



SECRET

Ottawa, July 17th, 1952.

G.F. Melrose, Esq.,
Deputy Minister of Lands,
Department of Lands and Forests,
Victoria, B.C.

Dear Mr. Melrose:

Proposed Pipeline - Haines to Fairbanks

When you were in my office yesterday you requested information regarding some of the terms and conditions which we contemplated incorporating in any agreement we had with the United States in connection with the proposed pipeline.

I mentioned the fact that the Federal Government desired to follow the same arrangements with the United States Government in connection with the acquisition of land that they do with other United States activities such as radar stations and military establishments. This principle envisages acquisition of the land by the Federal Government from the province or private individual concerned, giving ownership of the lands in question to the Federal Government. In turn, the Federal Government provides easements or leases for limited periods of time to the United States Government. I think you will agree that uniformity in the application of this principle is desirable. For that reason it is hoped the Government of British Columbia will be agreeable to transferring title of the property concerned with the pipeline through British Columbia, to the Federal Government.

The negotiations covering the conditions of the easement are about to take place with the United States Government. Consequently, it is difficult to give you at this time any forecast of what the final terms would be. I can, however, outline some general principles which the Canadian Government will follow during the discussions.

Possibly the first and most important one is that there should be no alienation of Canadian land to the United States. The

United States would be granted, without charge, an easement for the pipeline and telephone lines associated with this operation. The terms of tenure of easement will, of course, be the same as for the pipeline itself.

I think that the Federal Government will ensure that detailed plans and specifications of the Canadian section of the pipeline are acceptable to the appropriate Canadian authorities in advance of construction and Canadian officials should have the right of inspection during construction to safeguard Canadian interests.

The tenure which the United States should have regarding the rights relating to the pipeline and related facilities within Canada may be the subject of considerable discussion. From my discussions with External Affairs I have no doubt but that there will be an insistence on a specified term of years.

The United States will, no doubt, insist on some assurance of continued availability of the line to meet its defence requirements in Alaska. This pipeline, while of great importance to the defence of Alaska, will also be of considerable importance to us in connection with Canadian defence requirements and the latter should have equal priority with those of the United States in the use of the pipeline.

Steps will also be taken to ensure a fair allocation of the work to Canadian contractors and that an equitable proportion of the labour force used on the entire project will be Canadian. Canadian materials should also be used on the Canadian portion of the line, if available at a competitive price. Furthermore, Canadian law as regards tax laws, labour laws and workmen's compensation will apply except when special conditions warrant their being waived by Canada.

I expect that in due course a formal request may be sent to the Government of British Columbia seeking approval in principle for the vesting of the title to the lands in Her Majesty the Queen in right of Canada. Meanwhile, I trust this general outline may be helpful to you.

With kindest personal regards, I am

Yours sincerely,

H. A. Young
H. A. Young,
Deputy Minister.

MEMO

Call from Ottawa this morning. anxious to get ahead with this matter. apparently they wrote Mr. Bennett in Ottawa as vein to this

... will be given an easement for the right-of-way for 20 years,
after which the easement may be reviewed by either country if
desired.

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Our file: 0196317

Proposed Gas Pipe Line - Skagway - Fairbanks.

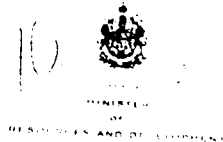
The matter of attached application was discussed with Mr. Hogg, Legislative Counsel in company with Mr. F.O. Morris, Survey Branch, and it was arranged that Mr. Morris would prepare a description to cover the pipe line right-of-way from the material at hand.

It was understood that the greater portion of the right-of-way lies within the Haines Cut-off road having a width of 300-feet, and very little other Crown land was affected, said Haines road being a military road under Dominion jurisdiction.

In view of Mr. McCallum's memo of September 13, 1952, it was Mr. Hogg's intention to contact him and ascertain what had transpired at Ottawa in this regard and obtain his recommendation with respect to granting an easement in co-operation with this Department for the pipe line right-of-way.

A. H. Hogg

Our file: 0196317



Ottawa, 18 June, 1952

The Hon. Byron I. Johnson, M.B.E.,
Premier of British Columbia,
Victoria,
British Columbia.

My dear Premier:

During the early part of August, 1950, we received a request from the Department of External Affairs for our views on the request of the Government of the United States for permission to survey a route for a pipeline from Haines, Alaska, to Fairbanks, Alaska, through Canadian territory. In the course of a telephone conversation on the 8th of August, 1950, you said that your Government had no objection to the required survey being carried out on that part of the route in the Province of British Columbia, on the understanding that further permission will be sought before construction of a pipeline is undertaken. This understanding was confirmed in a letter which I wrote you on the same day.

The Department of External Affairs has now asked for our views on a request from the Government of the United States for permission to survey a route for a telephone line along the same route as the pipeline from Haines to Fairbanks, Alaska. We were also asked to clear the project with the Government of British Columbia.

We are inclined to regard this request as an extension of the earlier request which was approved. I should be grateful if you would let me know whether you agree that a favourable reply may be given on the understanding that further permission will be sought before construction is undertaken.

Yours sincerely,

Robert H. Winters.

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June 24.

Honourable Robert H. Winters,
Minister of Resources and Development,
Parliament Buildings,
OTTAWA, CANADA.

My dear Mr. Winters:

I have for acknowledgment your letter of June 18th and note what you have to say regarding the request of the Government of the United States for permission to survey a route for a telephone line through British Columbia territory along the Haines outfall.

Please be advised that the Government of British Columbia has no objection to the required survey being carried out on that part of the route lying in the Province of British Columbia on the understanding that further permission will be sought before construction of the telephone line is undertaken.

With kindest personal regards,

Yours faithfully,