the American Government and since consequently the burden will fall upon it to

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

present concrete proposals to the Canadian authorities, it might be preferable to hold the proposed conference in Washington. However, this point is not considered to be of paramount importance and my Government will be guided in the matter by the wishes of the Canadian Government. Finally, as the Federal Communications Commission desires to include in its report, which must be submitted to the Congress before January 1, 1941, advice that negotiations have been started for the conclusion of a treaty between the United States and Canada on this subject, an early expression of the views of the Canadian Government would be much appreciated.

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

PIERREPONT MOFFAT

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DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, December 21, 1940.

No. 251

Sir,

With reference to your Note of the 13th December, 1940, No. 225, I have the honour to inform you that the Canadian Government concurs in your suggestion of a conference to be held in Washington in the early part of 1941, the said conference to have for its objective the preparation of a treaty to establish uniform radio requirements for safety purposes for ships navigating the Great Lakes.

I should be glad to receive, at your convenience, an indication of the dates considered by your Government to be most suitable, and of the officials who will participate in the conference as representatives of the United States Government.

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

O. D. SKELTON

(for the) Secretary of State
for External Affairs

The United States Minister to Canada,
O t t a w a.

LEGATION OF THE
UNITED STATES OF AMERICA

MEMORANDUM

On December 13th of last year, in my note No. 225, I inquired whether the Canadian Government was agreeable to the holding of a conference having for its objective the negotiation of a treaty to establish uniform radio requirements for safety purposes for ships navigating the Great Lakes. On December 21st, in note No. 251, the Department of External Affairs answered affirmatively. For various reasons, notably due to intense activity in defense matters, it has not been found possible until now for the various Government Departments in the United States to study this question. However, a meeting was held in the Department of State on October 15 at which representatives of all Government agencies interested in this matter were present, and it was unanimously agreed that they should go on at this time with the necessary preliminary studies looking towards the conclusion of a treaty with Canada to regulate the use of radio on the Great Lakes.

Mr. Moffat has received a personal letter from an official in the Department of State to the effect that it would be helpful to know that the Canadian authorities had not changed their point of view since last December. In any event, it will take some time for the United States interests involved to reach an agreement on the proposals to be presented to the Canadians, and it is improbable that the American Government would be prepared to meet the Canadian representatives before the beginning of next year.

An informal indication that this is agreeable to the authorities in Ottawa would be helpful and much appreciated.

Ottawa,

October 27, 1941.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, November 20, 1941.

No. 215

Sir,

With reference to your Legation Memorandum of October 27, 1941, I have the honour to inform you that Canadian authorities are prepared to continue with the discussions which were initiated some time ago with a view to the conclusion of the treaty to govern ship to shore radio communication on the Great Lakes for safety purposes. If the United States representatives will indicate an approximate date on which the discussions can be reopened we will do our best to arrive at a mutually satisfactory arrangement.

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

(Sgd) Norman Robertson

(For The) Secretary of State for External Affairs.

The United States Minister to Canada,

O T T A W A.

CANADIAN LEGATION AT WASHINGTON

December 16, 1940.

Confidential

No. 402

Sir,

With a view to simplifying the procedure in connection with the travel of public vessels and service aircraft of the two countries, I have the honour to propose that an agreement, subject to termination upon notification by either party, be entered into between the Government of Canada and the Government of the United States of America to provide for the following:

- (1) Passage, upon local notification, of United States public vessels through Canadian waters and United States service aircraft over Canadian territory while en route between United States ports and Alaska or United States bases in Newfoundland.
- (2) Visits of public vessels and service aircraft of either of the two countries to ports of the other country, upon local notification, when engaged on matters connected with the joint defence of Canada and the United States.
- (3) Upon local notification, flights of Canadian service aircraft over that part of the State of Maine which lies along the route between Quebec and the Maritime Provinces when such flights are on matters pertaining to the joint defence of Canada and the United States.
- (4) Upon local notification, flights of United States service aircraft between points in the United States over the Ontario peninsula, including the prohibited area.

I have the honour to suggest that, if an agreement in the sense of the foregoing is acceptable to the Government of the United States this note and your reply thereto in similar terms shall be regarded as placing on record the understanding arrived at between the two Governments concerning this matter.

I have the honour, etc.,

MERCHANT BARRONBY

Chargé d'Affaires.

The Hon. Cordell Hull,
Secretary of State of the United States,
WASHINGTON, D.C.

December 16, 1940

CONFIDENTIAL

Sir,

I refer to your note of this day's date in which, with a view to simplifying the procedure in connection with the travel of public vessels and service aircraft of the two countries, you propose that an agreement, subject to termination upon notification by either party, be entered into between the Government of the United States of America and the Government of Canada to provide for the following:

(1) Passage, upon local notification, of United States public vessels through Canadian waters and United States service aircraft over Canadian territory while en route between United States ports and Alaska or United States bases in Newfoundland.

(2) Visits of public vessels and service aircraft of either of the two countries to ports of the other country, upon local notification, when engaged on matters connected with the joint defense of Canada and the United States.

(3) Upon local notification, flights of Canadian service aircraft over that part of the State of Maine which lies along the route between Quebec and the Maritime Provinces when such flights are on matters pertaining to the joint defense of Canada and the United States.

(4) Upon local notification, flights of United States service aircraft between points in the United States over the Ontario peninsula, including the prohibited areas.

I am pleased to inform you that an agreement in the terms of the foregoing is acceptable to the Government of the United States and that this note, and your note under reference, will 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.

Mr. Merchant Mahoney, C.B.E.,
Charge d'Affaires ad interim of Canada.

March 27, 1941.

CONFIDENTIAL

Sir:

With reference to the agreement entered into between the Government of the United States and the Government of Canada through an exchange of notes at Washington on December 16, 1940 under which a simplified procedure was adopted in connection with the travel of public vessels and service aircraft between the two countries when engaged on matters in connection with joint defense, I have the honor to set forth below for the information of the appropriate agencies of your Government the requirements which this Government proposes to adopt with respect to the question of "local notifications" of proposed visits.

With respect to Canadian public vessels covered by the exchange of notes under reference visiting United States ports or making passage through United States territorial waters, notification should be made by the appropriate Canadian authorities direct to the Commandant of the United States Naval District in which the port of destination or the territorial waters to be traversed is located. Should there be any doubt as to which Commandant should be notified, the notification should be addressed to the Chief of Naval Operations, Navy Department, Washington, D.C., who will in turn inform the appropriate Commandant. The same procedure applies to the commanding officer of a vessel which, because of an emergency, makes an unscheduled entry into port. Notification should be made at least 24 hours in advance, if practicable, and should include the following details:

- (1) Name and class of each ship
- (2) Name and rank of Commanding Officer of ship; or senior naval officer, if more than one ship.
- (3) Destination.
- (4) Expected date and time of arrival.
- (5) Services required, if any.

With respect to service aircraft covered by the exchange of notes under reference, the following procedure should be observed:

I. The first landing on United States territory should be at an Army Air Corps or Naval Air Station. A Flight Plan should be filed, if possible, 24 hours prior to departure and should contain the following information:

1. Type and description of plane or planes with serial or identifying number;

The Honorable
Leighton MacCarthy,
Minister of Canada.

2. Name and rank of flight commander and number of accompanying personnel;
3. Point of departure, route and destination;
4. Date and time of departure and expected time of arrival;
5. Time over United States territory in the case of through flight;
6. Services desired.

II. Notification for service aircraft en route to a Naval Air Station should be made, as in the case of vessels, to the Commandant of the United States Naval District in which the first destination may be located. Should the destination be the Naval Air Station at Anacostia, D.C., the notification should be addressed to the Chief of Naval Operations, Navy Department, Washington, D.C., who will in turn inform the appropriate Commandant.

III. Notification for service aircraft en route to an Army Air Corps Station should be made to the Commanding General, First Air District, Mitchell Field, New York, or to the Commanding General, Second Air District, Spokane, Washington, whichever is the nearer, and to the Commanding Officer of the station of first landing in the United States by telephone, telegraph or radio.

IV. It is desired that the officer in charge of each flight furnish a certificate to the Commanding Officer of the first Army Air Corps or Naval Air Station at which the aircraft lands. This certificate, signed by the Commandant of the station of origin, should state that a competent medical authority has determined that the personnel on the flight are free from contagious or communicable diseases; are temporary visitors in the United States on official business and that no articles considered as merchandise under the United States Customs Regulations are being carried into the United States.

It will be appreciated if the above information can be brought to the attention of the appropriate authorities of your Government for their consideration and approval. I shall also appreciate your furnishing me in return with details of the procedure with respect to notification which should be followed by American public vessels and service aircraft under the terms of the agreement of December 10, 1940.

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

A.A. Barie, Jr.

For the Secretary of State

April 16, 1941.

No. 230

Sir:

I have the honour to refer to your note of March 27, 1941, setting forth the requirements which the United States Government proposes to adopt with respect to "local notification" of proposed visits of public vessels and service aircraft when engaged on matters in connection with joint defence, under the terms of the exchange of notes of December 16, 1940.

The appropriate Canadian authorities have considered these proposed requirements and have only one slight alteration to suggest - since weather conditions may at times make it impossible to give twenty-four hours notice in advance of the departure of aircraft, it is suggested that the United States requirements might contain a sentence, as do the Canadian requirements outlined below, to the effect that if it is not possible to give twenty-four hours notice prior to departure, then as much notice as possible should be given as determined by weather conditions.

As requested in your note under reference, I have the honour to set forth the procedure which the Canadian authorities propose to adopt with regard to "local notification".

With respect to United States public vessels covered by the exchange of notes under reference visiting Canadian ports or making passage through Canadian territorial waters, notification should be made by the appropriate United States authorities direct to the Commanding Officer, Pacific Coast, Esquimalt, B.C., as the case may be. At the same time, notification should be made direct to Naval Service Headquarters, Ottawa, Ontario. The same procedure applies to the commanding officer of a vessel which, because of an emergency, makes an unscheduled entry into port. Notification should be made at least twenty-four hours in advance, if practicable, and should include the following details:

- (1) Name and class of each ship.
- (2) Name and rank of commanding officer of ship; or senior naval officer, if more than one ship.
- (3) Destination.
- (4) Expected date and time of arrival.
- (5) Services required, if any.

The Honourable
Cordell Hull,
Secretary of State of the United States,
WASHINGTON, D.C.

With respect to service aircraft covered by the exchange of notes under reference, the following procedure should be observed:

I. The first landing on Canadian territory should be at an R.C.A.F. station. A flight plan should be filed, if possible twenty-four hours prior to departure and should contain the following information:

1. Type and description of plane or planes with serial or identifying number.
2. Name and rank of flight commander and number of accompanying personnel.
3. Point of departure, route and destination.
4. Date and time of departure and expected time of arrival.
5. Time over Canadian territory in the case of through flights.
6. Services desired.

II. If it is not possible to give twenty-four hours notice prior to departure, then as much notice as possible should be given, as determined by weather conditions.

III. Notification for service aircraft on route to an R.C.A.F. station should be made to an Air Officer Commanding, an Air Command, as follows:

Eastern Air Command, Halifax, Nova Scotia,
For the area east of a line drawn between Cape Chidley (Hudson Strait) and the mouth of the Saguenay River and extending southerly from the St. Lawrence along the Percé route Railway from Rivière-du-Loup to Edmundston, New Brunswick, and including Newfoundland.

No. 3 Training Command, Montreal, P.Q.,
For the area bounded on the East by the Eastern Air Command western boundary, on the West by the Ontario-Quebec boundary, as far south as Mattawa and a line joining Mattawa to Gananoque.

No. 1 Training Command, Toronto, Ontario,
For the area bounded on the East by the Western boundary of No. 3 Training Command, and on the West by the 87th Meridian of West Longitude.

No. 2 Training Command, Winnipeg, Manitoba,
for the area bounded on the East by the 97th
Meridian of West Longitude and on the West by
the Saskatchewan-Alberta boundary northward
from Reflex Lake, on the South-West by a line
joining Reflex Lake to the south-west corner
of Manitoba.

No. 4 Training Command, Regina, Saskatchewan,
for the area bounded on the East by the Western
boundary of No. 3 Training Command and on the
West by the British Columbia-Alberta boundary.

Western Air Command, Victoria, British Columbia,
for the whole of the Province of British Co-
lumbia and Yukon Territory.

IV.

It is desirable that the officer in charge of each flight furnish a certificate to the commanding officer of the first R.C.A.F. station at which the aircraft lands. This certificate, signed by the Commandant of the station of origin, should state that a competent medical authority has determined that the personnel on the flight are free from contagious or communicable diseases; that the personnel are temporary visitors in Canada on official business, and that no articles considered as merchandise under the Canadian Customs Regulations are being carried into Canada.

It will be appreciated if the information set forth above can be brought to the attention of the appropriate United States authorities for their consideration and approval.

I have the honour to be,

with the highest consideration,

Sir,

Your most obedient,

humble servant,

H.M. MAHONEY.

For the Minister.

Confidential

May 6, 1941.

Sir:

I have the honor to refer to the Legation's note of April 18, 1941 in reply to the Department's note of March 27, 1941 concerning the procedure to be adopted with respect to "local notification" of proposed visits of public vessels and service aircraft under the terms of the exchange of notes of December 15, 1940.

The contents of the Legation's note under reference have been brought to the attention of the War and Navy Departments and I am pleased to inform you that this Government concurs in the suggestion proposed by the Canadian authorities that if it is not possible to give twenty-four hours' notice prior to departure, then as much notice prior to departure, then as much notice as possible should be given as determined by weather conditions.

At the request of the Navy Department I should appreciate your informing your Government of a minor change in the wording of this Government's proposed procedure as outlined in the Department's note of March 27. This change relates to notification for service aircraft en route to a naval air station and involves the rewording of the last sentence on page 3 of the Department's note to read as follows:

"Should there be any doubt as to which Commandant should be notified or should the destination be the Naval Air Station at Annapolis, D.C., the notification should be addressed to the Chief of Naval Operations, Navy Department, Washington, D.C., who will in turn inform the appropriate commandant."

The general procedure which the Canadian authorities propose to adopt as outlined in the Legation's note of April 18, 1941 has been brought to the attention of the appropriate American authorities and has received their approval.

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

(S.S.) A.A. Berle, Jr.

For the Secretary of State

The Honorable
Leighton McCarthy,
Minister of Canada.

611.2342/732

7

GREAT LAKES - ST. LAWRENCE BASIN AGREEMENT

March 19, 1941

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada, and the President of the United States of America have decided to conclude an Agreement in relation to the utilization of the water in the Great Lakes-St. Lawrence Basin and to that end have named as their respective plenipotentiaries:

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, for Canada:

The Right Honourable W. L. Mackenzie King,
Prime Minister, President of the Privy
Council and Secretary of State for Ex-
ternal Affairs;

The Honourable Clarence D. Howe,
Minister of Munitions and Supply;

John E. Read,
Legal Adviser, Department of External
Affairs;

The President of the United States of America:

Jay Pierrepont Loffat,
Envoy Extraordinary and Minister Plenipotentiary
of the United States of America to Canada;

Adolf Augustus Berle, Jr.,
Assistant Secretary of State;

Leiland Olds,
Chairman of the Federal Power Commission;

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles.

Preliminary Article

For the purposes of the present Agreement, unless otherwise expressly provided, the expression:

- (a) "Joint Board of Engineers" means the board appointed pursuant to an agreement between the Governments following the recommendation of the International Joint Commission, dated December 19, 1921;
- (b) "Great Lakes System" means Lakes Superior, Michigan, Huron (including Georgian Bay), Erie and Ontario, and the connecting waters, including Lake St. Clair;

- (c) "St. Lawrence River" includes the river channels and the lakes forming parts of the river channels from the outlet of Lake Ontario to the sea;
- (d) "International Section" means that part of the St. Lawrence River through which the international boundary line runs;
- (e) "Canadian Section" means that part of the St. Lawrence River which lies wholly within Canada and which extends from the easterly limit of the International Section to Montreal Harbour;
- (f) "International Rapids Section" means that part of the International Section which extends from Chimney Point to the village of St. Regis;
- (g) "Governments" means the Government of the United States of America and the Government of Canada;
- (h) "countries" means the United States of America and Canada;
- (i) "Special International Niagara Board" means the board appointed by the Governments in 1926 to ascertain and recommend ways and means to preserve the scenic beauty of the Niagara Falls;
- (j) "deep waterway" means adequate provision for navigation requiring a controlling channel depth of 27 feet with a depth of 30 feet over lock sills, from the head of the Great Lakes to Montreal Harbour via the Great Lakes System and St. Lawrence River, in general accordance with the specifications set forth in the Report of the Joint Board of Engineers, dated November 16, 1926.

Article 1

1. The Governments agree to establish and maintain a Great Lakes-St. Lawrence Basin Commission, hereinafter referred to as the Commission, consisting of not more than ten members of whom an equal number shall be appointed by each Government. The duties of the Commission shall be:

- (a) to prepare and to recommend plans and specifications for the construction of works in the International Rapids Section in accordance with and containing the features described in the Annex attached to and made part of this Agreement, with such modifications as may be agreed upon by the Governments;
- (b) upon approval of the plans and specifications by the Governments, to prepare a schedule allocating the construction of the works in the International Rapids Section on such a basis that each Government shall construct the works within its own territory or an equivalent proportion of the works so approved;
- (c) to approve all contracts entered into on behalf of either Government for the works in the International Rapids Section;
- (d) to supervise the construction of the works and to submit reports to the Governments from time to time, and at least once each calendar year, on the progress of the works;

- (e) upon satisfactory completion of the works, to certify to the Governments that they meet the plans and specifications drawn up by the Commission and approved by the Governments;
- (f) to perform the other duties assigned to it in this Agreement.

3. The Commission shall have the authority to employ such persons and to make such expenditures as may be necessary to carry out the duties set forth in this Agreement. It shall have the authority to avail itself of the services of such governmental agencies, officers and employees of either country as may be made available. The remuneration, general expenses and all other expenses of its members shall be regulated and paid by their respective Governments; and the other expenses of the Commission, except as provided for under Article III, paragraph (b) of this Agreement, shall be borne by the Governments in equal moieties.

5. The Governments agree to permit the entry into their respective countries, within areas immediately adjacent to the Niagara River and the International Section to be delimited by exchange of notes, of personnel employed by the Commission or employed in the construction of the works, and to exempt such personnel from the operation of their immigration laws and regulations within the areas so delimited. In the event that the Commission, pursuant to the provisions of paragraph 1 (b) of this Article, allocates to either of the Governments the construction of works, any part of which is within the territory of the other Government, the latter Government shall make provision for the according, within the area in which such a part is situated, of such exemption from customs, excise and other imposts, federal, state and provincial, as may be reasonably practicable for the effective and economical prosecution of the work. Regulations providing for such exemptions may be settled by the Governments by exchange of notes.

4. The Governments shall, by exchange of notes, prescribe rules and regulations for the conduct of the Commission. They may by the same means extend or abridge its powers and duties; and reduce or after reduction increase the number of members (provided that there must always be an equal number appointed by each Government and that the total number of members shall at no time exceed ten); and, upon completion of its duties, the Governments may terminate its existence.

Article II

The Government of Canada agrees:

- (a) in accordance with the plans and specifications prepared by the Commission and approved by the Governments, to construct the works in the International Rapids Section allocated to Canada by the Commission; and cooperate and maintain or arrange for the operation and maintenance of the works situated in the territory of Canada;
- (b) to complete, not later than December 31, 1948, the essential Canadian links in the deep waterway, including the necessary deepening of the new Welland Ship Canal and the construction of canals

and other works to provide the necessary depth in the Canadian Section of the St. Lawrence River; provided that, if the continuance of war conditions or the requirements of defense justify a modification of the period within which such works shall be completed, the Governments may, by exchange of notes, arrange to defer or expedite their completion as circumstances may require.

Article III

The Government of the United States of America agrees:

- (a) in accordance with the plans and specifications prepared by the Commission and approved by the Governments, to construct the works in the International Rapids Section allocated to the United States of America by the Commission; and to operate and maintain or arrange for the operation and maintenance of the works situated in the territory of the United States of America;
- (b) to provide, as required by the progress of the works, funds for the construction, including design and supervision, of all works in the International Rapids Section except (1) machinery and equipment for the development of power, and (2) works required for rehabilitation on the Canadian side of the international boundary;
- (c) not later than the date of completion of the essential Canadian links in the deep waterway, to complete the works allocated to it in the International Rapids Section and the works in the Great Lakes System above Lake Erie required to create essential links in the deep waterway.

Article IV

The Governments agree that:

- (a) they may, in their respective territories, in conformity with the general plans for the project in the International Rapids Section, install or arrange for the installation of such machinery and equipment as may be desired for the development of power and at such time or times as may be most suitable in terms of their respective power requirements;
- (b) in view of the need for co-ordination of the plans and specifications prepared by the Commission for general works in the International Rapids Section with plans for the development of power in the respective countries, the Commission may arrange for engineering services with any agency in either country which may be authorized to develop power in the International Rapids Section;
- (c) except as modified by the provisions of Article VIII, paragraph (b) of this Agreement, each country shall be entitled to utilize one-half of the water available for power purposes in the International Rapids Section;

- (d) during the construction and upon the completion of the works provided for in the International Rapids Section, the flow of water out of Lake Ontario into the St. Lawrence River shall be controlled and the flow of water through the International Section shall be regulated so that the navigable depths of water for shipping in the harbour of Montreal and throughout the navigable channel of the St. Lawrence River below Montreal, as such depths now exist or may hereafter be increased by dredging or other harbour or channel improvements, shall not be injuriously affected by the construction or operation of such works, and the power developments in the Canadian Section of the St. Lawrence River shall not be adversely affected;
- (e) upon the completion of the works provided for in the International Rapids Section, the power works shall be operated, initially, with the water level at the power houses held at a maximum elevation 238.0, sea level datum as defined in the Report of the Joint Board of Engineers, for a test period of ten years or such shorter period as may be approved by any board or authority designated or established under the provisions of paragraph (f) of this Article; and, in the event that such board or authority considers that operation with the water level at the power houses held to a maximum elevation exceeding 238.0 would be practicable and could be made effective within the limitations prescribed by paragraphs (c) and (d) of this Article, the Governments may, by exchange of notes, authorize operation, subject to the provisions of this Article, and for such times and subject to such terms as may be prescribed in the notes, at a maximum elevation exceeding 238.0;
- (f) the Governments may, by exchange of notes, make provision for giving effect to paragraphs (c), (d) and (e) of this Article;
- (g) during the construction of the works provided for in the International Rapids Section, facilities for 14 ft. navigation in that Section shall be maintained.

Article V

The Governments agree that nothing done under the authority of this Agreement shall confer upon either of them proprietary rights, or legislative, administrative or other jurisdiction, in the territory of the other, and that the works constructed under the provisions of this Agreement shall constitute a part of the territory of the country in which they are situated.

Article VI

The Governments agree that either of them may proceed at any time to construct, within its own territory and at its own cost, alternative canal and channel facilities

for navigation in the International Section or in waters connecting the Great Lakes, and to utilize the water necessary for the operation of such facilities.

Article VII

The High Contracting Parties agree that the rights of navigation accorded under the provisions of existing treaties between the United States of America and His Majesty shall be maintained notwithstanding the provisions for termination contained in any of such treaties, and declare that these treaties confer upon the citizens or subjects and upon the ships, vessels and boats of each High Contracting Party, rights of navigation in the St. Lawrence River, and the Great Lakes System, including the canals now existing or which may hereafter be constructed.

Article VIII

The Governments, recognizing their common interest in the preservation of the levels of the Great Lakes System, agree that:

- (a) each Government in its own territory shall measure the quantities of water which at any point are diverted from or added to the Great Lakes System, and shall place such measurements on record with the other Government semi-annually;
- (b) in the event of diversions being made into the Great Lakes System from other watersheds lying wholly within the borders of either country, the exclusive rights to the use of waters which are determined by the Governments to be equivalent in quantity to any waters so diverted shall, notwithstanding the provisions of Article IV, paragraph (c) of this Agreement, be vested in the country diverting such waters, and the quantity of water so diverted shall be at all times available to that country for use for power below the point of entry, so long as it constitutes a part of boundary waters;
- (c) if any diversion of water from the Great Lakes System or the International Section, other or greater in amount than diversions permitted in either of the countries on January 1, 1940, is authorized, the Government of such country agrees to give immediate consideration to any representations respecting the matter which the other Government may make; if it is impossible otherwise to reach a satisfactory settlement, the Government of the country in which the diversion of water has been authorized agrees, on the request of the other Government, to submit the matter to an arbitral tribunal which shall be empowered to direct such compensatory or remedial measures as it may deem just and equitable; the arbitral tribunal shall consist of three members, one to be appointed by each of the Governments, and the third, who will be the chairman, to be selected by the Governments;
- (d) the Commission shall report upon the desirability of works for compensation and regulation in the Great Lakes System, and, upon the approval by the Governments of any such works, shall prepare plans and specifications for their construction and recommend to the Governments an equitable allocation of their cost; the Governments shall make arrangements by exchange of notes for the construction of such works as they may agree upon.

13

Article IX

The Governments, recognizing their primary obligation to preserve and enhance the scenic beauty of the Niagara Falls and River, and consistent with that obligation, their common interest in providing for the most beneficial use of the waters of that River, as envisaged in the Final Report of the Special International Niagara Board, agree that:

- (a) the Commission shall prepare and submit to the Governments plans and specifications for works in the Niagara River designed to distribute and control the waters thereof, to prevent erosion and to ensure at all seasons unbroken crest lines on both the American Falls and the Canadian Falls and to preserve and enhance their scenic beauty, taking into account the recommendations of the Special International Niagara Board; the Governments may make arrangements by exchange of notes for the construction of such works in the Niagara River as they may agree upon, including provision for temporary diversions of the waters of the Niagara River for the purpose of facilitating construction of the works; the cost of such works in the Niagara River shall be borne by the Governments in equal moieties;
- (b) upon the completion of the works authorized in this Article, diversions of the waters of the Niagara River above the Falls from the natural course and stream thereof additional to the amounts specified in Article 5 of the Boundary Waters Treaty of 1909 may be authorized and permitted by the Government to the extent and in the manner hereinafter provided:
- (1) the United States may authorize and permit additional diversion within the State of New York of the waters of the River above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;
 - (2) Canada may authorize and permit additional diversion within the Province of Ontario of the waters of the River above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;
- (c) upon completion of the works authorized in this Article, the Commission shall proceed immediately to test such works under a wide range of conditions, and to report and certify to the Governments the effect of such works, and to make recommendations respecting diversions of water from Lake Erie and the Niagara River, with particular reference to (1) the perpetual preservation of the scenic beauty of the Falls and Rapids; (2) the requirements of navigation in the Great Lakes System, and (3) the efficient utilization and equitable apportionment of such waters as may be available for power purposes; on the basis of the Commission's reports and

14
recommendations, the Governments may by exchange of notes and concurrent legislation determine the methods by which these purposes may be attained.

Article I

The Governments agree that :

- (a) each Government undertakes to make provision for the disposition of claims and for the satisfaction of any valid claims arising out of damage or injury to persons or property occurring in the territory of the other in the course of and in connection with construction by such Government of any of the works authorized or provided for by this Agreement;
- (b) each Government is hereby released from responsibility for any damage or injury to persons or property in the territory of the other which may be caused by any action authorized or provided for by this Agreement, other than damage or injury covered by the provisions of paragraph (a) of this Article;
- (c) each Government will assume the responsibility for and the expense involved in the acquisition of any lands or interests in land in its own territory which may be necessary to give effect to the provisions of this Agreement.

Article II

This Agreement shall be subject to approval by the Parliament of Canada and the Congress of the United States of America. Following such approval it shall be ratified by His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada and proclaimed by the President of the United States of America. It shall enter into force on the day of the exchange of the instrument of ratification and a copy of the proclamation which shall take place at Washington.

In witness whereof the respective plenipotentiaries have signed this Agreement in duplicate and have hereunto affixed their seals.

Done at Ottawa, the nineteenth day of March, in the year of our Lord one thousand nine hundred and forty-one.

(L.S.)
(L.S.)
(L.S.)
(L.S.)
(L.S.)
(L.S.)

W. L. MACKENZIE KING
C. D. HOWE
JOHN E. READ
JAY PIERREPONT MOFFAT
ADOLF A. BERLE, Jr.
LELAND OLDS

ANNEX

CONTROLLED SINGLE STAGE PROJECT (238-242)

FOR WORKS IN THE INTERNATIONAL RAPIDS SECTION

(See Article I, Paragraph 1(a))

The main features of the Controlled Single Stage Project (238-242), described in detail with cost estimates in the report of the Temporary Great Lakes - St. Lawrence Basin Committee dated January 3, 1941, are as follows:

- (1) A control dam in the vicinity of Iroquois Point.
- (2) A dam in the Long Sault Rapids at the head of Barnhart Island and two power houses, one on either side of the international boundary, at the foot of Barnhart Island.
- (3) A side canal, with one lock on the United States mainland to carry navigation around the control dam and a side canal, with one guard gate and two locks, on the United States mainland south of Barnhart Island to carry navigation from above the main Long Sault Dam to the river south of Cornwall Island. All locks to provide 30 ft. depth of water on the mitre sills and to be of the general dimensions of those of the Welland Ship Canal. All navigation channels to be excavated to 27 ft. depth.
- (4) Dykes, where necessary, on the United States and Canadian sides of the international boundary, to retain the pool level above the Long Sault Dam.
- (5) Channel enlargement from the head of Galop Island to below Lotus Island designed to give a maximum velocity in the navigation channel south of Galop Island not exceeding four feet per second at any time.
- (6) Channel enlargement between Lotus Island and the control dam and from above Point Three Points to below Ogden Island designed to give a maximum mean velocity in any cross-section not exceeding two and one-quarter feet per second with the flow and at the stage to be permitted on the 1st of January of any year, under regulation of outflow and levels of Lake Ontario.
- (7) The necessary railroad and highway modifications on either side of the international boundary.
- (8) The necessary works to permit the continuance of 14 ft. navigation on the Canadian side around the control dam and from the pool above the Long Sault Dam to connect with the existing Cornwall Canal.
- (9) The rehabilitation of the towns of Iroquois and Morrisburg, Ontario.

All the works in the pool below the control dam shall be designed to provide for full Lake Ontario level but initially the pool shall be operated at maximum elevation 239.0.

DEPARTMENT OF STATE

WASHINGTON

May 30, 1941.

Sir :

I have the honour to refer to conversations which have taken place recently between officials of the Governments of the United States and Canada with respect to the immediate and pressing needs for additional power in the Niagara Falls area for national defense purposes. Throughout these conversations, as well as in previous conversations during the course of years, on the general subject of the Falls at Niagara, two objectives have been kept in mind: first, the scenic beauty of this great heritage of the two countries; and second, the utilization of the power resources available there, consistent with the primary obligation of preserving the scenic beauty of the Falls.

Recent surveys have indicated that there is now idle equipment available and set up which could utilize at once an additional diversion for power purposes of 5,000 cubic feet per second on the United States side. I am informed by the defense authorities of this Government and by the Federal Power Commission that this additional power is urgently needed in connection with the Government's National Defense Program. It is likewise understood from conversations with the appropriate Canadian officials that 3,000 cubic feet per second could be used immediately on the Canadian side in connection with the furtherance of the war efforts of Canada. These figures represent the immediate needs of the two Governments and do not pretend to take into consideration all industrial requirements of the two countries in the area by reason of the present emergency.

In view of the above, and having in mind assurances of engineers that there will be no material adverse effect to the scenic beauty of the Falls, I propose through this exchange of notes that for the duration of the emergency and in all events subject to reconsideration by both Governments on October 1, 1942, an additional diversion for power purposes of 5,000 cubic feet per second be utilized on the United States side of the Niagara River above the Falls. In making this proposal this Government is prepared to give assurances that no objection will be raised to an additional diversion of 3,000 cubic feet per second on the Canadian side of the Niagara River above the Falls. It is also proposed that the engineers of the two governments be instructed to take such steps as may be necessary, with a view to initiating forthwith the construction of works designed to distribute the flow of waters over the Falls in such a manner as to preserve their scenic beauty.

The Honorable

Leighton McCarthy,

Minister of Canada.

17

Moreover, the American Government proposes that upon the entry into effect of the Agreement for the Utilization of the Water in the Great Lakes - St. Lawrence Basin signed on March 19, 1941, the foregoing arrangements will be subject to the provisions of Article IX of the Agreement, and that it will be open to the commission, appointed under the provisions of the Agreement and carrying out the duties imposed upon it, to take such action as may be necessary, and as may come within the scope of the Agreement with regard to diversions at Niagara.

If the foregoing is acceptable to the Government of Canada, this note and your reply thereto, when approved by the Senate, 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.

For the Secretary of State :

A. A. BERLE, JR.

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CANADIAN LEGATION AT WASHINGTON

May 20, 1941.

Sir :

With reference to your note of May 20th, 1941, concerning the immediate and pressing needs for additional power in the Niagara Falls area for national defence purposes, I have the honour to inform you that the Government of Canada concurs in the arrangements set forth in your note, and is prepared to give assurance that no objection will be raised by the Government of Canada to an additional diversion of 5,000 cubic feet per second on the United States side of the Niagara River above the Falls.

I have the honour to be

Sir,

Your most obedient, humble servant,

H. H. WRONG

For the Minister

The Honourable Cordell Hull,

Secretary of State of the United States,

Washington, D. C.

EXCHANGE OF NOTES (JULY 22, AUGUST 7, SEPTEMBER 5 AND OCTOBER 20,
1941) BETWEEN CANADA AND THE UNITED STATES OF AMERICA
PROVIDING FOR RECIPROCAL RELAXATION OF THE LOAD LINE
REGULATIONS FOR SHIPS MAKING VOYAGES ON LAKES AND
RIVERS.*

I

The Canadian Minister at Washington to the Secretary of State
of the United States of America

Canadian Legation,
Washington,
July 22, 1941.

No. 462

Sir,

I have the honour to inform you that representations have been made to the Canadian Department of Transport that, owing to the scarcity of ships, difficulty is being experienced in transporting ore on the Great Lakes, and it is expected that unless more means of transportation are provided it will be impossible to have a large amount of this ore moved this year.

The Department of Transport is of the opinion that if some relaxations were allowed in the Load Line Rules for ships making Voyages on Lakes or Rivers, approved by Order in Council of August 6, 1937, which would allow of deeper loading of ships, it would help to a great extent in this difficulty. Accordingly the Department of Transport is prepared to recommend certain relaxations.

The Load Line Rules for the Great Lakes in force in Canada have been recognized by the United States Government as being equivalent to their Load Line Rules, and the Government of Canada has likewise recognized the United States Load Line Rules for the Great Lakes.

Accordingly I have been directed to inform you that the Government of Canada is considering relaxing the Load Line Rules for ships making voyages on Lakes or Rivers by allowing lesser freeboards in certain ships. The proposed relaxations will be substantially the same as the relaxations allowed by a recent Regulation made by the Department of Commerce of the United States Government, entitled Part 47, Temporary variance for Sea and Great Lakes Coastwise Voyages, signed by the Acting Secretary of Commerce, and dated July 5, 1941, it being noted that this Regulation does not at present apply to any but vessels engaged in coastwise voyages in the United States and to voyages between ports in the United States on the Great Lakes.

I have, etc.,

LEIGHTON McCARTHY.

* See Canada Treaty series 1940, No. 3: Exchange of Notes between Canada and the United States of America (from April 29, 1938, to March 4, 1940) regarding reciprocal recognition of load line regulations for vessels engaged in international voyages on the Great Lakes.

II

The Secretary of State of the United States of America to the
Canadian Minister at Washington

Department of State

Washington,

August 7, 1941.

Sir,

I have the honour to acknowledge the receipt of your Note No.462 of July 22, 1941, informing this Government that the Government of Canada is considering relaxing the Load Line Rules for ships making voyages on lakes or rivers by allowing lesser freeboards in certain ships.

This matter has been referred to the appropriate American authority with a recommendation that it endeavour to cooperate with the desires expressed in your note. A further communication will be addressed to you as soon as a reply is received.

Accept, etc.,

For the Secretary of State:

G. HOWLAND SHAW.

III

The Secretary of State of the United States of America to the
Canadian Minister at Washington

Department of State,

Washington,

September 5, 1941.

Sir,

I have the honour to refer again to your note no. 462 of July 22, 1941, informing this Government that the Government of Canada is considering relaxing the Load Line Rules for ships making voyages on lakes or rivers by allowing lesser freeboards in certain ships.

I have now been informed by the Department of Commerce that the Department agrees that during the emergency proclaimed by the President of the United States on May 27, 1941, if Canadian vessels entering United States ports are marked with load lines under regulations essentially the same as those contained in Part 47 of the Load Line Regulations of the Department of Commerce, such marks will be authorized as equivalent to the marks placed on American vessels provided the Canadian Government likewise will recognize in Canadian ports the marks placed on United States vessels in accordance with the Department of Commerce regulations referred to. For the use of the Canadian authorities in this connection there are enclosed four copies of Part 47 of the Load Line Regulations of the United States.

Accept, etc.,

For the Secretary of State:

BRECKINRIDGE LONG.

(Enclosure)

PART 47 - TEMPORARY VARIANCE FOR SEA AND GREAT LAKES COASTWISE VOYAGES

Parag. 47.1 Establishment of temporary coastwise service regulations. Load Lines are established by the regulations in this part, as authorized by the Coastwise Load Line Act of 1935, as amended June 20, 1936 (49 Stat. 888, 1543; 46 U.S.C. Supp. 88-881) and further amended by the Act approved July 3, 1941, during the National emergency proclaimed by the President May 27, 1941, but not after June 30, 1943, to provide for a lesser freeboard and less buoyancy than the load line established by the International Load Line Treaty of 1930, for certain vessels while engaged on coastwise voyages by sea from port to port in the continental United States and for variance of the load line marks on certain vessels on the Great Lakes from those established by said treaty, when engaged in coastwise voyages.*

*Parag. 47.1 to 47.8, inclusive, issued under the authority contained in sec. 2.49 Stat. 888, 1543; 46 U.S.C., Supp. 88a, and the act of July 3, 1941.

Parag. 47.2 Vessels eligible. All steamers, except passenger vessels, engaged in coastwise voyages by sea from port to port in the continental United States or on the Great Lakes from port to port in the United States, and which have been marked with load lines under Parag. 43.01 to 43.67, 43.92 to 43.106, or 45.01 to 45.80 (all inclusive), are eligible to be marked under this part if approved therefor by the Bureau of Marine Inspection and Navigation.*

Parag. 47.3 General. The provisions, where applicable, of Parag. 43.01 to 43.67; 43.92 to 43.106, or 45.01 to 45.80 (all inclusive) shall apply to vessels subject to this part, except as modified herein.*

Parag. 47.4 Strength. The structure of the vessel is to be of sufficient strength for the draft corresponding to the freeboard assigned.*

Parag. 47.5 Approval by the Bureau of Marine Inspection and Navigation. Before a vessel shall be marked and certificated with load lines under this part the findings and recommendations of the assigning authority shall be submitted to the Bureau of Marine Inspection and Navigation for determination as to the amount the summer freeboard ascertained under Part 43 or Part 45, as applicable, may be reduced.*

Parag. 47.6 Freeboard. The summer freeboard for vessels marked under this part may be determined by deducting from the summer freeboard, as determined under Part 43 or Part 45, as applicable, an amount to be approved by the Director of the Bureau of Marine Inspection and Navigation, but not to exceed 3/10 inch per foot of summer draft.*

Parag. 47.7 Seasonal freeboards. For coastwise voyages by sea, the determination of seasonal freeboards, other than the summer freeboard determined in Parag. 47.6, are to be as provided in Part 43; the freeboard for all seasons is the seasonal freeboard of the loading port. For voyages on the Great Lakes, no change in the position of the intermediate and winter marks will be made from the position determined by Part 45.*

Parag. 47.8 Load line certificates. Load line certificates issued under this Part for coastwise voyages by sea shall be on the form described in Parag. 44.8, amended as necessary, and shall be distinctly marked: "Valid only for voyages by sea from port to port in the continental United States"; and for Great Lakes coastwise voyages on the form shown in Parag. 45.80, and distinctly

marked: "Valid only from port to port in the United States." No certificate issued under this part shall remain in force after June 30, 1943, and all such certificates shall be subject to cancellation at any time before expiration by the Secretary of Commerce.

WAYNE C. TAYLOR
Acting Secretary of Commerce.

(Seal)

July 5, 1941.

IV

The Canadian Minister at Washington to the Secretary of State of the
United States of America

CANADIAN LEGATION,
WASHINGTON,

October 20, 1941.

No. 645

Sir,

I have the honour to refer to your Note of September 5th, and to state that I am instructed by the Secretary of State for External Affairs to inform you that the Government of Canada will grant reciprocity of treatment in the matter of Load Line Rules on the Great Lakes, as suggested in your Note under reference.

I have, etc.,

LEIGHTON McCARTHY.

October 20th, 1941.

MEMORANDUM

The Canadian Government has considered the proposals for additional emergency diversions of water for power purposes at Niagara which were presented informally to the Canadian Minister by Mr. Berle, Assistant Secretary of State, on October 2nd, 1941.

I.

The Canadian Government agrees in principle to the proposal for additional diversions up to the capacity of the existing equipment on both sides of the boundary. It is thought, however, that objections might be raised if the proposed agreement expressly authorized additional diversions limited only by the capacity of existing installations. The desired result could be obtained by fixing definite, but generous, limits to the additional diversions.

A draft of notes for exchange is attached for consideration. The agreement could, of course, be embodied in any other form if the State Department so desires. Following the precedent established in May, 1941, the coming into force of the notes is expressed to be conditional on Senate approval. The Canadian Government does not, of course, ask for such a condition. It appears that, as a result of the demand for power in the United States, this matter is most urgent, and the Canadian Government will therefore be glad to co-operate with the United States Government in concluding an agreement at the earliest possible moment.

II.

The Canadian Legation has been asked to discuss at the same time the use of water permitted under the Exchange of Notes of October 14th, 1940. It enabled water, equivalent to that which was being diverted into the Great Lakes System from the Albany River Basin, to be utilized by the Province of Ontario for power at Niagara Falls. It now appears to be essential, in order to carry out the broader program, to make this water available for utilization by the Province of Ontario at Niagara or in the Welland Canal. It would be appreciated if the State Department would confirm this understanding.

III.

The arrangements for the use of additional water at Niagara for power development, carried out by the Exchange of Notes of October 14th, 1940, and the Exchange of Notes of June of this year, as well as the additional arrangements now under discussion, are all designed to ensure that sufficient power will be available to meet the urgent needs of war industry. These needs have been greatly increased in order to meet Russian requirements, and it is essential to provide additional power in the Niagara area and, at the same time, to make it possible to continue the supply of power now exported from Canada to Massena.

In order to conserve the supply of power in the lower St. Lawrence, which is needed to continue existing export arrangements for aluminum production at Massena, the Beauharnois Light, Heat and Power Company have asked for authority, during low water periods, to maintain the level of Lake St. Francis at 152.0 subject to the maintenance of normal regimen of the Lake for levels above that elevation.

During these periods the water level of the Lake has fallen to 150.0 and may even fall to a lower level, whereas the mean level of the Lake is 151.5 and the normal high water 154.0. Extreme high water may go to above elevation 155.75.

To provide for the maintenance of the Lake level, the Company are presently installing a temporary dam partially to close the existing gap at the head of the Coteau Rapids, and have in contemplation for next season (at an estimated cost of \$1,400,000) the construction of a permanent dam to completely close the gap, but this will not assure their output during low water periods unless they are permitted to maintain the Lake level at 152.0 as above. The regulation of the level of the Lake to 152.0 will not only be of benefit to the Beauharnois output in this vital period but will assure continuous 14 ft. depth for navigation in the Cornwall Canal, and may maintain more satisfactory shore conditions during low water periods.

This will involve an increase in natural levels on the United States side of the St. Lawrence near the head of Lake St. Francis. The increase will take place only during low water periods. There does not seem to be any likelihood of legal damage.

This could only be authorized with the approval of the International Joint Commission or by a "special agreement" within the meaning of Article 4 of the Boundary Waters Treaty 1909. Doubtless it will be considered preferable to have the matter carried out under a temporary arrangement similar to those which are being made with regard to Niagara and subject to reconsideration on October 1st, 1948.

MEMORANDUM

Reference is made to a memorandum dated October 20th, 1941, from the Canadian Legation in which it was stated that it would be appreciated if the Department of State would confirm the understanding of the Canadian Government that water diverted under the exchange of notes of October 14, 1940, might be made available for utilization by the Province of Ontario at Niagara or in the Welland Canal.

The Department of State is glad to confirm the Canadian Government's understanding as stated above. This Government's consent to utilization through the Welland Canal of additional water which the Province of Ontario is permitted to divert for power purposes under the exchange of notes of October 14, 1940, should not be interpreted as constituting recognition of any rights of diversion around Niagara falls for power purposes in excess of those established by the 1909 treaty as modified by subsequent exchanges of notes between the two Governments.

Department of State,

Washington, November 14, 1941.

19

DEPARTMENT OF STATE
Washington

October 27, 1941.

Sir,

I have the honour to refer to the exchange of notes of May 20, 1941 regarding increased diversions of water for power purposes at Niagara Falls, and to conversations that have recently taken place between officials of the Governments of the United States and Canada regarding the urgent need for additional power in the Niagara Falls area.

In my note of May 20, with which you agreed on behalf of the Canadian Government, I said, in part:

"In view of the above, and having in mind assurances of engineers that there will be no material adverse effect to the scenic beauty of the Falls, I propose through this exchange of notes that for the duration of the emergency and in all events subject to reconsideration by both Governments on October 1, 1942, an additional diversion for power purposes of 3,000 cubic feet per second be utilized on the United States side of the Niagara River above the Falls. In making this proposal this Government is prepared to give assurance that no objection will be raised to an additional diversion of 3,000 cubic feet per second on the Canadian side of the Niagara River above the Falls. It is also proposed that the engineers of the two Governments be instructed to take such steps as may be necessary with a view to initiating forthwith the construction of works designed to distribute the flow of waters over the Falls in such a manner as to preserve their scenic beauty.

"Moreover, the American Government proposes that upon the entry into effect of the Agreement for the Utilization of the Water in the Great Lakes-St. Lawrence Basin signed on March 19, 1941, the foregoing arrangements will be subject to the provisions of Article IX of the Agreement, and that it will be open to the Commission appointed under the provisions of the Agreement and carrying out the duties imposed upon it, to take such action as may be necessary, and as may come within the scope of the Agreement with regard to diversions at Niagara."

I am advised by the defense authorities of this Government and by the Federal Power Commission that, notwithstanding the additional diversions authorized in May, there is now a gravely urgent need for more power in the

The Honorable
Leighton McCarthy, K.C.,
Minister of Canada.

Niagara Falls area for manufacturing vitally necessary to the United States National Defense and Lease-Lend Programs. I understand that similar need exists on the Canadian side.

On the United States side in this area there is idle equipment which could at once utilize an additional diversion for power purposes of 7,500 cubic feet per second. I understand that, on the Canadian side, the existing equipment is in the course of normal operations fully used only in daytime hours and that, if fully used during the night hours, it could utilize an additional diversion amounting, in the daily aggregate, to 6,000 cubic feet per second.

I propose therefore that, for the duration of the emergency and in any event subject to reconsideration on October 1, 1942:-

1. The Canadian Government will raise no objection to an additional diversion for power purposes of 7,500 cubic feet per second, in terms of the daily aggregate, through existing facilities, on the United States side of the Niagara River above the Falls, and
2. The United States Government will raise no objection to an additional diversion for power purposes of 6,000 cubic feet per second, in terms of the daily aggregate, through existing facilities, on the Canadian side of the Niagara River above the Falls.

These diversions would be subject to an operating margin of one percent of the total diversions whether authorized by this agreement or otherwise, and could be exceeded to that extent in order to provide for small excesses which may occur at times in the interest of efficient operation.

Upon acceptance of these proposals by your Government, it will be even more important than it was earlier in the year to proceed with the construction, in the 1942 open season, of remedial works. The United States-St. Lawrence Advisory Committee and the Canadian Temporary Great Lakes-St. Lawrence Basin Committee (created pursuant to the Exchange of Notes of October 14, 1940) should be instructed immediately by the respective Governments to concert for the purpose of jointly recommending to the two Governments - (1) the exact nature and design of the works that should be constructed in 1942, and (2) the allocation of the task of construction as between the two Governments. Upon the recommendations being accepted by the two Governments, and the acceptance notified to each other, the construction would be undertaken pursuant to the recommendations. The total cost of the works would be divided equally between the two Governments regardless of the allocation of the task of construction.

The United States Government proposes further that upon the entry into effect of the Agreement for the Utilization of the Water in the Great Lakes-St. Lawrence Basin signed on March 19, 1941, the foregoing arrangements will be subject to the provisions of Article II of the Agreement, and that it will be open to the Commission appointed under the provisions of the Agreement and carrying out the duties imposed upon it, to take such action as may be necessary, and as may come within the scope of the Agreement with regard to diversions at Niagara.

If the foregoing is acceptable to the Government of

Canada, this note and your reply thereto, when approved by the Senate, will be regarded as placing on record the agreement of the two Governments concerning this matter.

Accept, Sir, etc.

For the Secretary of State :

ADOLF A. BERLE, Jr.

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CANADIAN LEGATION,

WASHINGTON,

October 27, 1941.

No. 651

Sir,

I have the honour to inform you that the Canadian Government concurs in the proposals set forth in your note of October 27th, 1941, regarding the utilization of water for power purposes at Niagara Falls.

I have the honour, etc.

H. H. WRONG

For the Minister.

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

DEPARTMENT OF STATE
Washington

November 27, 1941.

Sir :

I have the honour to refer to the exchange of notes between the Department of State and your Legation on October 27, 1941, regarding the temporary diversion at Niagara Falls of additional quantities of water for reasons of national defence.

On November 27, 1941, the Senate gave its advice and consent to ratification of this exchange of notes subject to the elimination from my note of October 27, 1941, of the paragraph reading as follows:

"The United States Government proposes further that, upon the entry into effect of the agreement for the utilization of the water in the Great Lakes-St. Lawrence Basin signed on March 19, 1941, the foregoing arrangements will be subject to the provisions of Article IX of the agreement, and that it will be open to the Commission appointed under the provisions of the agreement and carrying out the duties imposed upon it to take such action as may be necessary and as may come within the scope of the agreement with regard to diversions at Niagara."

It is requested that you inform me whether the Canadian Government has any objection to the elimination of the above-mentioned paragraph.

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

For the Secretary of State:

A. A. BARKER, Jr.

The Honorable
Leighton McCarthy, K.C.
Minister of Canada.

CANADIAN LEGATION
WASHINGTON

November 27, 1941.

No. 722

Sir,-

With reference to your note of November 27, 1941, concerning the Exchange of Notes regarding the temporary diversion at Niagara Falls of additional quantities of water for reasons of national defence, I have the honour to inform you that the Canadian Government has no objection to the elimination of the paragraph in question from your note of October 27, 1941.

I have, etc..

H. H. WONG,

For the Minister.

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

CANADIAN LEGATION

WASHINGTON, November 10, 1961.

No. 682

Sir :

I have the honour, on the instructions of my Government, to enquire whether the Government of the United States would agree to a temporary raising of the level of Lake St. Francis during low water periods, for the reasons and in the circumstances hereinafter set out :

1. The Beauharnois Light, Heat and Power Company has for some years, under the authority of the Parliament and Government of Canada, diverted water from Lake St. Francis for the development of hydro-electric power.
2. In order to conserve the supply of power in the lower St. Lawrence, which is needed to continue the existing export of power for aluminum production at Massena, New York, the Company have asked the Canadian Government for authority to maintain the level of Lake St. Francis at 152.0 during low water periods, subject to the maintenance of the normal regimen of the Lake for levels above that elevation.
3. During these periods the water level of the Lake has fallen to 150.00 and may even fall to a lower level, whereas the mean level of the Lake is 151.7 and the normal high water 154.0. Extreme high water may go to above elevation 155.75.
4. To provide for the maintenance of the Lake level, the Company is presently installing a temporary dam to partially close the existing gap at the head of the Coteau Rapids, and have in contemplation for next season the construction of a permanent dam to close the gap completely, but this will not assure their output during low water periods unless they are permitted to maintain the lake level at 152.0 as above. The regulation of the level of the Lake to 152.0 will not only be of benefit to the Beauharnois output in this vital period but will assure continuous 14 ft. depth for navigation in the Cornwall Canal, and may maintain more satisfactory shore conditions during low water periods.
5. The proposal would result in an increase, in low water periods, in the natural levels on the United States side of the St. Lawrence River near the head of Lake St. Francis.

Hon. Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

In view of the importance to both Canada and the United States of America of the conservation of the power supply in this area, the Canadian Government proposes that both Governments should agree to permit the maintenance of the level of Lake St. Francis at 152.0 during low water periods, subject to the maintenance of the normal regimen of the Lake for levels above that elevation. The proposed agreement would expire on October 1st, 1942.

If the foregoing is acceptable to your Government, this note and your reply thereto shall be regarded as constituting a special agreement between the two Governments within the meaning of Article 4 of the Boundary Waters Treaty of 1909.

I have the honour, etc.,

H. H. WRONG

For the Minister

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DEPARTMENT OF STATE
WASHINGTON

November 10, 1941.

Sir :

I have the honour to inform you that the Government of the United States concurs in the proposals contained in your note of November 10 regarding the temporary raising of the level of Lake St. Francis during low water periods. The Government of the United States attaches importance to the understanding that this agreement authorizing the raising of the level of Lake St. Francis is temporary, and that this action shall not be deemed to create any vested or other right calling for or implying an extension of the authority to raise the level of Lake St. Francis beyond October 1, 1942.

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

For the Secretary of State:

A. A. BERLE, JR.

The Honorable
Leighton McCarthy, K. C.,
Minister of Canada.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, November 17, 1941.

No. 542

Sir :

I have the honor to state that in the maintenance of aids to navigation in the Great Lakes region occasions arise making it necessary for the United States Coast Guard cutters employed in this duty to moor at wharves in Canadian territorial waters. Such contingencies arise principally in the lower Detroit River when it becomes necessary to remove buoys by reason of ice conditions, it being advantageous for the cutters to engaged to moor at the Amherstberg, Canada, wharf in order to be nearby the field of operations in a section where no other wharf is available; also cutters based at Detroit, Michigan, which obtain coal at the Sandwich, Ontario, dock from an American contractor. While these conditions apply particularly to the region of the Detroit and St. Clair Rivers, there are times when necessity for mooring at Canadian docks may occur in the operations of cutters along the St. Lawrence, Niagara or St. Mary's Rivers.

In view of the foregoing circumstances I am instructed to inquire whether it would be agreeable to the Canadian authorities to grant blanket authority for vessels of the Coast Guard to moor at Canadian docks in cases where such course of action is necessary. As the Coast Guard cutters are scheduled to commence the removal of certain buoys on December 1 it would be especially appreciated if early consideration could be given to this matter so that I may telegraph the reply of the Canadian Government as long in advance of that date as may be possible.

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

PIERREPONT MOFFAT

The Right Honorable

The Secretary of State

for External Affairs,

Ottawa, Canada.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, December 4, 1941.

No. 232

Sir,

With reference to your despatch of November 17, 1941, No. 542, in which you request for blanket authority permitting United States Coast Guard cutters to moor at Canadian docks when such course of action is necessary, I have the honour to state that the Canadian authorities have agreed to grant such a request.

Instructions will be issued to those in charge of our wharf at Amherstburg, which is one of the ports specifically mentioned in your despatch. We have no wharf at Sandwich, Ontario.

It may be pointed out that there are many Government wharves which United States cutters might of necessity wish to use, and matters might be simplified if I could be furnished with a list of those wharves at which Coast Guard vessels might moor, so that the Wharfingers in charge of them may be properly instructed.

I understand that all cutters of the United States Coast Guard are under the jurisdiction of the Navy Department, and since this is the case, they are entitled to treatment as Naval vessels and, accordingly, no reports inwards or outwards at Canadian ports are required, nor is there any necessity for the vessels to obtain clearance.

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

H. L. KEENLEYSIDE

(for) Secretary of State for
External Affairs.

The United States Minister to Canada,
Legation of the United States of America,
O t t a w a.

To : The President of the United States
The Prime Minister of Canada.

The Canadian Temporary Great Lakes - St. Lawrence Basin Committee and the United States St. Lawrence Advisory Committee, pursuant to instructions received from their respective governments following the exchange of notes of October 27, 1941, relating to further utilization of water for power purposes at Niagara Falls, respectfully submit the following joint recommendations in regard to remedial works in the Niagara River:-

- (1) The Exact Nature and Design of the Works that should be constructed in 1943.

The Committees recommend that the works to be constructed in 1943 be limited to those required to improve conditions for the generation of power. The works proposed consist of a submerged weir in the Grass Island Pool, designed to raise the water surface in the pool one foot more or less at Standard Low Water, as envisaged in the interim report of the Special International Niagara Board, dated December 27, 1927. This raise at low water stage may be modified after studies of the effect of the weir on levels at higher stages of the river have been made. The actual point of reference is the Grass Island Gauge where Standard Low Water is defined as elevation 560.6 U.S.L.S. datum, with the diversions that existed in 1927.

In addition to improving conditions for the generation of power, the proposed weir will improve the scenic beauty of the Falls by diverting additional water to the American Falls and over the Goat Island flank of the Horseshoe Falls.

The location of the weir and the type of construction proposed are shown on Drawing No. 1 attached. As smooth an upstream surface of the weir as is practicable is considered desirable to facilitate the passage of ice, and if the conditions of the river bed permit, precast concrete blocks should be used as an alternate for the stone blocks in the upstream portion as shown on the Drawing.

It is recommended that the construction of the weir be accomplished by means of balanced travelling towers supporting a cableway, strung parallel to the axis of the proposed weir, as shown on attached Drawing No. 2; the north tower to be erected in the river on an island constructed of rock and cribwork, with access thereto by means of a rock filled causeway from Goat Island; the south tower to be erected on the Canadian shore adequate facilities for inspection and control of the placing of the rock fill to be provided.

Several methods are considered feasible for the construction of the proposed weir, but after investigation the cableway method is believed to be best adapted to the various factors and circumstances involved.

Execution of the work in 1943 by this proposed method is predicated on the immediate availability in the United States of suitable cableway equipment. It is understood that only one such equipment is now available and that early authorization is necessary to assure securing the same. If new equipment is required construction of the weir would be materially delayed.

Construction should start at the outer end and be carried toward the Canadian shore so that observations may be made as construction proceeds to determine the width of the unobstructed gap to be left adjacent to the Canadian shore, and the modifications in the weir, necessary to prevent adverse effects on operating conditions at the several intakes of the power plants located on the Canadian shore downstream from the proposed weir.

It is also recommended that investigations be carried on as the work progresses to determine the effects secured by the weir and any modifications that may be necessary. Studies should be made to determine the effects brought about by the construction of the weir upon water level conditions at the intakes of the power stations situated downstream from the weir on the Canadian side and to determine the works that may be necessary to prevent adverse effects on operating conditions at these intakes. The towers should be left in place for a sufficient period to permit any modifications in the weir necessary to accomplish these purposes. They should be removed on the satisfactory completion of the weir but the artificial island on which the north tower is to be erected might be left in place and landscaped to fit into the natural surroundings.

Corollary studies should also be made to determine the nature of further work required to preserve and improve the scenic beauty of the Falls, after the effects of the submerged weir have been observed.

(2) The Allocation of the Task of Construction as between the two Governments

It is recommended that the task of construction of the proposed works be allocated as follows:

(a) The United States to construct the island to support the north travelling cableway tower and causeway leading thereto as shown on Drawings No. 1 and No. 2; to procure the cableway towers, cableways, and such supplemental equipment as may be necessary and agreed upon; to erect the north tower; and to do any other work which may be incidental to or consequential upon the foregoing; and to install and operate necessary gauges on the United States shore, in agreement with representatives of Canada, to complement those mentioned in the following paragraph.

(b) Canada to develop, procure, and place all material required for the construction of the weir; to erect the south tower and the cableways; to procure such supplemental equipment as may be necessary and agreed upon; and to do any other work which may be incidental to or consequential upon the foregoing; and to install and operate necessary gauges on the Canadian shore in agreement with representatives of the United States, as may be required to determine final weir dimensions as construction progresses.

(3) Estimated Cost of Works Proposed to be Constructed in 1942.

The estimated cost of the works proposed to be constructed in 1942 is shown on Table No. 1 attached hereto.

For the Canadian Committee
GUY A. LINDSAY,
Chairman

Respectfully submitted,
For the United States Committee
LELAND OLDS,
Chairman

New York, N. Y., January 23rd, 1942.

TABLE NO. 1

**ESTIMATED COST OF PROPOSED SUBMERGED WEIR
IN GRASS ISLAND POOL - NIAGARA RIVER**

Note:- In the following, the cost is divided on the basis of the actual work to be done by each Government before final equal adjustment of cost as provided for in notes exchanged on October 27, 1941.

Item	United States	Canada
A. United States causeway and artificial island tower foundation.	\$ 34,600	
B. Preparation of Canadian tower site		\$ 10,000
C. Purchase of towers and equipment f.o.b. supplier's plant.	160,000*	
D. Towers: shipping, erection, installation of machinery	21,000	8,600
E. Cables	11,850	1,500
F. Electric cable, installation and connection		5,000
G. Supervision of tower erection and cable installation	2,000	
H. Weir:		
(1) Total cost of materials		172,000**
(2) Total cost of placing		125,000
I. Shore protection, Canadian bank		25,000
J. Dismantle towers and storage	7,000	3,000
K. Remove causeway	3,000	
L. Landscaping (or removal) - tower island	5,000	
Total cost of work	\$264,450	\$350,100
Engineering, overhead, and inspection 15%	40,000	52,000
Total	304,450	402,100
Contingencies - 25%	75,550	100,900
Grand Total	380,000	503,000
Salvage value of towers	80,000	
Net Cost	300,000	503,000
Total net estimated cost	\$803,000	

* Note : Immediate action on used towers now apparently available would save approximately \$50,000.

** Note: If precast concrete blocks are used for upstream toe, add approximately \$46,000.

DEPARTMENT OF STATE
WASHINGTON

January 30, 1948.

Sir :

I have the honor to refer to the notes exchanged between your Legation and the Department of State on October 27, 1941, regarding diversions of water in the Niagara Falls area to meet urgent needs of national defense in the United States and Canada. In particular I refer to that section of my note dealing with the preparation by the United States-St. Lawrence Advisory Committee and the Canadian Temporary Great Lakes-St. Lawrence Basin Committee of plans and recommendations for the construction of remedial works.

As you are doubtless aware a joint report on the proposed remedial works in the Niagara River was completed on January 23, 1948, by the above-mentioned Committees. The recommendations of the Committees were approved by the President on January 27, 1948.

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

For the Secretary of State:
A. A. BERLE, JR.

The Honorable
Leighton McCarthy, K.C.,
Minister of Canada.

CANADIAN LEGATION
WASHINGTON

February 28th, 1942.

No. 139

Sir:

I have the honour to refer to your note of January 30th, 1942, in which you informed me that the recommendations for the construction of remedial works in the Niagara River made in the Joint Report dated January 23rd, 1942, of the United States St. Lawrence Advisory Committee and the Canadian Temporary Great Lakes-St. Lawrence Basin Committee were approved by the President of the United States on January 27th, 1942. I am now instructed to inform you that the recommendations of the Committees have also been approved by the Government of Canada.

I have the honour to be,
with the highest consideration,

Sir,

Your most obedient,

humble servant,

H. H. WRONG

For the Minister.

The Hon. Cordell Hall,
Secretary of State of the United States,
Washington, D. C.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, February 20, 1942.

Dear Mr. Moffat:

With reference to the question of the passage of United States war vessels through Canadian canals, I wish to say that consideration has been given by the interested Departments, to the procedure now followed and it has been found desirable that this should be simplified.

As you are aware, in the past, the arrangements were that no foreign armed vessels or unarmed vessels of war be permitted to pass through canals in Canadian territories except by authorization granted at the request of the Foreign Government concerned. It was necessary to ask for such permission through the diplomatic channel.

It was pointed out that during war it is most undesirable that the movements of ships of war should be disclosed in advance to persons not connected with the Naval Service. Moreover it is most expedient to avoid delay in securing the necessary permission.

If the United States authorities find it convenient, the Canadian Government would be prepared, upon request from your government, to give a blanket authority for the passage of United States war vessels through Canadian canals without prior notification for the duration of the war. If this new procedure is agreeable, requests for authority for United States Naval vessels to enter Canadian waters should be made by the United States Navy Department direct to the Department of National Defence for Naval Services, the details of the procedure to be worked out between them.

I should appreciate receiving your views on this proposal.

Yours sincerely,

N. A. ROBERTSON

Under Secretary of State
for External Affairs.

The Hon. Pierrepont Moffat,
United States Minister to Canada,
O t t a w a.

LEGATION OF THE
UNITED STATES OF AMERICA
Ottawa, March 9, 1942.

Dear Mr. Robertson:

Your letter of February 20, 1942, suggesting a simplification of the procedure now followed in connection with the passage of United States war vessels through Canadian canals was forwarded to the Department of State in Washington.

The Department has now received a communication from the United States Navy Department which states that the procedure as outlined in your letter for the extension of blanket authority for United States war vessels to pass through Canadian canals without prior notification for the duration of the war is agreeable to the Navy Department.

The Navy Department suggests that inasmuch as your government is apparently willing to grant a blanket authority for the passage of United States war vessels through Canadian canals without prior notification during the period of the war, that your government might also be agreeable to giving blanket authority for the passage of United States vessels through Canadian territorial waters and entry into Canadian ports upon notification to the appropriate Canadian authorities by the Navy Department. It is thought that this notification might be made through the United States Naval Attache at Ottawa.

I have been directed, therefore, to inquire whether the Canadian government would be willing to grant this further blanket authority. Should this further suggestion for blanket permission for United States vessels to enter Canadian territorial waters and ports be agreeable to the Canadian government, the details of the procedure could be worked out between the appropriate authority of the Canadian government and the Navy Department.

Sincerely yours,

PIERREPONT MOFFAT

N. A. Robertson, Esquire,
Department of External Affairs,
Ottawa.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, April 20, 1942.

Dear Mr. Moffat:

In reply to your letter of March 9, 1942, regarding a simplification of the procedure now followed in connection with the passage of United States war vessels through Canadian canals, I wish to say that the Canadian authorities are prepared to grant blanket authority for the passage of such vessels without prior notification. Accordingly, the Deputy Minister of Transport has been requested to arrange that during the period of present hostilities, United States war vessels may have unrestricted use of Canadian canals without prior notification.

However, in order that the Department of National Defence for Naval Services may have knowledge of the movements of United States war vessels in Canadian inland waters, it is desired that the United States Navy Department be requested to notify the Canadian Naval Attache in Washington in each case.

As regards the question of passage of United States vessels through Canadian territorial waters, and entry into Canadian ports upon notification to the appropriate Canadian authorities by the United States Navy Department, it would appear that this question has been adequately covered by the exchange of notes dated December 16, 1940, with the State Department through the Canadian Legation at Washington, relating to the travel of public vessels and service aircraft between the two countries.

The procedure to be followed was subsequently outlined in a confidential note of April 18, 1941, No. 230 from the Canadian Legation to the Secretary of State. The requirements which were adopted with respect to the question of "local notification" of proposed visits were as follows:-

"With respect to United States public vessels covered by the exchange of notes under reference visiting Canadian ports or making passage through Canadian territorial waters, notification should be made by the appropriate United States authorities direct to the Commanding Officer, Atlantic Coast, Halifax, N.S., or the Commanding Officer, Pacific Coast, Esquimalt, B.C., as the case may be. At the same time, notification should be made direct to Naval Service Headquarters, Ottawa, Ontario. The same procedure applies to the commanding officer of a vessel which, because of an emergency, makes an unscheduled entry into port. Notification should be made at least twenty-four hours in advance, if practicable, and should include the following details:

- (1) Name and class of each ship.
- (2) Name and rank of commanding officer of ship; or senior naval officer, if more than one ship.
- (3) Destination.
- (4) Expected date and time of arrival.
- (5) Services required, if any."

If the United States authorities are of the opinion that this procedure should be simplified, I should be prepared to discuss your suggestions with the interested Departments.

Yours sincerely,
H. L. KEENLEYSIDE
for the

The Hon. Pierrepont Moffat,
United States Minister to Canada,
Legation of the United States of America,
O t t a w a .

Under Secretary of
State for External Affairs

Legation of the
United States of America

OTTAWA, Canada, July 16, 1942.

Dear Mr. Robertson,

I have been directed by the Department of State to send you the enclosed copy of proposed regulations of the United States governing the navigation of waters connecting Lake Huron and Lake Erie, including St. Claire River, Lake St. Clair, and the Detroit River.

As parts of these waters are under the control of Canada, I have been directed to suggest the desirability of the adoption by Canada of similar regulations to govern the movements of vessels in such Canadian waters.

There are several other bodies of water which are partly under the control of the United States and partly under the control of Canada. I have been informed that the United States Coast Guard has issued regulations concerning the portions of these additional bodies of water under the control of the United States and it is suggested that the representatives of the Canadian Government may desire to promulgate regulations concerning the portion of these waters under the control of Canada. I have been promised that copies of these regulations will be forwarded to me as soon as obtained from the Coast Guard, and I shall pass them on to you immediately they are received.

Sincerely yours,

/S/ Lewis Clark

Lewis Clark
Chargé d'Affaires a.i.

Norman A. Robertson, Esquire,
Under Secretary of State
for External Affairs,
OTTAWA, Ontario.

Enc.

TITLE 33--NAVIGATION AND
NAVIGABLE WATERS.
CHAPTER 1--COAST GUARD, DEPARTMENT
OF THE NAVY
PART 7--ANCHORAGE AND MOVEMENTS OF
VESSELS AND THE LADING AND DISCHARGING
OF EXPLOSIVE OR INFLAMMAGEE MATERIAL,
OR OTHER DANGEROUS CARGO

Pursuant to the authority contained in section 1, Title 11 of the Act of June 15, 1917, 40 stat. 220 (50 U.S.C. 191), as amended by the Act of November 15, 1941 (Public Law 292, 77th Congress), and by virtue of the Proclamation and Executive Order issued June 27, 1940 (5 F.R. 2419) and November 1, 1941 (6 F.R. 5581), respectively the Rules and Regulations Governing the Anchorage and Movements of Vessels and the Lading and Discharging of Explosive or Inflammable Material, or Other Dangerous Cargo, approved October 29, 1940 (5 F.R. 4401), as amended, are hereby further amended as follows:

Section 7.81. Waters connecting Lake Huron and Lake Erie; St. Claire River, Lake St. Claire, the Detroit River

(a) The restricted area: The following waters connecting Lake Huron and Lake Erie are hereby designated as a restricted area:

- (1) All ship channels connecting Lake Huron and Lake Erie between latitude 43° 05' 00" North in Lake Huron and latitude 41° 58' 00" North in Lake Erie, including the St. Claire River, Lake St. Claire, the Detroit River.

(b) The Regulations :

- (1) No vessel of any kind shall move in the restricted area for purposes of fishing unless a special permit is obtained from the Captain of the Port.
- (2) No boat under 100 feet in overall length used for recreational purposes shall be permitted to operate in the restricted area during the hours between sunset and sunrise unless a special permit is obtained from the Captain of the Port.
- (3) No vessel of 100 gross tons or over shall pass or attempt to pass another vessel or vessels moving in the same or opposite direction at any place in the restricted area in such a position that more than two vessels will be abreast when passing; and in the portion of the St. Claire River between the traffic buoy in Sarnia Bay and Lake Huron cut-lighted Buoy No. 3, no vessel shall pass or attempt to pass another vessel moving in the same direction.
- (4) These regulations will be enforced by the Captain of the Port of Detroit, Michigan.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, August 13, 1942.

Dear Mr. Moffat,

May I refer to a letter from the Charge d'Affaires for the United States, dated July 16, 1942, in which it is suggested that it is desirable that Canada should adopt regulations similar to those issued by the United States governing the navigation of waters connecting Lake Huron and Lake Erie, including St. Clair River, Lake St. Clair, and the Detroit River.

In reply, I wish to advise that steps are now being taken to have regulations put into effect in Canadian waters between Lake Huron and Lake Erie similar to those on the American side of the channel.

Yours sincerely,

H. L. KEENLEYSIDE

Assistant Under Secretary of State
for External Affairs.

The Hon. Pierrepont Moffat,
United States Minister to Canada,
Legation of the United States of America,
OTTAWA, Ontario.

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, October 5, 1942.

Dear Mr. Moffat,

May I refer to my letter of August 13, 1943, concerning the adoption by Canada of regulations similar to those issued by the United States governing the navigation of waters connecting Lake Huron and Lake Erie, including St. Clair River, Lake St. Clair and the Detroit River.

I am now in a position to inform you that the necessary regulations have been adopted by Order-in-Council P.C. 8424 of September 18, 1942, two copies of which are enclosed for the information of the United States authorities.

Yours sincerely,

H. L. KEENLEYSIDE

Assistant Under Secretary of State
for External Affairs.

The Hon. Pierrepont Moffat,
United States Minister to Canada,
Legation of the United States of America,
O t t a w a, Ont.

PRIVY COUNCIL

CANADA

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, the 18th day of SEPTEMBER, 1942.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS the Acting Minister of Transport reports that the Government of the United States of America proposed to adopt measures governing navigation on the American side of the waters connecting Lakes Erie and Huron; and

That representations have been received by the Department of Transport from the Chargé d'Affaires of the United States of America in which it is suggested that it is desirable that Canada should adopt regulations similar to those issued by the United States governing the navigation of the waters connecting Lake Erie and Lake Huron including the Detroit River, Lake St. Clair and the St. Clair River.

NOW, THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Acting Minister of Transport, and under the authority of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, is pleased to make the following regulations to govern navigation in the territorial waters of Canada connecting lakes Erie and Huron, and they are hereby made and established accordingly:-

REGULATIONS

1. The following waters connecting Lakes Erie and Huron are hereby designated as a restricted area:

"All ship channels connecting Lake Erie and Lake Huron between latitude 41° - 56' - 00" North in Lake Erie and latitude 43° - 05' - 00" North in Lake Huron, including the Detroit River, Lake St. Clair and the St. Clair River."

2. No vessel of any kind shall move in the restricted area for purposes of fishing unless a special permit is obtained from the Royal Canadian Mounted Police.

Right Honourable
Secretary of State
External Affairs.

OTTAWA, Ontario.

3. No boat under 100 feet in overall length used for recreational purposes shall be permitted to operate in the restricted area during the hours between sunset and sunrise unless a special permit is obtained from the Royal Canadian Mounted Police.

4. No vessel of 100 gross tons or over shall pass or attempt to pass another vessel or vessels moving in the same or opposite direction at any place in the restricted area in such a position that more than two vessels will be abreast when passing; and in the portion of the St. Clair River between the traffic buoy, in Sannia Bay and Lake Huron out-lighted Buoy No. 3, no vessel shall pass or attempt to pass another vessel moving in the same direction.

/S/ A. D. P. Heeney,

Clerk of the Privy Council.

CANADIAN LEGATION
WASHINGTON

October 5, 1942.

No. 655

Sir,

I have the honour, on instructions of my Government, to refer to the exchange of notes of November 10th 1941, whereby the Government of the United States of America agreed to a temporary raising of the levels of Lake St. Francis during low water periods for the reasons and subject to the conditions and limitations set forth in the Notes.

The circumstances which led the Government of the United States to agree to the temporary raising of the levels of Lake St. Francis have continued and, in view of the importance to both Canada and the United States of America of the conservation of the power supply in this area, the Canadian Government proposes that the arrangements set forth in the exchange of Notes should be continued until October 1, 1943. The arrangements as continued would, of course, be subject to all of the conditions and limitations as contained in the exchange of Notes of November 10, 1941.

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

LEIGHTON McCARTHY

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

35

DEPARTMENT OF STATE
WASHINGTON

October 9, 1942.

Sir :

I have the honor to acknowledge the receipt of your note of October 5, 1942 concerning the arrangements effected through an exchange of notes on November 10, 1941 with respect to a temporary raising of the levels of Lake St. Francis during low water periods and to inform you that this Government is agreeable to your Government's proposal that these arrangements should be continued until October 1, 1945 subject, of course, to all of the conditions and limitations contained in the Notes exchanged on November 10, 1941.

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

For the Secretary of State:

A. A. BERLE, JR.

The Honorable

Leighton McCarthy, K. C.,
Minister of Canada.

CANADIAN LEGATION

WASHINGTON, October 6, 1943.

Personal

My dear Mr. Hickerson :

With reference to the two exchanges of Notes (May 20th and November 27th 1941), and to the conversation on September 16th between you and Mr. Ronald Macdonnell of this Legation, concerning the use of water at Niagara, I am writing to confirm our understanding that the Department of External Affairs concurs in the view that it was open to either Government to submit new proposals by October 1st, and that if neither Government had any new proposals to make the arrangements would continue automatically for the duration of the War emergency.

From information submitted by the Legation to the Department of External Affairs as a result of the conversation under reference the Department noted that the United States Government had no new proposals to put forward and would like to see the present arrangements continue for the duration of the emergency.

I am pleased to inform you that the Canadian Government takes the same view and is of the opinion that there should be no change in the Niagara diversion arrangements, and that they should continue, subject to consideration on October 1st, 1943, or earlier, should circumstances warrant.

The Department of External Affairs feels sure that the Department of State will agree that it is desirable that there should be periodic review, even during the continuance of the War emergency. If this view commends itself to the Department of State the Canadian Government is prepared to accept the suggestion of continuing arrangements without any formal exchange of notes, along the lines of our recent conversation on this subject.

Yours sincerely,

M. M. MAHONEY

Counsellor of Legation.

J. D. Hickerson, Esq.,
Department of State,
Washington, D. C.

DEPARTMENT OF STATE

WASHINGTON

October 20, 1942.

Dear Mr. Mahoney,

I have received your letter of October 6, 1942, in regard to the emergency diversions from the Niagara River.

I have noted that the Canadian Government takes the same view which the American Government takes in this matter and is of the opinion that there should be no change in the Niagara diversion arrangements which should continue, subject to periodic review, for the duration of the war emergency. We agree with the view of the Department of External Affairs that it is desirable that there should be a periodic review of these arrangements even during the continuance of the war emergency and the suggestion that this review take place on October 1, 1943, if the war emergency continues until that date, is entirely agreeable to us.

Yours sincerely,

JOHN HICKERSON

Assistant Chief
Division of European Affairs

Merchant Mahoney, Esquire,
Counselor, Canadian Legation,
Washington, D. C.

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, April 17, 1943.

Dear Mr. Clark,

With reference to previous correspondence concerning the possibility of concluding a treaty to govern ship to shore radio communication on the Great Lakes for safety purposes you will recall that Mr. Moffat's Note date December 13, 1941, No. 570 indicated that the United States representatives would not be prepared to meet with the Canadian representatives for a discussion of this matter until February at the earliest, or probably somewhat later during the course of 1942.

Although we have received no subsequent communication from your Legation I understand that informal meetings have been held between the technical officers of the appropriate Departments of the United States Government and officials of the Department of Transport of Canada, in order to arrange working rules to apply during each successive season of navigation. It is reported that this procedure has proved quite satisfactory.

I am further informed that at the last of these meetings, which was held at Toronto in January of this year, United States representatives again broached the question of treaty, but after a comprehensive informal discussion agreed with the Canadian officials that negotiations for a formal agreement should be postponed until the conclusion of the war.

Lewis Clark, Esquire,
United States Charge d'Affaires,
Legation of the United States of America,
OTTAWA, Canada.

The United States representatives in question undertook to place this view point before the Department of State setting forth the following reasons for the decision which was reached:

- (a) The existing shortage of radio equipment due to the demands of the Armed Forces and of other essential services;
- (b) Pressure of duties being performed by administrative and technical officers of the Department in connection with other wartime activities;
- (c) The transfer of many Great Lakes' vessels to coastal and sea-going services.

Yours sincerely,

(Sgd) N.A. Robertson

Under Secretary of State for
External Affairs.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, May 10, 1943.

Dear Mr. Robertson:

I am writing to acknowledge receipt of your letter of April 17, 1943, regarding the suggested conference to negotiate a treaty establishing uniform radio requirements for safety purposes for ships navigating the Great Lakes.

I sent a copy of your letter on to the Chief, Division of International Communications in the Department of State, who has now replied confirming that it would, in his opinion, be inopportune at this time to hold such a conference. He says that this conclusion is strengthened by the fact that the present temporary situation on the Great Lakes is reasonably satisfactory and that any new arrangements might require complete new technical equipment which, in view of the critical shortage of radio material, would present a very difficult situation.

Yours sincerely,

(Sgd) Lewis Clark.

N. A. Robertson, Esq.,
Assistant Under Secretary of State
for External Affairs,
Ottawa.

DEPARTMENT OF STATE

38

WASHINGTON

The Secretary of State presents his compliments to the Honorable the Minister of Canada and has the honor to state that he has received from the Chairman of the Federal Power Commission a copy of the progress report, dated January 30, 1943, of the Construction Subcommittee in charge of the Niagara River remedial works, submerged weir. It is understood that the Canadian Government has also received a copy of this report.

In the Exchange of Notes of October 27, 1941 between the two Governments, it was agreed that

"The total cost of the works would be divided equally between the two Governments regardless of the allocation of the task of construction."

On August 6, 1942, the Construction Subcommittee recommended that the costs be balanced periodically and that recommendation was concurred in by the United States St. Lawrence Advisory Committee and the Canadian Temporary Great Lakes-St. Lawrence Basin Committee. Recommendation 22 of the present report of the Subcommittee reads as follows:

"It is recommended that United States costs of \$410,001.47 and Canadian costs of \$134,024.34 to and including December 31, 1942, to be balanced by an appropriate payment by Canada to the United States, in conformity with the Construction Subcommittee's recommendation of August 6, 1942."

The Chairman of the Federal Power Commission now suggests that the foregoing recommendation be implemented, a suggestion in which Mr. Hull concurs, subject to the following proposal as to the method of dividing the costs of this project.

Inasmuch as the American costs are expressed in terms of United States dollars and the Canadian costs are expressed in Canadian dollars, the most equitable method of balancing the account would appear to be for each Government to make a payment of one-half of the costs incurred by the other and in the other's currency. Under this proposal there would be due to Canada (Canadian dollars) \$67,012.17 and due to the United States (United States dollars) \$205,000.75.

The Secretary of State would be glad to know if the foregoing commends itself to the Canadian Government and, if so, to state that the Canadian Government's check should be made payable to "The Treasurer of the United States." This Government stands ready to make the payment, which would be due Canada, as soon as the Minister's reply approving this arrangement shall have been received.

Department of State,
Washington, May 4, 1943.

No. 549

The Canadian Minister presents his compliments to the Secretary of State and has the honour to refer to the latter's note of May 4, 1943 regarding the division of the cost of construction of the Niagara River remedial works.

The suggestions made in the Secretary of State's note are acceptable to the Canadian Government. The Canadian Minister is ready to make the proposed exchange of cheques.

Canadian Legation,
Washington, D. C.

June 30, 1943.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, October 4, 1943.

No. 41

Sir :

Acting on the instructions of my Government, I have the honor to inform you that it has had under consideration the desirability of having a study made by the International Joint Commission with respect to the Upper Columbia River Basin from the points of view of navigation, power development, irrigation, flood control, and other beneficial public uses and purposes. It has concluded that such a study and a report by the Commission would be timely and it very much hopes that the Government of Canada may agree that an undertaking of this kind would be in the interest of our two countries.

The investigation should not, in our view, be confined to the Upper Columbia River proper, but should include such important tributaries as the Kootenay, Clark Fork-Pend Oreille, and Okanogan Rivers, and other headwater tributaries rising in either Canada or the United States and flowing across the international boundary before discharging into the Columbia River.

It is suggested that the matter might be submitted to the Commission by a joint reference of our two Governments pursuant to Article IX of the Boundary Waters Treaty of 1909, and that the reference should set forth in general terms the particular questions upon which the Commission would be expected to submit its report and recommendations.

This proposal is based upon a realization by my Government that a large part of the water resources of the two countries in this important basin is being allowed to go to waste because of lack of adequate regulation and control; also upon the desirability of more effective flood control, particularly along the Kootenay River, and the improvement of these river facilities in the general interest of navigation, irrigation, power development, fisheries, and conservation of wild life.

While it is considered desirable that the Commission should be given considerable leeway as to the method of procedure and the scope of the investigation to be made, it is important that the two Governments should obtain adequate information on the several points referred to, and that the advantages to be gained in a given direction through development and control of the water resources should be weighed and compared with the disadvantages that might result in another direction, as for example, the advantages of greater storage facilities in the interests of navigation, flood control, irrigation, or power development over the disadvantages of the submersion of lands and other properties on either side of the boundary. This would, of course, include the estimated cost of any recommended action, such as provision of storage facilities and other works, as well as the estimated value of or damage to any properties that might be affected.

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

In accordance with established custom, the two Governments might agree to supply the Commission from their official staffs with the necessary technical, engineering, and other services needed for a complete and painstaking survey and report, such as is here contemplated.

I am directed to state that if the Government of Canada is prepared to go along with the United States Government in this respect my Government would be glad to receive any suggestions that the Government of Canada may desire to submit as to the precise form of the terms of reference.

It would be agreeable to my Government if the Government of Canada should think favorably of the proposition outlined above, to lay the matter before the International Joint Commission with a view to obtaining its suggestions, for submission to the two Governments, as to the form of reference deemed by the Commission to be desirable from its point of view.

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

RAY ATHERTON

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, December 10, 1943.

No. 157

Sir :

I have the honour to refer to your note No. 41 of October 4th, 1943, concerning the desirability of having a study made by the International Joint Commission with respect to the Upper Columbia River Basin from the points of view of navigation, power development, irrigation, flood control, and other beneficial public uses and purposes.

This matter has been considered by the Government of Canada, in consultation with the Canadian Section of the International Joint Commission, and it is agreed that a study and report of this nature by the Commission would be timely, and in the interest of our two countries.

It is agreed that the matter be submitted to the Commission by a joint reference of our two Governments pursuant to Article IX of the Boundary Waters Treaty of 1909, and that the reference should set forth in general terms the particular questions upon which the Commission would be expected to submit its report and recommendations.

I am directed to state that the Canadian Government welcomes your proposal to lay the matter before the International Joint Commission with a view to obtaining its suggestions as to the form of reference deemed to be advisable from the point of view of the Commission.

It is suggested that the form and scope of the terms of reference be decided upon at a meeting of representatives of your Government, and representatives of the Government of Canada, in consultation with the International Joint Commission. It is suggested that such a meeting might be held early in January of 1944, on a date to be arranged informally by your Embassy and this Department after consultation with the International Joint Commission.

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

W. A. ROBERTSON

(for)

Secretary of State for
External Affairs

The United States Ambassador to Canada,
United States Embassy,
O t t a w a.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, February 25, 1944.

No. 101

Sir :

I have the honor to refer to your note No. 157 of December 10, 1943, concerning the desirability of having a study made by the International Joint Commission with respect to the Upper Columbia River Basin from the points of view of navigation, power development, irrigation, flood control, and other beneficial public uses and purposes.

As the result of informal exchanges of views on this subject I have been directed to bring the following suggested reference to the Commission to your attention with the request that I be informed whether it is acceptable to the Government of Canada :

"1. In order to determine whether a greater use than is now being made of the waters of the Columbia River system would be feasible and advantageous, the Governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to Article IX of the Convention concerning Boundary Waters between the United States and Canada, signed January 11th, 1909.

"2. It is desired that the Commission shall determine whether in its judgment further development of the water resources of the river basin would be practicable and in the public interest from the points of view of the two Governments, having in mind (A) domestic water supply and sanitation, (B) navigation, (C) efficient development of water power, (D) the control of floods, (E) the needs of irrigation, (F) reclamation of wet lands, (G) conservation of fish and wildlife, and (H) other beneficial public purposes.

"3. In the event that the Commission should find that further works or projects would be feasible and desirable for one or more of the purposes indicated above, it should indicate how the interests on either side of the boundary would be benefited or adversely affected thereby, and should estimate the costs of such works or projects, including indemnification for damage to public and private property and the costs of any remedial works that may be found to be necessary, and should indicate how the costs of any projects and the amounts of any resulting damage should be apportioned between the two Governments.

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

"4. The Commission should also investigate and report on existing dams, hydro-electric plants, navigation works, and other works or projects located within the Columbia River system in so far as such investigation and report may be germane to the subject under consideration.

"5. In the conduct of its investigation and otherwise in the performance of its duties under this reference, the Commission may utilize the services of engineers and other specially qualified personnel of the technical agencies of Canada and the United States and will so far as possible make use of information and technical data heretofore acquired by such technical agencies or which may become available during the course of the investigation, thus avoiding duplication of effort and unnecessary expense."

If the proposed reference is acceptable to your Government I should appreciate being informed, and this note together with your reply would be regarded as an agreement between our two Governments on the terms of reference.

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

RAY ATHERTON

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, March 3, 1944.

No. 18

Excellency -

I have the honour to refer to your note No. 101 dated February 25, 1944, in which you brought to the attention of the Canadian Government the terms of a reference to the International Joint Commission with respect to the Upper Columbia River Basin.

The proposed reference is acceptable to the Canadian Government and your note, together with this reply, may be regarded as an agreement between our two Governments on the terms of reference.

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

N. A. ROBERTSON

(for) Secretary of State for
External Affairs.

His Excellency,
The Ambassador of the
United States of America,
United States Embassy,
O t t a w a.

CANADIAN LEGATION
WASHINGTON

October 5th, 1943.

No. 516

Sir,

I have the honour, on the instructions of my Government, to refer to the exchange of notes of November 10th, 1941, whereby the Government of the United States of America agreed to a temporary raising of the levels of Lake St. Francis during low water periods for the reasons and subject to the conditions and limitations set forth in the Notes. By an exchange of notes of October 5th and 9th, 1942, the arrangements made on November 10th, 1941 were continued until October 1st, 1943.

The circumstances which led the Government of the United States to agree to the temporary raising of the levels of Lake St. Francis have continued and, in view of the importance to both Canada and the United States of America of the conservation of the power supply in this area, the Canadian Government proposes that the arrangements set forth in the exchange of notes should be continued until October 1st, 1944. The arrangements as continued would, of course, be subject to all of the conditions and limitations as contained in the exchange of Notes of November 10th, 1941.

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

L. B. PEARSON
For the Minister.

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D.C.

41

October 9, 1943.

Sir :

I have the honor to acknowledge the receipt of your note of October 5, 1943 concerning the arrangements effected through an exchange of notes on November 10, 1941 with respect to a temporary raising of the levels of Lake St. Francis during low water periods and to inform you that this Government is agreeable to your Government's proposal that these arrangements should be continued until October 1, 1944 subject, of course, to all of the conditions and limitations contained in the Notes exchanged on November 10, 1941.

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

For the Secretary of State :

A. A. BERLE, Jr.

The Honorable

Leighton McCarthy, K.C.,

Minister of Canada.

42

EXCHANGE OF NOTES (MAY 3, 1944) BETWEEN CANADA AND THE UNITED STATES OF AMERICA CONSTITUTING AN AGREEMENT FOR THE TEMPORARY ADDITIONAL DIVERSION OF WATER AT NIAGARA FOR POWER PURPOSES

I

The Canadian Ambassador at Washington,
to the Secretary of the United States of America

CANADIAN EMBASSY

Washington, May 3rd, 1944.

Sir:

I have the honour to refer to the exchanges of notes of May 20th, 1941, and of October 27th and November 27th, 1941, regarding emergency diversions of water for power purposes at Niagara.

As you know, officials of the two countries have worked in close co-operation to make the maximum use for war purposes of facilities in both countries for the production of water power. It has recently been found that there are existing facilities on the Canadian side of the Niagara River to use an additional 4,000 cubic feet of water per second. In view of the continuing need for additional power in the Niagara Falls area for war purposes, the Canadian Government hopes that the United States Government will raise no objection to the additional diversion for power purposes of 4,000 cubic feet per second, in terms of the daily aggregate, through existing facilities, on the Canadian side of the Niagara River above the Falls.

This additional diversion of Niagara water would be subject to the following conditions:

- (a) It would terminate upon the conclusion of hostilities unless terminated earlier by agreements;
- (b) It would be reviewed periodically, as are the arrangements effected by the exchanges of notes referred to above; and
- (c) Most of the additional energy, estimated at 620,000 K.W.H. per day, would be made available for utilization in the United States under existing arrangements.

The Canadian Government also proposes that the engineers of Canada and the United States be instructed to take all feasible steps to minimize the effect of this diversion upon the scenic beauty of Niagara Falls.

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

LEIGHTON McCARTHY

II

The Secretary of State of the United States of America
to the Canadian Ambassador at Washington

DEPARTMENT OF STATE

Washington, May 3rd, 1944.

Excellency:

I have the honour to inform you that the American Government concurs in the proposals set forth in your note of May 3rd, 1944, and that it will raise no objection to the additional diversion of 4,000 cubic feet of water per second on the Canadian side of the Niagara River under the conditions stated in your note. It likewise agrees that the engineers of the two countries should be instructed to take all feasible steps to minimize the effect of this wartime diversion upon the scenic beauty of Niagara Falls.

Your note and this reply thereto, when approved by the Senate, 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.

CORDELL HULL

44

CANADIAN EMBASSY,
Washington 6, D.C.,
August 31, 1944.

No. 309

Sir,

I have the honour, on the instructions of my Government, to refer to the exchange of notes of November 10th, 1941, whereby the Government of the United States of America agreed to a temporary raising of the levels of Lake St. Francis during low water periods for the reasons and subject to the conditions and limitations set forth in the notes. By an exchange of notes of October 5th and 9th, 1943, the arrangements made on November 10th, 1941 were continued until October 1st, 1944.

The circumstances which led the Government of the United States to agree to the temporary raising of the levels of Lake St. Francis have continued, and in view of the importance to both Canada and the United States of America of the conservation of the power supply in this area, the Canadian Government proposes that the arrangements set forth in the exchange of notes should be continued for the duration of the emergency, subject to review prior to October 1st of each year. The arrangements as continued would, of course, be subject to all of the conditions and limitations as contained in the exchange of notes of November 10th, 1941.

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

L. B. PEARSON
Charge d'Affaires.

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

DEPARTMENT OF STATE

September 7, 1944.

Sir :

I have received your note No. 309 of August 31, 1944 concerning the arrangements effected through an exchange of notes on November 10, 1941 with respect to a temporary raising of the levels of Lake St. Francis during low water periods, and inform you that this Government is agreeable to your Government's proposal that these arrangements should be continued for the duration of the emergency, subject to review prior to October 1 of each year and subject, of course, to all of the conditions and limitations contained in the Notes exchanged on November 10, 1941.

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

For the Secretary of State :

A. A. BERLE, Jr.

The Honorable
 L. B. Pearson, O.B.E.,
 Charge d'Affaires ad interim of Canada.

711.421 S.A./8-3144

CANADA - UNITED STATES

WARTIME AGREEMENTS

TRADE AGREEMENTS

TRADE AGREEMENTS

Trade Agreement	<u>Nov. 17, 1938</u>
Supplementary Trade Agreement	<u>Dec. 30, 1939</u>
Supplementary Trade Agreement relating to fox furs	<u>Dec. 13, 1940</u>
Exchange of Notes concerning wheat prices	<u>May 28, 1941</u>
Exchange of Notes concerning dates of application of added values for duty on imported fruits and vegetables	<u>Dec. 8, 1941</u> <u>April 3, 1942</u>
Arrangements Respecting Agriculture	<u>Mar. 19, 1942</u>
Joint Economic Committees Resolutions No. 10 and 11	<u>May 2, 1942</u>
Memorandum from U.S. Department of Agriculture on American-Canadian Standing Committee on Agriculture and Food Production and Distribution	<u>Feb. 13, 1943</u>
Exchange of Letters concerning markings on wooden containers of fresh fruits and vegetables	<u>Apr. 9, 1943</u> <u>Apr. 14, 1943</u>
Exchange of Notes providing for the renewal of arrangements for the exchange of agricultural labour and machinery made in 1942-43	<u>June 27, 1944</u> <u>June 29, 1944</u>

SUPPLEMENTARY TRADE AGREEMENT^{*}

December 30, 1939

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, in respect of Canada, and the President of the United States of America;

Considering the reciprocal concessions and advantages for the promotion of trade provided for in the existing trade agreement between Canada and the United States of America;

Taking cognizance of the emergency which has arisen with respect to the marketing of silver or black fox furs and skins;

Desiring to promote the purposes of the existing trade agreement between Canada and the United States of America by providing measures to assist in the orderly marketing of these products;

Have resolved to conclude an agreement to supplement and amend the trade agreement entered into between Canada and the United States of America on November 17, 1938, and have for this purpose, through their respective Plenipotentiaries, agreed on the following Articles:

ARTICLE I

During the effectiveness of this Agreement, item 1519 (a) of Schedule II of the trade agreement entered into between Canada and the United States of America on November 17, 1938, shall be suspended, and in lieu thereof the following item shall be substituted:

<u>United States Tariff Act of 1930 Paragraph</u>	<u>Description of Article</u>	<u>Rate of Duty</u>
1519 (a)	Silver or black fox furs or skins; dressed or undressed, not specially provided for	55% ad val.

ARTICLE II

1. The total aggregate quantity of silver or black fox furs and skins, parts thereof, and articles made wholly or in chief value of any of the foregoing, whether or not manufactured in any manner or to any extent, and silver or black foxes which may be entered, or withdrawn from warehouse, for consumption in the United States of America in any twelve-month period commencing on December 1 in the year 1940 or any subsequent year, shall be 100,000 units. For the period from January 1, 1940 to November 30, 1940, inclusive, the total aggregate quantity of such furs and skins, parts, articles, and foxes which may be entered, or withdrawn from warehouse,

* This Trade Agreement supplements and amends certain provisions of the Trade Agreement entered into between Canada and the United States on November 17, 1938. It was terminated by an agreement signed on December 15, 1940.

for consumption shall be 100,000 units, less the number of silver or black fox furs and skins (not including parts) and silver or black foxes entered, or withdrawn from warehouse, for consumption during the month of December 1939, as determined and made public by the Secretary of the Treasury of the United States of America. For the purposes of this Article, a unit shall be a whole silver or black fox fur or skin or any separated part thereof or any article made wholly or in chief value of one of the foregoing, or a silver or black fox; and any article made wholly or in chief value of two or more of the aforesaid furs, skins, or parts thereof shall be considered as consisting of the total number of such units in such article.

2. In accordance with the principles set forth in Article III of the trade agreement entered into between Canada and the United States of America on November 17, 1939, a share of the total quantity of imports provided for in paragraph 1 of this Article shall be allocated to Canada equivalent to the proportion of the total imports for consumption into the United States of America of silver or black fox furs and skins which was supplied by Canada during the period from January 1, 1939 to November 30, 1939, inclusive, and shares to individual countries other than Canada may be allocated on the basis of the proportion of the total imports of such furs and skins supplied by such countries during the same period, account being taken in so far as practicable of any special factors which may have affected or may be affecting the trade in such articles. Accordingly, of the total number of units which may be entered, or withdrawn from warehouse, for consumption in the United States of America during any quota period, no more than 58,300 units shall be imported from Canada, nor more than 41,700 units from other foreign countries: Provided, That for the quota period from January 1, 1940 to November 30, 1940, inclusive, there shall be deducted from such specified quantities, respectively, the number of silver or black fox furs and skins (not including parts) and silver or black foxes imported from Canada, and from other foreign countries, which were entered, or withdrawn from warehouse, for consumption during December 1939, as determined and made public by the Secretary of the Treasury of the United States of America; Provided further, That no more than 85 per centum of any quantity entitled to entry during any quota period may be entered, or withdrawn from warehouse, for consumption during any single month; and Provided further, That the President of the United States of America may by proclamation allocate to individual countries other than Canada shares of such total number of units on the basis set forth above.

It is agreed that, if after consultation with the Government of the United States of America the Government of Canada so requests, the President of the United States of America shall proclaim that on and after the date fixed in such proclamation no articles imported from Canada and subject to the quota herein provided for shall be permitted to be entered, or withdrawn from warehouse, for consumption unless such articles are accompanied by official certificates of the Government of Canada stating them to be of Canadian origin.

3. The following shall not be subject to or effect any quota limitations provided for in this Article:

(a) articles of wearing apparel imported by returning residents or other persons arriving in the United States of America for their personal use and not intended for sale;

(b) articles admitted to entry under paragraph 1619 of the Tariff Act of 1930, as amended.

4. The Government of the United States of America reserves the right to terminate paragraphs 1 and 2 of this Article and to substitute therefor an autonomous quota regime. Should the Government of the United States of America avail itself of this right, it agrees to allocate to Canada the same share of the total quantity permitted to be entered, or withdrawn from warehouse, for consumption as is provided in paragraph 2, and it likewise agrees that the total quantity permitted to be entered, or withdrawn from warehouse, for consumption in any twelve-month period shall not be less than the quantity provided for in paragraph 1 of this Article.

ARTICLE III

1. The present Agreement shall be ratified by His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada, and shall be proclaimed by the President of the United States of America. It shall enter definitively into force on the day following the exchange of the instrument of ratification and the Proclamation, which shall take place at Washington as soon as possible.

2. Pending the definitive coming into force of this Agreement, it shall enter provisionally into force on January 1, 1940.

3. So long as the present Agreement remains in force it shall constitute an integral part of the trade agreement entered into between Canada and the United States of America on November 17, 1933, and shall be subject to termination as a part of that Agreement.

4. Should it appear to either the Government of Canada or the Government of the United States of America that the emergency conditions with respect to the marketing of silver or black fox furs and skins which have given rise to the conclusion of this Agreement have ceased to exist or have become substantially modified, that Government may, after consultation with the other Government, terminate the present agreement on 90 days' written notice. Moreover, the present Agreement may be terminated at any time by agreement between the Governments of the two countries.

5. Should the present Agreement be terminated in accordance with the provisions of paragraph 4 of this Article, the provisions of item 1519 (c) of Schedule II of the trade agreement entered into between Canada and the United States of America on November 17, 1933, which have been suspended by this Agreement, shall thereupon automatically reenter into force.

In witness whereof the respective Plenipotentiaries have signed this Agreement and have affixed their seals hereto.

Done in duplicate, at the city of Washington,
this thirtieth day of December, 1939.

For His Majesty, in respect of Canada :

LORING C. CHRISTIE

Envoy Extraordinary and
Minister Plenipotentiary
to the United States of
America.

For the President of the United States of
America :

CORDELL HULL

Secretary of State of the
United States of America.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, May 28, 1941.

No. 584

Sir:

1. I have been instructed to call to your attention the fact that due to legislative action looking toward an increase in the income of American wheat producers there has been a substantial rise in the price of wheat in the United States. As a result of this development the spread between the price of wheat in the United States and the price of wheat in Canada has materially widened, thus making practicable an abnormal importation of Canadian wheat into the United States for consumption.

2. In view of the prospects of a record carry-over of wheat in the United States, prospects for a better than average wheat production this year and extremely limited possibilities for export, it is obvious that the United States is faced with a surplus problem of its own. Furthermore, the importation of appreciable quantities of wheat from Canada would materially interfere with the proposed wheat program of the United States set forth in the preceding paragraph.

3. In view of this situation, the Government of the United States regretfully finds it necessary on the basis of the findings of the United States Tariff Commission to place a limitation on the importation of Canadian wheat. Such action, however, will not apply to the movement of Canadian wheat into the United States for milling in bond and export, or to Canadian wheat moving through the United States for export. In the latter connection, moreover, the Government of the United States is anxious to collaborate closely with Canadian wheat authorities in making the most effective use of the available storage facilities in the United States.

4. In taking the action referred to above, the Government of the United States recognized that the wheat problem is, in fact, an international problem and one in which the Governments of Canada and the United States have mutual interest. It is for this reason that the Government of the United States welcomes the recent indication of the Canadian Government of its willingness to resume discussions on an international basis of the whole wheat surplus problem.

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

The Government of the United States accordingly proposes to extend invitations for such discussions in Washington in the near future.

5. In addition to such discussions, however, the Government of the United States feels that there is a need for continuing consultation between appropriate authorities of our two governments with a view to preventing to the fullest possible extent divergencies in our respective wheat programs and policies. It is believed such collaboration would be in accord with the purposes of the two governments to work toward a closer integration of the economies of both countries. The Government of the United States would accordingly welcome an expression of the views of the Canadian Government on this subject.

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

(Sgd.) Pierrepont Moffat.

Ottawa, May 28th, 1941.

No. 89

Sir,

I have the honour to acknowledge receipt of your Note of May 28th, 1941, No. 384 and in reply to inform you that the Canadian Government appreciates fully the nature of the wheat program now being undertaken in the United States. In view of the circumstances described in your Note I am glad to be able to assure you that Canada is prepared to cooperate by avoiding, so far as may be possible, any action which would be likely to embarrass your Government in the execution of measures designed to improve the domestic position of wheat producers in the United States.

2. The Canadian Government is gratified to note that nothing will be done to impede the movement through the United States of Canadian wheat destined for export from American seaboard ports, or for milling in bond for export. As you are aware this movement through the United States is important in order to maintain the regular and continuous shipment of Canadian wheat overseas.

3. In view of the problem of surplus wheat with which the governments of almost all the major exporting countries are now confronted, and having in mind the altered conditions and prospects for trade resulting from the war, the Canadian Government welcomes the proposal that the discussions of this problem with the governments of the United States and other interested countries, should be resumed.

4. Apart from discussion of the international problem, the Canadian Government recognizes the value of, and is willing to participate in, continuing consultations on this subject as it affects the United States and Canada. It is assumed that these consultations will embrace such aspects of the problem as the mutually advantageous use of storage facilities in the United States and Canada, as well as all decisions in the field of wheat policy which, although taken by one Government, may have a bearing on the interest of the other.

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

(SGD.) W.L. Mackenzie King.

Secretary of State for External Affairs.

The United States Minister to Canada,
Legation of the United States of America,
OTTAWA, Canada.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada, December 8, 1941.

No. 563

Sir :

1. The second United States-Canada trade agreement provides limited periods during which seasonally advanced valuations for duty purposes may be applied for the protection of Canadian producers of fruits and vegetables.

2. During the past few years the dates determined by the Department of National Revenue for the application of seasonally increased duties in certain instances have been made progressively earlier in the season, thereby shortening the preceding period during which such products may be more cheaply imported into Canada.

3. The Department of National Revenue, it is believed, receives from the Canadian Horticultural Council, a non-governmental organization, and other interested parties, specific recommendations as to the dates when the seasonally advanced duties should be applied, thereby giving private interests a prominent part in the administration of an important feature of the trade agreement.

4. The Dominion Department of Agriculture, it is believed, submits information to the Department of National Revenue, predicting the dates when such Canadian products are likely to commence to be shipped in commercial quantities, and it is understood that such information, as well as the recommendations mentioned in the preceding paragraph, is considered by the Department of National Revenue in determining the dates when the advanced duties are applied.

5. The United States Government is disposed to suggest that application of these advanced dates by the Department of National Revenue would be more consistent with the administrative procedure contemplated in the trade agreement if the Dominion Department of Agriculture would make specific recommendations as to the dates of application, and that such recommendations be based on the most recent information that can possibly be obtained as to the date when commercial supplies of the Canadian products are expected to become available. The United States Government would be pleased to receive the views of the Canadian Government on this suggestion or on any alternative suggestions for mutually satisfactory administration of the seasonal fixed valuations.

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

PIERREPONT MOFFAT

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

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, April 3rd, 1942.

No. 45

Sir,

With reference to your communication No. 563 of December 6th concerning dates of application of added values for duty on imported fruits and vegetables under the Canada-United States Trade Agreement, and to subsequent conversations, I have the honour to inform you that the competent Departments of this Government have completed their examination of the suggestion put forward in your letter, namely, that the Department of Agriculture "make specific recommendations as to the dates of applications, and that such recommendations be based on the most recent information that can possibly be obtained as to the date when commercial supplies of the Canadian products are expected to become available."

While no specific administrative procedure is laid down or appears to be contemplated in the Trade Agreement, the Departments concerned are desirous of establishing a mutually satisfactory administration of the seasonal valuations fixed in the Trade Agreement for certain fresh fruits and vegetables and to this end are prepared to adopt the suggestion you have made on behalf of your Government. Since the Trade Agreement became effective there has been complete agreement between the two Departments as to the dates on which the added values were applied. The present practice, indeed, conforms so closely to your suggestion that there will, in fact, be little change in procedure. It is, of course, quite impracticable, and I am sure was not intended in your letter, to prevent Agricultural or Horticultural Associations and other interested parties from furnishing information or making recommendations as to when the advanced valuations should be applied. The Department of National Revenue, while solely responsible for fixing the added values for duty, is, however, quite prepared in this matter to act on recommendations received from the Department of Agriculture and that Department, on its side, is prepared to co-operate by making specific recommendations as to the dates of application of the added values on the various fruits and vegetables concerned, basing its recommendations, in each case, on the most recent information obtainable respecting the date when commercial supplies are expected to become available through production in Canada.

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

N. A. ROBERTSON

(for) Secretary of State
for External Affairs

The Honourable Pierrepont Moffat,
United States Minister to Canada,
Legation of the United States of America,
Ottawa.

ARRANGEMENTS RESPECTING AGRICULTURE
BETWEEN CANADA AND THE UNITED STATES OF AMERICA[¶]

In force March 19, 1942

I

Resolution (No. 8)
respecting cooperation in regard to the
production of oats, barley, flax and soy-
beans and oil

Adopted by the Joint Economic Committees
of Canada and the United States
February 27, 1942

WHEREAS the United States and Canada are confronted by a serious shortage of fats and oils due to inability to obtain customary imports owing to war operations and the shortage of shipping, increased war-time requirements, and the necessity of supplying substantial quantities of these products to the United Nations, chiefly the United Kingdom and the Union of Soviet Socialist Republics; and

WHEREAS the United States and Canada, in addition to meeting their own expanded requirements, have each undertaken to supply the United Kingdom with extensive quantities of livestock products involving the necessity of increasing the supplies of feed grains; and

WHEREAS an increased supply of oil can be obtained by expanding the acreage of soybeans in the United States and of flax-seed in Canada; and

WHEREAS a material increase in feed supplies can be obtained by expanding the acreage of oats and barley in Canada; and

WHEREAS the facilitating of such a progress of expansion would contribute to the joint war effort of the two countries, and at the same time encourage a more effective use of their respective resources;

WHEREFORE the Joint Economic Committees of Canada and the United States recommend;

- A - That the Governments of the two countries, through their appropriate departments or agencies, undertake the following:

¶ A press statement, released from the Office of the Prime Minister of Canada, April 10, 1942, announced the approval of the two arrangements by both the Canadian Governments and the President of the United States. The approval was given by the Privy Council of Canada on March the 19th, 1942. No Order in Council was drawn up in this connection.

- (1) The United States to increase its acreage of oil-producing crops with the object of alleviating the impending shortage of oils in both the United States and Canada.
- (2) Canada to increase its acreage of flax-seed to provide as large a volume as possible for domestic needs and an excess to offset in part the reduction in North American imports of vegetable oil and oil seeds.
- (3) Canada to increase its acreage of oats and barley with the object of obtaining adequate supplies of feed grains for the expanded livestock program of Canada and supplementary supplies for the United States.

B. That in order to encourage such a program, while at the same time providing necessary assurances in the matter of market outlets, the respective Governments agree, effective from next autumn,

- (1) Canada shall facilitate the delivery in the United States, at the then current United States prices, of whatever quantity of flax-seed, oats, and barley Canada may be in a position to supply;
- (2) The United States shall not impose additional restrictions on the importation of flax-seed, oats and barley moving from Canada to the United States;
- (3) The United States shall facilitate the sale to Canada, at the then current United States prices, of whatever quantity of vegetable oils or vegetable oil seeds the United States may be in a position to supply;
- (4) Canada shall not impose additional restrictions on the importation of vegetable oils or vegetable oil seeds moving from the United States to Canada.

W.A. MACKINTOSH,
Chairman, Canadian Committee.

ALVIN H. HANSEN,
Chairman, United States Committee.

February 27, 1942.

II

Resolution (No.9)
for facilitating the movement of agricultural machinery and farm labour across the international boundary

Adopted by the Joint Economic Committees
of Canada and the United States
February 27, 1942

The Joint Economic Committee of Canada and the United States recommend that the Governments of the two countries take suitable action:

- (1) To permit used agricultural machines and their operators or normal crews, to move across the border without payment of duty, with a minimum of restrictions, and with such regulations as either country may consider necessary to insure that the machines or members of the crews return within a specified time to the country from which they came.
- (2) To facilitate the seasonal movement of farm labour across the common boundary under such rules and regulations as will further the efficient distribution of labour for peak requirements.

The reason for these recommendations are:

Shortages of agricultural machines and of farm labour skilled in their use impede the wartime agricultural programmes both in Canada and in the United States; and scarcities of steel and other metals limit the current output of labour-saving machinery. The movement of machines within each country has contributed to economies in the use of machines and labour and achieved greater efficiency of agricultural output. The removal of such regulations and restrictions as now impede the movements across the common boundary of both farm machines and the labour associated with them, would further increase their efficient use, thereby contributing to the common war effort.

Seasonal requirements for farm labour especially in adjacent areas of Canada and the United States ordinarily occur in a time sequence that gives opportunity for the movement of such labour, especially at planting and harvest time when labour shortage caused by the war might have serious effects on farm production in many localities on both sides of the border.

W.A. MACKINTOSH,
Chairman, Canadian Committee

ALVIN H. HANSEN,
Chairman, United States Committee.

February 27, 1942.

APPENDIX

PRESS STATEMENT
MADE BY
THE OFFICE OF THE PRIME MINISTER OF CANADA
ON APRIL 10, 1942

The Prime Minister announced to-day the approval by the Canadian Government of two joint arrangements affecting agriculture, which were recommended by the Joint Economic Committees of Canada and the United States. The arrangements have also met the approval of the President of the United States. The first arrangement provides for increasing the production of all-bearing crops in the United States and of oats, barley and flax in Canada, to meet wartime needs of both countries. The second arrangement provides for facilitating the seasonal movement of farm labour and machinery across the common boundary.

The approval of these joint arrangements marks one of the first positive actions on the agricultural front to further closer economic collaboration between the two Nations in the common war effort. Without changing the existing tariff structure, these arrangements provide for more effective utilization of the joint agricultural resources of the two countries for the production of certain farm products needed in the war effort.

Both nations are confronted by a shortage of fats and oils due to the loss of imported supplies, increased wartime requirements and the necessity of supplying substantial quantities of these products to our allies. The increase in the acreage of oats and barley in Canada will not only provide more adequate feed supplies for the expanding livestock program of Canada, but will make possible a greater expansion this season of soybean production in the Corn Belt of the United States by permitting crop acreage that would otherwise be used for feed grain production to be shifted without impairing feed resources.

In order to bring about the desired increase in production, the Canadian Government has adopted a definite program to encourage wheat growers to shift surplus wheat land into oats, barley, and flax. The arrangement further strengthens the oil crop production goal program already set up in the United States and will aid in the attainment of the goals.

Copies of the full text of the approved recommendation and arrangements are attached. The Canadian Government has directed the affected departments and agencies to take all possible action to give effect to the joint arrangements.

JOINT ECONOMIC COMMITTEE
OF CANADA AND THE UNITED STATES

Resolution No. 10.

WHEREAS, the production of potatoes in the United States in 1942 is likely to be substantially below domestic requirements for seed and human needs including starch; and

WHEREAS, the deficiency in starch supplies for consumption in North America and for export commitments, resulting from a drastic decline in the quantities of root starch; and

WHEREAS, an increase in the volume of potato starch may be obtained by increasing the production of potatoes in Canada in 1942, for processing in existing plants in the United States and Canada;

THEREFORE, the Joint Economic Committees of Canada and the United States recommend that the Governments of the two countries, through their appropriate departments or agencies, undertake the following:

- (1) Canada to take such steps as may be appropriate to increase the production of potatoes.
- (2) The United States and Canada not to impose additional import restrictions on potatoes and products thereof.
- (3) The United States to assure the purchase of Canadian potatoes offered for conversion to starch, up to 5,000,000 bushels, at the then prevailing United States prices for starch potatoes in the areas of processing, and to facilitate the entry of such potatoes under applicable United States statutes relating to draw-back of duty paid or to processing in bond, for meeting lend-lease commitments or for other exportation of starch and other potato products.

(Sgd.) W. A. Mackintosh,
Chairman, Canadian Committee

Alvin H. Hansen,
Chairman, United States Committee

Date: May 2, 1942.

JOINT ECONOMIC COMMITTEES
OF CANADA AND THE UNITED STATES

Resolution No. 11

- WHEREAS, a serious shortage of fats and oils in the United States is in prospect; and
- WHEREAS, the steps that have been taken by Canada and the United States to increase the production of vegetable oils and of coarse feed grains will not alone be sufficient, necessitating further expansion in the production of animal fats; and
- WHEREAS, hogs compared with other animals are highly efficient converters of feedstuffs into fats and meats; and
- WHEREAS, it is desirable that parallel policies be undertaken within Canada and the United States designed to increase the output of hog products;
- THEREFORE, the Joint Economic Committees of Canada and the United States recommend that the Governments of the two countries, through their appropriate departments or agencies, undertake the following:
- (1) Canada and the United States to increase the average weights of hogs marketed, as follows:
 - (a) In Canada, by further raising minimum weight requirements and by maintenance of the policy already adopted of removing discounts on heavier weight hogs and of offering increased prices for heavier weight Wiltshires; and
 - (b) In the United States, by establishing a price for heavy hogs at or near the level established by the current ceilings on hog products and by establishing price discounts on light hogs.
 - (2) Canada and the United States to increase the number of hogs marketed by maintaining forward price assurances to producers at least as favourable as at present; and, by improving in Canada as far as possible the feed-hog price ratios to producers, and by maintaining in the United States the favourable feed-hog price ratios now prevailing by moving much more wheat into feeding channels, especially in areas which have expanded hog production sharply and which do not have enough feed.
 - (3) The United States to conserve corn supplies for hogs by encouraging cattle

feeders to shorten the feeding period of beef cattle which are finished on corn; and, to facilitate the use of protein supplements by subsidizing the feeding of protein feeds.

(Sgd.) W. A. Mackintosh,
Chairman, Canadian Committee

Alvin H. Hanson,
Chairman, United States Committee

Date: May 2, 1942.

DEPARTMENT OF AGRICULTURE
WASHINGTON

February 13, 1943.

No. 1072

MEMORANDUM

American-Canadian Standing Committee on Agricultural and Food Production and Distribution

On January 7 of this year the Honorable J. G. Gardiner, Canadian Minister of Agriculture, and I agreed to set up a Standing Committee consisting of officials of both countries to keep agricultural and food production and distribution in Canada and the United States under continuing review, in order to further such developments as may be desirable in reference to those phases of our wartime agricultural and food programs that are of concern to both countries. It was understood that reports and recommendations of the Committee would be made to the Minister, or other appropriate Canadian authority, and to me.

The following persons are designated to serve as members of the Committee:

- L. A. Wheeler, Director, Office of Foreign Agricultural Relations
- R. F. Hendrickson, Director, Food Distribution Administration
- J. B. Hutson, President, Commodity Credit Corporation
- M. C. Townsend, Director, Food Production Administration

The Canadian members will be designated by the Minister or other Canadian authority. Mr. Wheeler will serve as Chairman of our section of the Committee and will keep the Department of State advised of any developments of interest to that Department. Each member is authorized to designate an alternate. The committee will determine its own organization and plan of operations, within the general understanding between the Minister and myself, stated in the press release of January 7.

CLAUDE R. WICKARD
Secretary

PRIVY COUNCIL
Canada

AT THE GOVERNMENT HOUSE AT OTTAWA

MONDAY, the 15th day of MARCH, 1943.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS the Secretary of State for External Affairs reports,-

(a) That the Minister of Agriculture of Canada and the Secretary of Agriculture of the United States of America have recommended that their respective Governments should establish a standing committee consisting of officials of both countries to keep agricultural and food production and distribution in Canada and the United States under continuing review in order to further such developments as may be desirable in reference to those phases of wartime agricultural and food programmes that are of concern to both countries;

(b) That this recommendation has been approved by both Governments;

(c) That it has been agreed that each Government will appoint a Section of the committee to meet with a Section of the committee appointed by the other.

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Secretary of State for External Affairs; and under the authority of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, is pleased to order and doth hereby order as follows,-

1. There shall be a committee to be known as the Canadian Section of the Joint Agricultural Committee of Canada and the United States of America.
2. The following shall be the members of the Canadian Section of the said Committee:

The Deputy Minister of Agriculture

Two members to be designated by the Minister of Agriculture

One member to be designated by the Minister of Finance to represent the Foods Administration of the Wartime Prices and Trade Board.

3. The Deputy Minister of Agriculture shall be Chairman of the Canadian Section of the said Committee.

4. It shall be the duty of the Canadian Section of the said Committee, jointly and severally with the United States Section of the said Committee, to keep agricultural and food production and distribution in Canada and the United States of America under continuing review in order to further such developments as may be desirable in reference to these phases of Wartime agricultural and food programmes that are of concern to both countries.
5. The Joint Agricultural Committee shall report from time to time through the Minister of Agriculture to the Governor in Council, as well as to the appropriate authority of the United States of America, with such recommendations as are found to be necessary to secure the purposes for which it is established, together with reports on progress made under its recommendations.
6. Nothing in this Order shall affect the duties and responsibilities of the Interdepartmental Food Requirements Committee established by P. C. 9692 of October 22, 1942.

A. D. P. HENRY

Clerk of the Privy Council.

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, April 9, 1943.

Dear Mr. Robertson :

United States War Production Board Limitation
Order No. L-232, Section 3, paragraphs 31-44.1, provides
as follows :

"No manufacturer, dealer in, or commercial
user of wooden containers shall imprint or cause
to be imprinted or stamped on wooden containers
for fresh fruits or vegetables, any names, words
or figures not required by law, or dye, stain or
otherwise color such container. This restriction
shall not prohibit the attachment of paper or other
separate labels."

I understand that Section 16 of the Canadian
Customs Tariff requires that markings shall be "as nearly
indelible and permanent as the nature of the goods will
permit."

I have been advised that in order to prolong the
life of wood containers and to permit their use more than
once, the United States Department of Agriculture wishes
to provide that the country of origin be marked upon la-
bels firmly affixed to the containers. I understand
that this matter has been the subject of informal discus-
sion between officers of our Governments and that it is
possible the Canadian Government would be willing to amend
its Customs regulations for the duration of the war so as
to permit the indication of country of origin by sticker
labels or tacked on tags.

I have been directed to request, therefore, that
as a measure in the interest of the war effort, the Cana-
dian Government take such measures as may be necessary to
amend its Customs regulations so as to permit the free
movement across the border of goods so marked.

As this matter is deemed to be of considerable
urgency by the Agricultural Department of the United States,
I should appreciate it if I could be informed of the decision
of the Canadian Government with as little delay as may be
feasible.

Sincerely yours,

LEWIS CLARK

Charge d'Affaires ad interim.

N. A. Robertson, Esquire,
Under Secretary of State
for External Affairs,
Ottawa.

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, April 14, 1943.

Dear Mr. Clark :

With reference to your letter of April 9 on the subject of the Customs Regulations concerning markings on wooden containers of fresh fruits and vegetables, I enclose two copies of the confidential instructions which have been sent out to the Canadian Collectors of Customs and Excise.

Yours sincerely,

H. F. ANGUS

(for) Under Secretary of State
for External Affairs

Lewis Clark, Esq.,
United States Charge d'Affaires,
United States Legation,
O t t a w a.

ENCLOSURE

PACKAGES OF FRESH) For the duration of the war or
FRUIT AND VEGETABLES) until further notice, the regu-
lations under Paragraph 37 of Memorandum Series D No. 1
(Revised 1939), relating to the marking of packages con-
taining fresh fruit and vegetables, may be administered
so as to permit of the acceptance of a printed sticker,
label or tacked-on tag as a satisfactory indication of
the country of origin.

(7239 - 12/4/43)

EXCHANGE OF NOTES (JUNE 27 AND 29, 1944) BETWEEN CANADA AND
THE UNITED STATES OF AMERICA PROVIDING FOR THE RENEWAL
OF ARRANGEMENTS FOR THE EXCHANGE OF AGRICULTURAL LABOUR
AND MACHINERY MADE IN 1942 AND 1943

I

The United States Charge d'Affaires to Canada
to the Secretary of State for External Affairs of Canada

EMBASSY OF THE UNITED STATES OF AMERICA

Ottawa, June 27, 1944.

Dear Mr. Robertson,

May I refer to recent conversations in Washington between authorities of the American and Canadian Governments which have led to a renewal of the arrangements made in 1942 and 1943 for the exchange of harvesting machinery and crews necessary for the operation thereof in the prairie states and provinces. I have been informed that this renewal has been arranged in view of the continued shortage of men and equipment on both sides of the border and in view of the maximum effort which must be made to meet wartime food programs for home and overseas consumption. I understand that the effective date of the arrangement is to be agreed upon by the interested authorities when sufficient time has elapsed to instruct the various field offices concerned.

As in previous years, procedural documents have been drawn up by the interested authorities of both Governments setting forth the terms and operating conditions of the arrangement. I am enclosing a copy of the American procedural document, with the request that I be supplied with a copy of the Canadian document. At the same time, may I suggest that the arrangement be considered effective for each harvesting season for the duration of hostilities, subject to such modifications as the interested authorities may agree upon, it being understood that the arrangement is subject to termination by either country upon notification to the other prior to April 1 of any year.

I should appreciate being informed whether your understanding of this arrangement agrees with mine.

Sincerely yours,

LEWIS CLARK

Enclosure

UNITED STATES DEPARTMENT OF AGRICULTURE
WAR FOOD ADMINISTRATION

Arrangement for the movement of Farm Machinery and Agricultural Labour between the Mid-Western United States and the Prairie Provinces of Canada at Harvest Time

On April 10, 1942, the White House announced an arrangement with Canada which includes provisions for facilitating passage across the international boundary of seasonal agricultural labor and farm machinery. This Department,

the Immigration Service, the Customs Service, the Department of State, and the Canadian Government are cooperating to implement those provisions with respect to grain harvesting machinery and labor.

In an informal exchange of letters, the two Governments have agreed to such an arrangement for the 1944 season and for each succeeding wartime season. July 1, 1944, has been named as the effective date for applying to the 1944 season the procedure outlined below.

Agencies Operating the Exchange

The officials through whom requests for assistance and notifications of availability of working units will be cleared between the two countries are:

For the United States:

The Chairman of the North Dakota State Agricultural Conservation Committee of the Agricultural Adjustment Agency, War Food Administration,

Address:

Mr. John W. Casper, Chairman
State Agricultural Conservation Committee
P.O. Box 3017
Fargo, North Dakota

For Canada:

Mr. J. R. McNair
Director, Farm Help Service
Department of Agriculture
Legislative Building
Winnipeg, MANITOBA

Mr. W. W. Dawson
Deputy Minister of Reconstruction,
Labor and Public Welfare
Veteran Block
Regina, SASKATCHEWAN

Mr. R. M. Putnam
Director, Agricultural Extension Service
Department of Agriculture
Legislative Building
Edmonton, ALBERTA

Hereinafter, the Chairman of the State Agricultural Conservation Committee will be referred to as the Chairman of the State AAA Committee. The Chairman of the State AAA Committee in other interested States shall submit to the Chairman of the State AAA Committee for North Dakota such requests and notifications as may originate outside North Dakota. Requests and notifications originating in the Provinces

named shall be transmitted to the State AAA Chairman for North Dakota by the Provincial Government officials named above. Each application for harvesting equipment must indicate the level of wages to be paid to the crew accompanying the equipment and must indicate whether housing, meals, etc. will be furnished. All commitments to hire working units under this arrangement shall be made with the provision that persons accompanying the unit will be paid at a rate not less than that prevailing for the type of work performed in the locality concerned.

The Working Unit

The working Unit under this arrangement is the farm machinery and the vehicles necessary for harvesting and threshing grain and flaxseed, accompanied by the owner or lessee and not more than 7 helpers. No working unit shall cross the border in either direction except under the conditions herein provided. However, this provision does not prevent any individual bona fide farm worker of one country from entering the other at any of the ports specified, for harvest work, provided all the usual Selective Service and Immigration requirements are complied with.

Persons Eligible to Enter Canada

Under this arrangement, persons eligible for entry into Canada from the United States are:

- (1) United States citizens other than citizens of Japanese ancestry.
- (2) Aliens other than citizens of an enemy country.

If persons other than United States citizens enter Canada, they must be able to provide evidence that they will be permitted to re-enter the United States. Canada requires no passports or visas for U.S. citizens, but it is preferable for native-born citizens to carry some evidence of U.S. birth, and it is required that naturalized U.S. citizens carry evidence of naturalization. Aliens domiciled in the United States who desire to enter Canada under this program will be issued resident alien's border crossing cards upon application to a U.S. Immigration and Naturalization Service Officer.

Persons Eligible to Enter the United States

Under this arrangement, persons eligible for entry into the United States from Canada are:

- (1) Citizens of Canada or British subjects domiciled in that country except those who are natives of an enemy country.
- (2) Non-enemy aliens domiciled in Canada.

Ports of Entry

Working units covered by this arrangement may enter the United States at any port of entry between Pine Creek, Minnesota and Del Bonita, Montana, including both ports named. Working units may enter Canada at any port of entry between Piny, Manitoba and Del Bonita, Alberta, including both ports named. See attached list of ports of entry.

Entry Procedure

Prior to entering the host country, each working unit shall be certified to the Immigration authorities of the host country as participating in an arrangement to exchange harvesting facilities. In Canada the certifying officers shall be the local representatives of the Provincial Government officials named above. In the United States the Chairman of the State AAA Committees shall be the certifying officers.

Movement from the U.S. to Canada:

In the following paragraphs, the steps are described for the documenting of a party proceeding from the United States to Canada. A similar procedure will apply to persons entering the United States from Canada.

(1) The Chairman of the State AAA Committee for any interested State will fill out Form A (copy attached) in quadruplicate to cover any working unit which is then in the State and which is available for harvest work in the neighboring country. Each State AAA Chairman executing Form A shall assign consecutive numbers to the working units which are to be certified out of his State. The original and one copy of Form A shall be given to the owner or lessee of the machinery, the copy to be given to the Canadian immigration officer at the port of entry into Canada and the original to be retained for identification of that party and in dealing with local ration boards. The issuing State Chairman shall forward a copy of Form A to the State AAA Chairman of North Dakota, and shall file a copy in the issuing office.

The issuing State AAA Chairman will record on Form A the approximate point in Canada to which the working unit is proceeding, and the initial employer, if possible, so that initial gasoline requirements may be estimated. The members of each unit will receive documentation comparable to the U.S. Alien Laborers Identification Card, Form L-100, issued to members of Canadian working units entering the U.S. as described below. Members of certified units entering Canada from the U.S. may leave and reenter Canada when going to continue harvesting work with such units up to December 31, 1944.

When United States harvesting units return from Canada, Canadian Immigration officers will take up the United States Form A from the owner or lessee and forward it to the United States Officer who issued it.

(2) The Chairman of the State AAA Committee will prepare one copy of Form B for each certified worker. This form is required for use by harvest workers when converting their Canadian earnings into U.S. dollars in Canada. A copy of Form B is attached.

Movement from Canada to the United States:

Members of Canadian harvest units entering the United States will be issued Form I-100 in lieu of any other document ordinarily required to enter the United States. Photographs for attachment thereto are to be supplied whenever possible. Exceptions will be made where it is not practicable to obtain photographs and in such instances a brief personal description will be substituted. Prints of the right thumb and right index finger will appear on the reverse side of Form I-100 and finger prints also will be recorded on Alien Registration Form AR-4.

No health certificates will ordinarily be required nor are physical examinations to be undertaken, unless it is indicated at the time of application for admission that the applicant may be within an excludable class by reason of disease or mental disability.

Canadian workers holding Form I-100 may leave and reenter the U.S. at will at any time during the period of July 1 to September 15, 1944 when coming to continue employment with harvesting units, the final time to return to Canada being midnight of the latter date.

When Canadian harvesting units return to Canada, United States Immigration officers will take up the Canadian Form A from the owner or lessee and forward it to the Canadian officer who issued it.

Machinery and Motor Vehicles

Harvesting machinery imported into the United States under this arrangement and entitled to free entry under the Tariff Act of 1930, shall be entered free of duty. Motor vehicles (trucks and crews' automobiles) imported into the United States under this arrangement in connection with the harvesting of grain and flaxseed, and any transportation incidental thereto shall be admitted free of duty under Section 308(5), Tariff Act of 1930, as amended, for the period July 1, 1944 to September 15, 1944 inclusive. Comparable treatment will be accorded United States cars, trucks and harvesting machinery entering Canada under this arrangement up to December 31, 1944.

Rationing of Gasoline, Tires and Food

Each country will make available to visiting working units at or near ports of entry gasoline coupons in sufficient number to accomplish the purpose of the trip. Provision also will be made for the purchase of tires when necessary, and for issuing food ration books.

State AAA Chairman for Montana, North Dakota and Minnesota will designate local representatives at or near the ports of entry named in the attached list. Canadian units will contact these representatives in order to make rationing arrangements. The State AAA Chairman for North Dakota will supply to the Canadian Provincial officers specified above the names and addresses of the local representatives.

In Canada, food ration books will be obtained, when necessary, from the local ration board nearest the port of entry. Canadian immigration officers have been informed of the location of nearest points for securing food, gasoline and tire rations. After receiving their first allotments, United States outfits in Canada should send applications for additional gasoline direct to one of the following Regional managers of the Gasoline Rationing Division:

<u>Alberta</u>	<u>Saskatchewan</u>	<u>Manitoba</u>
Mr. W.J. Dick Williamson Block Edmonton	Mr. M.L. Fitzgerald 1706 Hamilton Street Regina	Mr. S.V. Eastland Canada Permanent Bldg. Winnipeg

It is assumed that harvest machinery will not enter either country without complete sets of tires for trucks, automobiles, tractors and combines. In the event replacement tires are needed, however, while in the host country, it is agreed that the placement agencies of the host country will assist the harvesting crew to secure the necessary replacement through the procedure established for securing tires for domestic users. In the United States, application would be made to the country AAA Chairman; in Canada, to the nearest Wartime Prices and Trade Board Office.

(Suggested Form A)

WAR FOOD ADMINISTRATION

AGRICULTURAL ADJUSTMENT AGENCY

(State of origin)

Date

To the Immigration Officer for the Dominion of
Canada at _____

Grain Harvesting Party No. _____

Sir:

You are hereby informed that the following persons are proceeding to Canada as one party to work as a grain harvesting crew. They shall not be admitted into Canada unless accompanied by machinery adequate for such work, and by the owner or lessee of such machinery.

Chairman, State AAA Committee
for (Insert name of State)

A. Owner or lessee of harvesting machinery

1. Name
2. Address
3. Place of birth
4. Citizenship

Entering Canada at _____ Date _____

B. Name of first employer, or approximate point of first employment and description of equipment (necessary for gas ration and tire purchase)

1. First employer

- a. Name
- b. Address

2. Approximate point of first employment

- a. Province
- b. County
- c. Town

3. Trucks

- | | |
|------------------------|------------------------|
| a. Make | a. Make |
| b. Body type | b. Body type |
| c. Year made | c. Year made |
| d. Capacity | d. Capacity |
| e. Registration number | e. Registration number |

4. Number of passenger cars in party _____

5. Number of items of harvest equipment

- a. Tractors
- b. Combines
- c. Other equipment (describe)

C. Helpers

1. Name
2. Address
3. Place of birth
4. Citizenship

Entering Canada at _____ Date _____

1. Name
2. Address
3. Place of birth
4. Citizenship

Entering Canada at _____ Date _____

- 1. Name
- 2. Address
- 3. Place of birth
- 4. Citizenship

Entering Canada at _____ Date _____

(Suggested Form B)

WAR FOOD ADMINISTRATION
 AGRICULTURAL ADJUSTMENT AGENCY

_____ Date

To any Branch of a Canadian chartered Bank:

The Bearer, _____, a resident of the United States is in Canada as _____
 (Write in "laborer", "owner", or "lessee")

accompanying harvesting machinery admitted into Canada under a special arrangement with the United States for an exchange of grain harvest workers and harvesting machinery. This form is to be retained by your Branch upon application by the bearer for the purchase of United States dollars, in an amount not to exceed his net earning while in Canada. The bearer enters Canada on _____ at _____ . His signature, _____
 Date Port of Entry

appearing below, may be compared with the identification issued by the Immigration Service of the Dominion of Canada, which he should display upon request.

(Signature of State AAA Chairman)

(Address) State of origin

(Signature of bearer)

(Address)

Ports of Entry in the United States and Canada Designated for
Use Under the Arrangement for the Exchange of Harvest Machinery
and Crews

(The names are arranged according to their general trans-border proximity)

Canadian Ports

Coutts, Alta
Wild Horse, Alta
Willow Creek, Sask.
Treelon, Sask.
Monghy, Sask.
West Poplar, River, Sask.
East Poplar River, Sask.
Big Beaver, Sask.
Regway, Sask.
Baubier, Sask.
Oungro, Sask.
Marionthal, Sask.

Estevan Highway, Sask.
North Portal, Sask.
Northgate, Sask.
Elmore, Sask.
Lyleton, Manitoba
Coulter, "
Goodlands, "
Boissevain, "
Lena, "
Cartwright, "
Crystal City,
Snow Lake, Manitoba
Windygates, Manitoba
Haskett, "
Gretna, "
Emerson, "

United States Ports

Sweetgrass, Montana
Whitlash, "
Turner, "
Opheim, "
Soebey, "
Whitetail, "
Raymond, "
Fortuna, North Dakota
Ambrose, " "
Crosby, " "
Noonan, " "
Portal, " "
Northgate, " "
Sherwood, " "
Antler, " "
Westhope, " "
Carbury, " "
Dunseith, " "
St. John, " "
Hansboro, " "
Sarles, " "
Hannah, " "
Maida, " "
Walhalla, " "
Neche, " "
Pembina, " "
Noyes, Minnesota
Pine Creek, "

II

The Under-Secretary of State for External Affairs of Canada
to the United States Ambassador to Canada

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, June 29, 1944.

Dear Mr. Clark,

I am referring to your letter of June 27, 1944 on the subject of the renewal of arrangements made in 1942 and 1943 between authorities of the Canadian and American Governments

for the exchange of harvesting machinery and crews in the prairie provinces and States.

The effective date for the beginning of the operation of this arrangement has been set at July 7, 1944 and instructions are being issued to the various field offices concerned in Canada and in the United States. A copy of the Canadian procedural document setting forth the terms and operating conditions of the arrangement is enclosed in accordance with the request contained in your letter under reference.

In view of the importance of our food production programme in the United States and Canada I hope that the result of this arrangement may be of considerable value in obviating difficulties resulting from the shortage of men and equipment for harvesting operations on both sides of the border.

It is my understanding that the arrangement recently completed is to be considered effective for each harvesting season for the duration of hostilities, subject to such modification as the Canadian and United States authorities may agree upon, it being understood that the arrangement is subject to termination by either country upon notification to the other prior to April 1 of any year.

Sincerely yours,

N. A. ROBERTSON

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AGREEMENTS CONCLUDED BETWEEN
CANADA AND THE UNITED STATES

1946

Exchange of Notes concerning the disposal of storage and loading facilities at Prince Rupert. Signed at Ottawa, December 21, 1945 and January 3, 1946.

Exchange of Notes constituting an Agreement on the subject of war surpluses and related matters. Signed at Ottawa, March 30, 1946.

Convention on Great Lakes Fisheries. Signed at Washington, April 2, 1946. (Subject to ratification).

Exchange of Notes concerning the disposal of war surpluses and related matters. Signed at Ottawa, July 11 and 15, 1946.

Exchange of Notes recording an Agreement for the waiver of claims arising from maritime collisions involving vessels of the two countries. Signed at Washington, September 28 and November 13 and 15, 1946.

Exchange of Notes relating to the application and interpretation of the (Rush-Bagot) Agreement of 1817 concerning the naval forces on the Great Lakes. Signed at Washington, November 18 and December 5, 1946.

Supplementary Exchange of Notes regarding the disposal of the Canol project. Signed at Ottawa, November 7 and December 30, 1946.

1947

Exchange of Notes relating to the Disposal of Surplus Property owned by either of the two countries. Signed at Ottawa, January 9, 1947.

Exchange of Notes terminating as from May 1, 1947, the Supplementary Trade Agreement relating to Fox Furs, signed at Washington and New York on December 13, 1940. Signed at Washington, March 18, 1947.

Exchange of Notes amending the Exchange of Notes (February 17, 1945) between the two countries recording an Agreement for Civil Air Transport. Signed at Ottawa, April 12, 1947.

1947 (cont'd)

Exchange of Notes providing for the Renewal of Arrangements for the Exchange of Agricultural Labour and Farm Machinery. Signed at Ottawa, April 24 and May 19, 1947.

Exchange of Notes constituting an Interim Arrangement between the two Countries concerning land mobile radio transmitting equipment. Signed at Washington, June 25 and August 20, 1947.

Exchange of Notes constituting an Agreement on the Allocation of Channels for Radio Broadcasting. Signed at Washington, January 8 and October 15, 1947.

Agreement supplementary to the General Agreement on Tariffs and Trade (with Exchange of Letters). Signed at Geneva, October 30, 1947.

Exchange of Notes providing for the continuance of the Provisional Fur Seal Agreement between the two countries. Signed at Washington, December 26, 1947.

1948

Supplementary Exchange of Notes concerning war surpluses and related matters. Signed at Ottawa, January 24, March 2, 1948.

In force March 2, 1948, with retroactive effect as from April 1, 1947. Terminated June 30, 1948.

Exchange of Notes constituting an agreement concerning the operation and maintenance of the land line communication system between Edmonton, Alberta, and Fairbanks, Alaska. Signed at Washington, March 1, and 31, 1948.

In force March 31, 1948.

Exchange of Notes constituting an understanding as to engineering standards applicable to the allocation of standard broadcasting stations in the band of frequencies extending from 540 to 1600 kilocycles. Signed at Washington, December 24, 1947 and April 1 and 13, 1948.

In force April 1, 1948.

Exchange of Notes providing for the renewal of arrangements for the exchange of agricultural labour and farm machinery made in 1942. Signed at Ottawa, April 22 and 29, 1948.

In force April 29, 1948.

Exchange of Notes constituting an agreement regarding sanitary practices in the shellfish industries and related matters. Signed at Washington, March 4, and April 30, 1948.

In force April 30, 1948.

1948 (cont'd)

Exchange of Notes constituting an agreement for an additional temporary diversion of water in the Niagara area for power purposes. Signed at Washington, December 23, 1948. Provisionally in force as from December 23, 1948, pending approval by the Senate of the United States.

1949

Exchange of Notes constituting an Agreement for an Additional Temporary Diversion of Water in the Niagara Area for Power Purposes. Washington, Dec. 23, 1948. (Signed after the Annual Report for 1948 went to press.) Provisionally from Dec. 23, 1948.

Exchange of Notes providing for Customs and Immigration Arrangements in Connection with Emergency Air Search and Rescue Operations along the International Boundary. Washington, Jan. 31, 1949.
In force January 31, 1949.

Exchange of Notes constituting an Agreement for the Final Settlement of Outstanding Accounts concerning the Wartime Procurement of Supplies and Services. Washington, March 14, 1949.
In force March 14, 1949.

Exchange of Notes providing for the Extension to June 30, 1949 of the Operating Rights at present enjoyed by United States Carriers at Gander Bay, Newfoundland. Ottawa, March 28, 1949.
In force March 28, 1949.

Exchange of Letters providing for the Renewal of the Arrangement of 1942 for the Exchange of Agricultural Labour and Machinery. Ottawa, April 5 and 7, 1949.
In force April 7, 1949.

Exchange of Notes constituting an Agreement regarding the Establishment of a Joint Industrial Mobilization Committee, Ottawa, April 12, 1949.
In force April 12, 1949.

Air Transport Agreement between Canada and the United States of America. Ottawa, June 4, 1949.
In force June 4, 1949.

Exchange of Notes between Canada and the U.S.A. constituting an Understanding relating to Civil Aviation at the Leased Bases in Newfoundland. Ottawa, June 4, 1949.
In force June 4, 1949.

Exchange of Notes between Canada and the United States of America constituting an Agreement regarding the Settlement of Claims and Accounts arising out of the Disposal of War Surpluses. Ottawa, June 17 and 18, 1949.
In force retroactively from December 31, 1948.

1949 (cont'd)

Exchange of Notes between Canada and the United States of America terminating the Agreement of November 23, 1948 concerning the Export of Potatoes and Seed Potatoes to the United States of America. Washington, June 20, 1949.

In force June 20, 1949.

1950

Niagara Diversion Treaty. Signed at Washington on February 27, 1950. Exchange of Instruments of Ratification took place on October 10, 1950.

In force October 10, 1950.

Convention for the Extension of Port Privileges to Halibut Fishing Vessels on the Pacific Coasts of the United States of America and Canada. Signed at Ottawa, March 24, 1950. Exchange of Instruments of Ratification took place on July 13, 1950.

In force July 13, 1950.

Convention between Canada and the United States modifying and supplementing the Convention and accompanying Protocol of March 4, 1942 for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion in the Case of Income Taxes. Signed at Ottawa, June 12, 1950.

Convention between Canada and the United States modifying and supplementing the Convention of June 8, 1944 for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion in the Case of Estate Taxes and Succession Duties. Signed at Ottawa, June 12, 1950.

Not yet in force.

Exchange of Notes between Canada and the United States of America constituting an Interim Agreement relating to the Establishment of a Network of Seven Weather Stations in the Pacific Ocean. Signed at Washington, June 8 and 22, 1950.

Exchange of Letters between Canada and the United States of America providing for the Renewal of the Arrangement of 1942 for the Exchange of Agricultural Labour and Machinery. Signed at Ottawa, June 29 and July 6, 1950.

In force July 6, 1950.

Exchange of Notes between Canada and the United States of America giving Formal Effect to the Statement of Principles for Economic Co-operation. Signed at Washington, October 26, 1950.

In force October 26, 1950.

1951

Convention relating to the Operation by Citizens of either Country of Certain Radio Equipment or Stations in the other Country. Signed at Ottawa, February 8, 1951.

Not yet in force.

1951 (cont'd)

Exchange of Notes constituting an Agreement modifying temporarily the Pacific Ocean Weather Station Programme established by the Agreement of June 22, 1950. Signed at Washington, September 25, 1950, and February 16, 1951.
In force February 16, 1951.

Exchange of Notes amending the Agreement of March 12, 1942, respecting Unemployment Insurance. Signed at Ottawa, July 31 and September 11, 1951.
In force September 11, 1951.

Exchange of Letters providing for the Renewal of the Arrangement of 1942 for the Exchange of Agricultural Labour and Machinery. Signed at Ottawa, March 15 and 16, 1951.
In force March 16, 1951.

Exchange of Notes constituting an Agreement on Civil Defence Co-Ordination. Signed at Washington, March 27, 1951.
In force March 27, 1951.

Exchange of Notes constituting an Agreement concerning the Disposal of United States Excess Property in Canada. Signed at Ottawa, April 11 and 18, 1951.
In force April 18, 1951.

Supplementary Convention to the Supplementary Convention between Her Majesty and the United States of America for the Mutual Extradition of Fugitive Criminals, signed at Washington, December 13, 1900. Signed at Ottawa, October 26, 1951.
Not yet in force.

1952

Exchange of Notes constituting an agreement to cooperate in preparing applications to the International Joint Commission for approval of the plans to construct power facilities on the St. Lawrence in connection with the development of an all-Canadian seaway. Signed at Washington, January 11, 1952.

Exchange of Notes constituting an agreement regarding the R.C.A.F.-U.S.A.F. re-supply of joint Canadian-U.S. Arctic weather stations. Signed at Ottawa, February 7, 1952.

Agreement for the promotion of safety on the Great Lakes by means of radio. Signed at Ottawa, February 21, 1952.

Exchange of Notes constituting an agreement providing for the relocation of two of the Pacific Ocean weather stations. Signed at Ottawa, January 22 and February 22, 1952.

Exchange of Notes constituting an agreement confirming the recommendation made by the Permanent Joint Board on Defence in March 1950 concerning leased bases in Newfoundland. Signed at Washington, February 13 and March 19, 1952.

1952 (cont'd)

Exchange of Letters constituting an agreement providing for the renewal of the Arrangement for the Exchange of Agricultural Labour and Machinery of 1942. Signed at Ottawa, April 15 and 16, 1952.

Exchange of Notes constituting an agreement regarding the allocation of television channels. Signed at Ottawa, April 23 and June 23, 1952.

Exchange of Notes constituting an agreement approving the arrangements under which applications were submitted to the International Joint Commission for approval of the construction of certain works for the development of power in the International Rapids Section of the St. Lawrence River. Signed at Washington, June 30, 1952.

Exchange of Notes constituting an agreement confirming the agreement of the United States Government to the removal of the Gut Dam by the Canadian Government. Signed at Ottawa, November 4 and 19, 1952.

Exchange of Notes constituting an agreement concerning the lease of parcels of land at Goose Bay. Signed at Ottawa, December 5, 1952.

1953

Convention for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea. Signed at Ottawa, March 2.

Exchange of Notes constituting an agreement concerning the sealing of mobile radio transmitting equipment. Signed at Washington, March 9 and 17.

Exchange of Notes constituting an agreement renewing the Agreement of November 15, 1951, for the use of the gunnery range on Lake Erie by the United States Navy. Signed at Ottawa, February 25 and June 23.

Exchange of Notes constituting an agreement concerning the installation of an oil pipeline from Haines to Fairbanks, Alaska. Signed at Ottawa, June 30.

Exchange of Notes constituting an agreement for the establishment of a Joint Committee on Trade and Economic Affairs. Signed at Washington, November 12.

Exchange of Notes constituting an agreement for the establishment of the St. Lawrence River Joint Board of Engineers. Signed at Washington, November 12.

1954

Exchange of Notes concerning the construction and operation of a Loran station at Cape Christian, Baffin Island. Signed at Ottawa, May 1 and 3.

Exchange of Notes for the continuation of the arrangement established in the Exchange of Notes of June 8 and 22, 1950, concerning the establishment of a Pacific Ocean stations programme. Signed at Ottawa, June 4 and 28.

Exchange of Notes modifying the Exchange of Notes of June 30, 1952, concerning the construction of the St. Lawrence seaway. Signed at Ottawa, August 17.

Convention on Great Lakes fisheries. Signed at Washington, September 10.

Exchange of Notes concerning the payment for expenditures on construction of remedial works at Niagara Falls. Signed at Ottawa, September 13.

1955

Exchange of Notes governing the establishment of a distant early warning system in Canadian territory. Signed at Washington May 5, 1955. Entered into force May 5, 1955.

Exchange of Notes amending the Exchange of Notes of Nov. 4 and 8, 1952, and May 1 and July 31, 1953, for the establishment of United States global communications facilities in Newfoundland. Signed at Ottawa March 31 and June 8, 1955.

Entered into force June 8, 1955.

Agreement regarding the rate of duty on fish sticks and similar products. Signed at Geneva June 8, 1955. Entered into force June 8, 1955.

Exchange of Notes constituting an agreement for the establishment of certain radar stations in the Newfoundland-Labrador area. Signed at Ottawa June 13, 1955. Entered into force June 13, 1955.

Exchange of Notes constituting an agreement for the establishment of certain radar stations in British Columbia, Ontario, and Nova Scotia. Signed at Ottawa June 15, 1955. Entered into force June 15, 1955.

Agreement for co-operation regarding atomic information for mutual defence purposes. Signed at Washington June 15, 1955. Brought into force by Exchange of Notes signed at Washington July 22 and 25, 1955.

1955 (cont'd)

Agreement for co-operation concerning civil uses of atomic energy. Signed at Washington June 15, 1955. Brought into force by Exchange of Notes signed at Washington July 21 and 22, 1955.

Exchange of Notes regarding financial arrangements for furnishing supplies and port services to visiting naval vessels of either country. Signed at Ottawa July 21, 1955. Entered into force Oct. 19, 1955.

Exchange of Notes respecting the construction and operation of a petroleum products pipeline between the United States Air Force dock at St. John's and Pepperrell Air Force Base in Newfoundland. Signed at Ottawa Sept. 22, 1955. Entered into force Sept. 22, 1955.

Convention on Great Lakes fisheries; signed at Washington Sept. 19, 1954. Instruments of ratification exchanged Oct. 11, 1955. Entered into force Oct. 11, 1955.

Exchange of Notes concerning the relocation of Roosevelt Bridge crossing Cornwall South Channel. Signed at Ottawa Nov. 16 and 17, 1955.

1956

Exchange of Notes extending participation in the Canadian Unemployment Insurance Act to Canadian employees of the United States Armed Forces in Canada. Signed at Washington December 20, 1955 and April 23, 1956. Entered into force July 1, 1956.

Exchange of Notes respecting the construction of housing units at Pepperrell Air Force Base, St. John's, Newfoundland. Signed at Ottawa April 18 and 19, 1956. Entered into force April 19, 1956.

Amendment to the Agreement for co-operation in the civil uses of atomic energy between the Government of Canada and the Government of the United States of America. Signed at Washington June 26, 1956.

Convention further modifying and supplementing the convention and protocol of March 4, 1942 for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes, as modified by the supplementary convention of June 12, 1952. Signed at Ottawa August 8, 1956

Exchange of Notes concerning relocation of that part of the Roosevelt Bridge which crosses the Cornwall South Channel. Signed at Washington October 24, 1956. Entered into force October 24, 1956.

1956 (cont'd)

Exchange of Notes concerning proposed navigation improvements to be undertaken in the Detroit River section of the Great Lakes connecting channels. Signed at Ottawa July 23 and October 26, 1956. In force October 26, 1956.

Protocol to the Convention for the Protection, Preservation and Extension of the Sockeye Salmon Fisheries in the Fraser River System, signed at Washington on the 26th day of May 1930. Signed at Ottawa December 28, 1956.

1957

Exchange of Notes concerning use of the Haines cut-off road by the United States Army for the winter maintenance of the Haines-Fairbanks pipeline. Signed at Ottawa January 16 and 17, 1957.

Exchange of Notes concerning proposed navigation improvements to be undertaken in the Detroit River section of the Great Lakes connecting channels. Signed at Ottawa July 23, October 26, 1956 and February 26, 1957.

Exchange of Notes providing for the entry into force of the agreement amending the agreement for co-operation on the civil uses of atomic energy. Signed at Washington June 15, 1955. Signed at Washington, March 1, 1957.

Exchange of Notes concerning dredging operations in the St. Mary's River and the St. Clair River sections of the Great Lakes connecting channels. Signed at Ottawa, November 30, 1956; April 8 and 9, 1957.

Exchange of Notes providing for the renewal of the arrangement of 1942 for the exchange of agricultural labour and machinery. Signed at Ottawa, April 15 and 23, 1957.

Protocol to the Convention for the protection, preservation and extension of the sockeye salmon fisheries in the Fraser River system signed at Washington on the 26th day of May, 1930. Signed at Ottawa, December 28, 1956. Instruments of Ratification exchanged at Ottawa July 3, 1957. Entered into force July 3, 1957.

Convention further modifying and supplementary the Convention and accompanying protocol of March 2, 1942 for the avoidance of double taxation and the prevention of fiscal evasion in the case of income tax as modified by the supplementary convention of June 12, 1950. Signed at Ottawa, August 8, 1956. Instruments of ratification exchanged at Washington, September 26, 1957. Entered into force September 26, 1957.

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