

CANOL PROJECT: WAIVER OF CERTAIN RIGHTS

*Exchange of notes at Ottawa August 31 and September 6, 1945, supplementing agreement of June 27 and 29, 1942, as supplemented Entered into force September 6, 1945
Superseded by agreement of March 31, 1960*¹

61 Stat. 3679; Treaties and Other
International Acts Series 1696

*The Secretary of State for External Affairs to the American
Chargé d'Affaires ad interim*

DEPARTMENT OF
EXTERNAL AFFAIRS
CANADA

No. 83

OTTAWA, August 31, 1945

SIR:

Under the exchange of notes of June 27–29, 1942,² the Canadian Government acquired an option to purchase the facilities of the crude oil pipeline from Norman Wells to Whitehorse and the refinery at Whitehorse at a valuation based upon the commercial value of the pipeline and refinery as agreed by valuers named by Canada and the United States. Under the exchange of notes of February 26, 1945,³ it was agreed that this valuation should take place within a reasonable time following notice of the termination of operation of the project or a major part thereof.

The Canadian Government has decided not to exercise the option referred to in the preceding paragraph and desires to inform the Government of the United States that it is now willing to waive that option. Under these circumstances it believes that the interest of neither country would be served by proceeding with former plans for joint valuation and that these should therefore be abandoned.

The exchange of notes of June 27–29, 1942, provided that if the Canadian Government did not exercise its option, now waived, to purchase the crude

¹ 11 UST 2486; TIAS 4631.

² EAS 386, *ante*, p. 276.

³ TIAS 1695, *ante*, p. 394.

oil facilities within three months, they might be offered for sale by public tender with the amount of the valuation as the reserve price. In view of the desire of the Canadian Government not to proceed with joint valuation of the project, the Canadian Government likewise waives the provision above referred to whereby the facilities must be offered at the reserve price.

It is understood that the United States Government will at a later date submit to the Canadian Government plans for the disposition of the Canol facilities.

The Canadian Government hopes that the waivers of its rights as set forth above will be acceptable to the Government of the United States and will facilitate disposition of the Canol facilities.

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

N. A. ROBERTSON
for
*Secretary of State
for External Affairs*

THE CHARGÉ D'AFFAIRES A.I.,
*United States Embassy,
Ottawa, Canada.*

The American Ambassador to the Secretary of State for External Affairs

No. 366

OTTAWA, CANADA, *September 6, 1945*

SIR:

I have the honor to acknowledge the receipt of your note No. 83 of August 31, 1945, regarding the crude oil facilities of the Canol Project, and to confirm the understanding that the Government of the United States will at a later date submit to the Canadian Government plans for the disposition of the Canol facilities.

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

RAY ATHERTON

The Right Honorable
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
Ottawa.