

CANOL PROJECT: DISPOSAL OF CRUDE OIL FACILITIES

*Exchanges of notes at Ottawa November 7 and December 30, 1946,
and March 5 and 6, 1947*

Entered into force December 30, 1946; effective March 1, 1947

*Superseded by agreement of March 31, 1960*¹

61 Stat. 3681; Treaties and Other
International Acts Series 1697

The American Ambassador to the Secretary of State for External Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
Ottawa, Canada November 7, 1946

No. 593

SIR:

I have the honor to refer to your note No. 83, dated August 31, 1945, and to my note No. 366, dated September 6, 1945,² in regard to the crude oil pipeline from Norman Wells, Northwest Territories, to Whitehorse, Yukon Territory, and the refinery at Whitehorse, which, together with equipment pertaining thereto, have been referred to as the crude oil facilities of the Canol Project. My reply of September 6 confirmed the understanding that the United States would at a later date submit to the Canadian Government plans for the disposition of these facilities.

In accordance with the understanding referred to, there are set forth in this note proposed plans for disposal which, it is hoped, will prove acceptable to your Government. These proposals have been drawn up to give effect to the underlying principle, that, as military considerations are no longer paramount, disposal should be accomplished in a manner designed to recover the fair monetary value of facilities.

It will be recalled that in the exchange of notes of June 27–29, 1942,³ the two Governments agreed that if neither the Canadian Government nor any private company desired to purchase the crude oil pipeline and refinery, the disposition of both facilities should be referred to the Permanent Joint Board on Defense for consideration and recommendation. It was further agreed in the same exchange of notes that the two Governments would not themselves

¹ 11 UST 2486; TIAS 4631.

² TIAS 1696, *ante*, p. 401.

³ EAS 386, *ante*, p. 276.