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In reply refer to
EIA 832.2553/10-1452

February 6, 1953

My dear Mr. Secretary:

Reference is made to Secretary Pace's letter of October 14, 1952, requesting that the Department make every effort to reach early agreement with the Canadian authorities to provide for the construction by the United States Army of a pipeline from Haines to Fairbanks, Alaska, across Canadian territory. The communication stated that the pipeline project was most urgent for logistic support in Alaska and that it was desired to secure early Canadian approval in order to advertise for bids as soon as possible.

The Department of State has continued its efforts, in the light of the importance and urgency of this matter, to arrive at a mutually satisfactory agreement with the Canadian authorities. Negotiations have been under way between representatives of the United States and Canadian Governments since June 1952, both through diplomatic channels and in the Permanent Joint Board on Defense, United States-Canada. Officers of your Department have participated in the discussions and in preparatory meetings and have been kept fully informed throughout the course of the negotiations.

The Canadian Government encountered delays in working out the technical details of an agreement with the Province of British Columbia whereby that province would make available title to, or management of, land for the right-of-way for the proposed pipeline. The Canadian authorities and those of the Province of British Columbia have now reached a final decision on the points at issue, after taking into account the comments made by the United States. The terms under which British Columbia will make a right-of-way available will be incorporated by reference in the agreement between Canada and the United States.

A proposed exchange of notes which would constitute such a government-to-government agreement has also been worked out between representatives of this Government and of the Canadian Government, and I attach copies of this draft, as well as of the proposed Order-in-Council reflecting the agreement reached between British Columbia and the Canadian Government.

The Honorable
Robert T. Stevens,
Secretary of the Army.

GENERAL DECLASSIFICATION SCHEDULE
OF EXECUTIVE ORDER 11652 AUTOMATICALLY DOWN-
GRADED AT TWO YEAR INTERVALS
DECLASSIFIED ON 31 DECEMBER 1959

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The language which has been evolved with Canadian officials with respect to such matters as tenure, title to the pipeline, use and disposition of existing pipelines, claims, and burial of the pipeline has resulted from many months of negotiations. The Department of State feels that the terms under which Canada will agree to approve the granting to the United States of an easement which will permit this pipeline project to go forward are the best which can be obtained without further prolonged negotiations the results of which would be unlikely to achieve much, if anything, better than the present drafts. The Department feels further that the present language should prove satisfactory to the United States. A complete analysis of the draft agreements and a chronological outline of the negotiations are being sent under separate cover to interested officers of your Department who are familiar with the project and the negotiations.

In view of the lengthy discussions which have been held with the Canadians and in consideration of the urgency of the pipeline project, the Department of State recommends that the understandings which have now been reached by negotiations be accepted by the Department of the Army. Your concurrence will permit the prompt advertisement for bids and the early initiation of the project, which is desired by all concerned. It is concluded that an attempt to reopen negotiations would merely create further delays in the construction of the pipeline.

I shall appreciate it therefore if you will inform this Department whether your Department concurs in the proposed agreement with Canada.

Sincerely yours,

For the Acting Secretary of State:

James C. H. Bonbright
Acting Assistant Secretary
for European Affairs

Enclosures:

1. Draft exchange of notes
2. Draft Order-in-Council
with appended letter

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