

The growing intensity of the war operations and the apprehension that still more serious perils will have to be faced in the very near future, necessitate the most careful examination of any proposed expenditure from the point of view of public need and in the light of war requirements.

In existing circumstances, the Canadian government desires to know whether the government of the United States is of the opinion, in view of the position in Canada, and, of course, the position in the United States as well, that the project, as outlined in the State Department's proposals of 1936 and 1938, and under consideration since that time, should now be proceeded with.

We have, of course, been fully aware of the desire of the government of the United States to have a treaty or agreement respecting the St. Lawrence waterway concluded at as early a date as possible, and negotiations, which have been carried on more or less continuously for some time past, have had in view the desire on our part to arrive, at the earliest possible date, at terms of agreement which would be mutually advantageous. We are also aware of the pronouncements, which have been made from time to time by the president, respecting the added emphasis given by the war to the importance alike of power and navigation developments in the Great Lakes-St. Lawrence waterway project. We are also duly appreciative of the agreement recently reached between our respective governments, whereby the province of Ontario has obtained the right to the immediate use of additional power at Niagara, and the diversion of the waters of the Ogoki and Long Lac rivers into lake Superior, in consideration of which, authority was given for the immediate investigation by United States engineers of the project in the international section of the St. Lawrence river in Ontario, in order to enable work of future development to proceed with the least possible delay, once an agreement between the two governments, respecting the St. Lawrence development was concluded.

We would naturally be prepared to give every consideration to power or navigation developments which the United States may deem necessary to the prosecution of measures calculated to aid Great Britain, Canada and other parts of the British commonwealth of nations in the present war, or to further the security of the United States itself against possible future events, which, at the moment, cannot be foreseen, but of which in times like the present full account must be taken. We realize that the government of the United States will be as solicitous as our own government to appraise the project at the present time in terms of its contribution to the efforts which are being put forward by our respective countries to preserve and to restore freedom.

It is from this point of view and in this spirit that we would ask that the St. Lawrence project be again reviewed by the government of the United States before an agreement or treaty be finally entered into.

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

W. L. MACKENZIE KING,

*Secretary of State for External Affairs.*