

No. 6054

**UNITED STATES OF AMERICA
and
CANADA**

Exchange of notes (with annex) constituting an agreement relating to improvements in the continental air defense system. Ottawa, 27 September 1961

Official text: English.

Registered by the United States of America on 30 January 1962.

**ÉTATS-UNIS D'AMÉRIQUE
et
CANADA**

Échange de notes (avec annexe) constituant un accord relatif à des améliorations projetées au système de défense aérienne du continent. Ottawa, 27 septembre 1961

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 30 janvier 1962.

No. 6054. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND CANADA RELATING TO IMPROVEMENTS IN THE CONTINENTAL AIR DEFENSE SYSTEM. OTTAWA, 27 SEPTEMBER 1961

I

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

DEPARTMENT OF EXTERNAL AFFAIRS
CANADA

No. 160

Sir,

I have the honour to refer to discussions in the Canada-United States Ministerial Committee on Joint Defence and to the recommendations of the Commander-in-Chief, North American Air Defence Command, concerning the extension and strengthening of the continental air defence system, including the establishment of long range surface-to-air missile sites in Canada.

The Canadian Government, in statements of September 28, 1958 and February 20, 1959, indicated that BOMARC missile bases would be established in Canada, that the PINETREE radar system would be strengthened by the addition of a number of main radar stations and gap filler radars; and that semiautomatic ground environment (SAGE) electronic control and computing equipment would be installed in Canada.

In the discussions between representatives of our two Governments, the importance of satisfactory cost-sharing arrangements for these new programmes was recognized. Understandings concerning the distribution of financial responsibility between the two Governments were reached. Discussions of cost-sharing arrangements were conducted against the background of past understandings between our two Governments, particularly, the "Statement of Principles for Economic Cooperation" of October 1950,² and the continuing discussions between our two Govern-

¹ Came into force on 27 September 1961 by the exchange of the said notes.

² According to the information provided by the United States of America the date should read 26 October 1950; see United Nations, *Treaty Series*, Vol. 132, p. 247.

ments designed to give effect to their joint determination to assure the most economical and effective use of the defence production capabilities of both countries. Primary consideration was given to the fact that these new and costly undertakings are designed to enhance the joint security of Canada and the United States.

It was recognized as well that further consideration would have to be given to the operational procedures and costs involved in the use of certain of the new facilities when established, in the light of the joint responsibility exercised by the two Governments for the operations of the North American Air Defence Command. Arrangements in this respect will be dealt with in a separate agreement between the appropriate agencies of our two Governments.

My Government now proposes that the conditions set out in the attached Annex,¹ which accord with the understandings reached between representatives of our two Governments, should govern the financing, installation and operation of the facilities in Canada now required to strengthen and extend the continental air defence system. If these conditions are acceptable to your Government, I propose that this Note and Annex, and your reply, should constitute an agreement between our two Governments, effective from the date of your reply.

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

H. C. GREEN
Secretary of State for External Affairs

Ottawa, September 27, 1961
Willis C. Armstrong, Esq.,
Chargé d'Affaires a.i.,
Embassy of the United States of America
Ottawa, Canada

A N N E X

STATEMENT OF CONDITIONS GOVERNING THE FINANCING, INSTALLATION AND OPERATION OF FACILITIES IN CANADA REQUIRED TO STRENGTHEN AND EXTEND THE CONTINENTAL AIR DEFENCE SYSTEM

(Hereafter, unless the context otherwise requires, "Canada" means the Government of Canada, "United States" means the Government of the United States of America, and "facilities" means the facilities defined in paragraph 1 of this Annex).

1. *Facilities*

The arrangements set out below will apply to the construction and installation of a) seven new heavy radar sites ; b) forty-five gap filler radar sites ; c) one SAGE Combat

¹ See below.

Centre/Direction Centre ; d) certain modifications to existing radars in Canada made necessary by SAGE ; e) two BOMARC missile squadrons.

2. Consultation

Appropriate Canadian and United States authorities shall consult in connection with the implementation of these facilities and related arrangements. Appropriate representatives of the two Governments shall participate in the development of the facilities from design to installation and decisions affecting the programmes shall be mutually agreed, including the assignment of responsibilities for undertaking the various aspects of the programme.

3. Surveys

Canadian and United States agencies will co-operate in making engineering and other technical surveys to determine suitable sites for the facilities, and may make plans for the facilities to be constructed and the equipment to be installed at the sites. In the conduct of the surveys, special care will be taken to avoid any infringement of rights over lands which are not owned by Canada ; any arrangements involving private properties will be made only through the appropriate Canadian Government agency.

4. Sites

The location and extent of all sites required for the facilities shall be agreed upon by appropriate agencies of the two Governments. Canada, without charge to the United States, shall acquire and retain title to any lands required for the sites.

5. Radio Interference

Special consideration will be given to the substantial problem of selecting the sites and modifying or adjusting the electronic equipment of the facilities encompassed by this Agreement so as to avoid interference to other use of radio frequencies in Canada, it being understood that other users concerned in specific interference situations will be expected to offer all reasonable co-operation.

6. Financing

- (a) The cost of the initial construction and equipment required for these facilities will be shared in the ratio of Canada being responsible for approximately $\frac{1}{3}$ of the cost and the United States being responsible for approximately $\frac{2}{3}$ of the cost, and this will be achieved by :
- (i) Canada assuming full financial responsibility for all initial construction as well as standard organizational and base equipment (that equipment and materiel used in the performance of base housekeeping functions and the day-to-day operation of a base) ;

- (ii) United States assuming full financial responsibility for all initial technical equipment required, including its transportation, installation, testing, and the provision of initial spare parts. Technical equipment means all equipment and materiel peculiar in nature to the special operational mission of the facilities, such as radar and BOMARC missiles.
- (b) The sharing of costs not specifically provided for in this agreement, including the costs of maintenance and operation of the facilities, will be a matter for agreement between the two Governments or their appropriate officers.
- (c) This agreement relates to the particular projects enumerated in paragraph 1 above and is not to be considered as establishing a precedent for future joint defence projects.
- (d) Any action taken under this agreement shall be subject to the availability of appropriated funds.

7. *Construction*

Canada will assume responsibility for the construction of the facilities, and the provision of the standard organizational and base (housekeeping) equipment.

8. *Technical Equipment*

Every effort will be made to ensure that Canadian industry is given a fair and reasonable opportunity to share in the production of the required technical equipment, within the objectives of the programme for the sharing of defence production tasks as agreed to by the two Governments.

9. *Manning*

All the new facilities will be manned by Canadian personnel. Canadian military personnel costs will be borne by Canada.

10. *Period of Operation*

The facilities will be operated for a period of ten years or such shorter period as may be agreed upon by the two Governments in the light of their mutual defence interests. After the ten year period, in the event that either Government concludes that the facilities are no longer required and the other Government does not agree, the question of continuing need will be referred to the Permanent Joint Board on Defence. In considering the question of need, the Permanent Joint Board on Defence will take into account the relationship of the facilities to any other similar installation established in the mutual defence interest of the two countries. Following consideration by the Permanent Joint Board on Defence, as provided above, either Government may decide that the facilities in question may be disposed of, in which case the arrangements shown in paragraph 11 below regarding ownership and disposition of the installations shall apply.

11. *Ownership and Disposal of Removable Property*

- (a) Ownership of all removable property brought into or purchased in Canada by the United States and placed on the sites, including readily demountable structures, shall remain in the United States. Subject to subparagraph 11 (b), the United States shall have the unrestricted right of removing or disposing of such property, *provided* that the removal or disposition shall not impair the operation of any installation whose discontinuance had not been determined in accordance with the provisions of paragraph 10 above, and *provided* further that removal or disposition takes place within a reasonable time after the date on which the operation of the installation has been discontinued.
- (b) The disposal in Canada of United States property imported into or purchased in Canada by the United States for these facilities and declared surplus to defence needs shall be the subject of consultation between the appropriate authorities of the two Governments. In the event that the SAGE equipment is declared surplus to defence needs, Canada shall have the option to acquire any or all of it at such time and subject to such conditions as shall be mutually agreed upon.

12. *Immigration and Customs Regulations*

- (a) Except as otherwise agreed, the direct entry of United States personnel from outside Canada shall be in accordance with Canadian customs and immigration procedures which will be administered by local Canadian officials designated by Canada.
- (b) Canada will take the necessary steps to facilitate the admission into the territory of Canada of such United States citizens as may be employed on the construction or operation of the facilities, it being understood that the United States will undertake to repatriate without expense to Canada any such persons if the contractors fail to do so.

13. *Taxes*

Canada shall grant remission of customs duties and excise taxes on goods imported and of federal sales and excise taxes on goods purchased in Canada, which are or are to become the property of the United States and are to be used in the establishment, maintenance or operation of the facilities. Canada shall also grant refunds by way of drawback of the customs duty paid on goods imported by Canadian manufacturers and used in the manufacture or production of goods purchased by or on behalf of the United States and to become the property of the United States in connection with the establishment, maintenance or operation of the facilities.

14. *Status of Forces*

The "Agreement between the Parties to the North Atlantic Treaty Regarding the Status of their Forces", signed in London on June 10, 1951,¹ shall apply.

¹ United Nations, *Treaty Series*, Vol. 199, p. 67; Vol. 200, p. 340; Vol. 260, p. 452, and Vol. 286, p. 380.

15. *Supplementary Arrangements and Administrative Agreements*

Supplementary arrangements and administrative agreements between appropriate agencies of the two Governments may be made from time to time for the purpose of carrying out the intent of this agreement.

II

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

EMBASSY OF THE UNITED STATES OF AMERICA

No. 82

Ottawa, September 27, 1961

Excellency :

I have the honor to refer to Your Excellency's Note No. 160 of September 27, 1961, concerning cost-sharing and related arrangements with respect to planned improvements in the Continental Air Defense system.

Your Excellency's note, together with its Annex, is acceptable to the Government of the United States of America, and your proposal that it and my reply constitute an agreement between our two Governments effective this date is also acceptable.

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

Willis C. ARMSTRONG
Chargé d'Affaires ad interim

His Excellency Howard C. Green
The Secretary of State for External Affairs
Ottawa