

"I have given careful consideration to your recent request that in view of the growing intensity of current war operations and the apprehension over perils which may have to be faced in the near future, the Government of the United States review the St. Lawrence project and give you an indication of its views as to whether, in the existing circumstances, this project as outlined in the State Department's proposals of 1936 and 1938 should not be proceeded with.

"May I say at the outset that I am aware of Canada's increasing war effort and I readily agree that it must have first call upon your country's resources and man power. I also agree that in view of the existing situation the most careful examination of any proposed expenditure is necessary from the point of view of the public need and in the light of defense requirements.

"With these considerations in mind, the Government of the United States has as you requested reviewed the St. Lawrence project. We have welcomed this occasion to review the project because of the fact that our own defense program renders it desirable that all public expenditures in the United States be weighed in the light of considerations similar to those set forth in your communication. The Government of the United States is engaged in a great defense program. It is determined to supply such aid in material to Great Britain, the members of the Commonwealth and their allies as may be necessary to enable them to bring the war to a successful termination. Simultaneously our own defenses are being strengthened to the extent necessary to prevent any foe from menacing the security of this hemisphere. It is indispensable that all public projects contemplated by the Government of the United States be considered from the standpoint of their relationship to these supreme objectives.

"The Government of the United States regards the Great Lakes-St. Lawrence basin project as directly associated with the accomplishment of the foremost national objectives of this Government. It believes that the project should be proceeded with and that construction should commence at the earliest possible moment. It regards the construction of this project as a matter of vital necessity.

"You refer to the engineering investigation now being conducted in the international section of the St. Lawrence River. I need hardly say that I directed the release of \$1,000,000 from the special defense fund for this purpose only because of my conviction that the completion of this project by 1945 might prove of vital importance to our defense effort. It is gratifying that there has been sufficient progress to make possible the initiation of construction this spring.