

Canadian Embassy



Ambassade du Canada

file 5.33  
1746 Massachusetts Avenue, N.W.  
Washington, D.C. 20036-1985  
May 29, 1987

Mr. Allen Wallis  
Under Secretary of State for  
Economic Affairs  
Department of State  
Room 7256  
2201 C Street, N.W.  
Washington, D.C. 20520

Dear Allen,

I am writing to inform you of the Canadian Government's concern about a proposed Presidential endorsement of the Trans-Alaska Gas System (TAGS) that would permit the export of Alaskan natural gas to Japan and other Pacific Rim countries. I understand that such a proposal is being given urgent consideration at the present time.

The construction of the TAGS project could undermine the commercial viability of the Alaskan Natural Gas Transportation System (ANGTS), in part because there may not be sufficient quantities of Alaskan gas to support both projects.

Under the Canada-United States Agreement on Principles Applicable to a Northern Natural Gas Pipeline and subsequent assurances exchanged by our two governments, including a joint resolution of Congress, both our countries have stated their strong support for the completion of ANGTS. In his October 6, 1981 letter to the Prime Minister of Canada, President Reagan expressed his personal support for the completion of this project. In particular, he indicated that ANGTS "is important not only in terms of its contribution to the energy security of North America, it is also a symbol of U.S.-Canadian ability to work together co-operatively in the energy area".

Under the above-noted agreement, both parties are under an obligation to consult on matters which affect the viability of ANGTS. We would expect that before any decisions are taken the Canadian Government would have the opportunity to hold full consultations with U.S. officials.

Yours sincerely,

Allan Gotlieb  
Ambassador