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The Secretary of State for External Affairs
Canada

Ottawa, March 24, 1953

Dear Mr. Dulles:

I should like to refer to our conversation in Washington on February 15 when, among other matters, I mentioned to you the St. Lawrence Project.

The completion of the power aspect of this project is becoming increasingly urgent. Hence, I am taking the liberty of putting these views to you again at a time when, I feel certain, the United States Administration will wish to consider all aspects of the St. Lawrence Project.

From the Canadian viewpoint, all other major sources of hydro-electric power available in the area to be served by the power project have already been developed or are in the process of development. Even if construction of the St. Lawrence power project were to begin this spring, the work would barely be completed in time to avert a serious shortage of low-cost power which is already developing and which is expected to become acute by 1957. If the power project is not undertaken soon, this area of Canada will face a serious impairment of its industrial capacity.

You are no doubt aware that in this area are located industrial plants comprising approximately one-half of Canada's total manufacturing capacity. Many critical materials supplying the defence industries of both Canada and the United States are produced there. In the case of nickel, for example, some idea of the importance of this source of power in Canada is indicated by the fact that 90% of the free world's supply of nickel comes from the area served by the southern system of the Hydro-Electric Power Commission of Ontario.

The development of the power potential of the St. Lawrence River is thus a matter of prime importance and urgency to Canada.

The Honourable John Foster Dulles,
Secretary of State
Washington, D. C.

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If Canadian economic resources are to be adequately developed to meet civilian and defence needs, the Government of Canada must arrange for the construction of this power project without delay. The Government and people of Canada would, of course, very much like to see an immediate start made on the seaway. Indeed, all the necessary legislation has been enacted and all other prerequisite steps have been taken to enable the deep waterway to be constructed either by Canada alone or under mutually agreeable arrangements by both our Governments together. The immediate development of the power works, however, would in no way prejudice whatever arrangements may be mutually agreed upon for the development of the deep waterway.

I hope that this information may be of assistance to you. May I ask that you be good enough to bring this expression of the views of the Canadian Government to the attention of the President?

Yours sincerely,

/s/



L. B. Pearson