



*From The Secretary of State for External Affairs, Ottawa,
To The United States Minister to Canada, Ottawa,*

OTTAWA, March 5, 1941.

SIR,

I have the honour to refer to certain questions which have arisen in the course of the St. Lawrence Waterway negotiations, and which we have discussed recently.

2. As you are aware, my colleagues and I have been giving prolonged consideration to the problems presented by the St. Lawrence Waterway project. We have noted the progress made in the preparation of the engineering plans for the international section and in the drafting of the general agreement. There is, however, one consideration of a fundamental character to which we desire to call attention.

3. 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.

4. 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.

5. 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

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