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WAR PRODUCTION BOARD

Washington, D.C.

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Office of
Donald M. Nelson
Chairman

December 11, 1943

Dear Senator Truman:

Thank you for your letter of December 2nd. enclosing copy of your letter of the same date to Judge Patterson concerning disposition of the Canol project.

As a consequence of your letters, a meeting was called on December 9th by the Secretary of War and attended by the Secretary of the Navy, Petroleum Administrator for War, Judge Patterson, Mr. Whitney, and myself. Also present were several military and naval officers. At the meeting Mr. Knox, Mr. Ickes, and I declared ourselves as being opposed to the completion of the Canol project.

As is already known to you, the War Production Board has, from the time that it first learned of this project, expressed its unqualified opposition. This was done in the correspondence exchanged between the Chairman of our Facilities Board and the War Department, and later in a special report prepared for me by Mr. Whitney.

The recent hearings held by your Committee, in my opinion, served to make it even more clear and apparent that the Canol project was ill advised. And nothing that was said at the meeting in Mr. Stinson's office has served to mitigate in any way my opposition to its continuance.

With respect to the probable loss of the \$77,000,000 in the event it is decided to abandon the Canol project, I submit that the emphasis should be placed on the \$30,000,000 yet remaining to be spent in order to complete this project. In my opinion this amount of money, expressed in terms of manpower, equipment, materials, and transportation, cannot be justified. Moreover, this sum does not fully reflect the total outlay, for according to my understanding it does not include the pay and subsistence of large numbers of military personnel employed directly or indirectly on this work. In addition, many experts gravely doubt that the project as a whole can be brought to successful operation on the dates now scheduled and that in any event the cost of operation and maintenance will prove unjustifiable, even in time of war.

It is my opinion, therefore, that it would be the lesser of two evils to put a stop to the Canol project now, except for the product distribution lines, and that every effort should be made to salvage as much material and equipment as possible to be put to more productive use elsewhere. The petroleum requirements of the area in question can well continue to be supplied through the same methods employed during the past two years of the war, when admittedly the strategic situation was much more critical than it is today.

Sincerely yours,

(signed)

Donald M. Nelson

The Honorable Harry S. Truman
United States Senate

cc - The Honorable Henry L. Stimson
The Honorable Frank Knox
The Honorable Harold L. Ickes