

OTTAWA

April 23, 1982

Dear Al,

I have been alerted to what could become a critical impasse in the discussions on financing of the Alaskan segment of the Alaska Natural Gas Transportation System.

As you well know, in addition to the bilateral agreement of 1977, our two Governments have jointly invested substantial efforts in support of this pipeline, which we have agreed is in the long-term security and energy interests of both our countries. The Canadian Government remains committed to the early completion of the project, based on private financing, but I am concerned that the various parties involved in the financing negotiations may fail to appreciate fully the implications of any significant delay on the willingness or ability of the Canadian Government and the Canadian companies involved to proceed with it at some later date.

The Canadian Northern Pipeline Commissioner, the Honourable Mitchell Sharp, is planning to convene a meeting of the producers and the sponsors of the Alaska portion next week in order to apprise them of the views and concerns of the Canadian Government. I am sure that a reiteration by you of the USA Government's support of the project, preferably in a public statement, would have a positive influence.

I am prepared to release this letter as a clear statement for the public record of our Government's position.

Yours sincerely,

Mark MacGuigan

The Honourable Alexander M. Haig,
Secretary of State,
Washington, D.C.