

Canadian Embassy,
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No. 35

Sir,

I have the honour to refer to the discussion of the St. Lawrence Seaway and Power Project between the Prime Minister of Canada and the President of the United States which took place in Washington on September 28, 1951.

At that time, the President and the Prime Minister agreed on the vital importance to the security and the economies of both countries of proceeding as rapidly as possible with both the seaway and the power phases of the project. The Prime Minister indicated that the Canadian Government would be willing to construct the seaway as a solely Canadian project if it is not possible to have the joint development undertaken on the basis of the 1941 Agreement. The President agreed to support this Canadian action if an early commencement of the joint development did not prove possible.

The Canadian Parliament has recently passed legislation providing on the one hand, for a power development on the St. Lawrence River, to be undertaken by the Hydro-Electric Power Commission of Ontario and an appropriate agency in the United States, and on the other hand, for the establishment of the St. Lawrence Seaway Authority to construct the seaway either in cooperation with the United States, as provided for in the 1941 Agreement, or as a solely Canadian undertaking. This legislation may now be brought into force at any time by proclamation.

The Canadian Government is prepared to proceed with the construction of the seaway as soon as appropriate arrangements can be made for the construction of the power phase of the St. Lawrence project as well. Failing approval of the 1941 Agreement by the Congress, it will be necessary to refer the project to the International Joint Commission for approval. In order to proceed as rapidly as possible with the project, which the President and the Prime Minister have agreed is of vital importance, the cooperation of the United States Government in preparing concurrent applications for approval of the project to the International Joint Commission is requested.

Such a preparatory step would in no way prejudice the possibility of proceeding with the project on the basis of the 1941 Agreement in the event that the Congress should approve that Agreement. On the other hand, it is desirable to seek the approval of the International Joint Commission as soon as practicable in order to avoid any further delay in the event that the Congress does not approve the 1941 Agreement early in the present session.