

UNCLASSIFIEDPERMANENT JOINT BOARD ON DEFENCE
CANADA-UNITED STATES

APRIL, 1953, MEETING

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2 April 1953

CANADIAN SECTION
Room 276, East Block,
Ottawa, Ontario.AGENDA MEMORANDUM FOR THE MEMBERS PJBD - CANADA-UNITED STATESSUBJECT: ST. LAWRENCE SEAWAY AND POWER PROJECT

1. At a meeting held in Montreal on December 16 and 17, 1948, the Permanent Joint Board on Defence formulated five conclusions strongly urging early development of the Great Lakes-St. Lawrence waterway and power project as being in the best interests of the joint defence of Canada and the United States, and recommended "that every effort be made to overcome the obstacles which are now delaying the completion, by the United States and Canada, of the Great Lakes-St. Lawrence waterway and power project".
2. This matter was reviewed again by the Board early in 1951 and, in the light of the rapidly deteriorating international situation in the Far East, the Board reaffirmed the stand previously taken in support of the waterway and power project and recommended, at its meetings of January 30-February 1, 1951, "that the two Governments take immediate action to implement the 1941 St. Lawrence Agreement as a vital measure for their common defence."
3. In view of the important developments relating to the seaway and power project which have taken place during the past two years, the Board may again wish, in the light of the present defence needs of both countries, to emphasize the importance of taking early action for the development of the seaway and power project.
4. As is well known, none of the repeated efforts made since World War II to obtain Congressional approval of the 1941 Agreement have met with success. In September 1951, following a visit to the White House by the Prime Minister of Canada, Mr. Truman stated that, although he still preferred joint development of both the seaway and power by the United States and Canada, he would be prepared, if Congress did not take early action to implement the 1941 Agreement, to support the alternative proposal placed before him by Mr. St. Laurent to the effect that Canada and the United States should make a joint application to the International Joint Commission seeking approval for the construction, by entities to be named by the respective Governments, of the power and regulatory works in the International Rapids Section of the St. Lawrence River. Mr. St. Laurent, at the same time, agreed that, when all necessary arrangements

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had been made for the development of power in the International Rapids Section, Canada would undertake alone to add, concurrently with the power development, whatever other works were required to ensure the completion of an uninterrupted 27-foot waterway between Lake Erie and the Port of Montreal.

5. In December of that year, the Parliament of Canada passed legislation approving a new agreement between the Government of Canada and the Government of the Province of Ontario for the development of the Canadian share of power in the International Rapids Section of the river and authorizing the establishment of a St. Lawrence Seaway Authority for the purpose of constructing the deep waterway between Lake Erie and the Port of Montreal.

6. On June 30, 1952, joint applications of the Governments of Canada and the United States were submitted to the International Joint Commission in respect of the power development. Notes exchanged between the two Governments on the same date reaffirmed Canada's undertaking to add the necessary works for navigation when all steps had been taken to enable power to be developed in accordance with the joint applications. On October 29, 1952, the International Joint Commission issued an Order approving the power development and on November 4, 1952, the Government of the United States was informed that the Canadian Government considered the 1941 Agreement as having been superseded and that, consequently, Canada did not propose to take any steps to have that agreement ratified. The United States Government noted the Canadian withdrawal from the 1941 Agreement and agreed that, in the circumstances, the United States should now cooperate fully with the Canadian Government for the development of the St. Lawrence project on the basis set forth in the plan approved by the International Joint Commission and in the Notes exchanged on June 30, 1952.

7. The Hydro-Electric Power Commission of Ontario is now fully authorized to develop the Canadian share of the power. An appropriate entity has yet to be authorized to undertake construction of the U.S. share of the power. The Power Authority of the State of New York and the Public Power and Water Corporation of Trenton, New Jersey, both submitted applications for licences to the Federal Power Commission in the autumn of 1952. The Federal Power Commission concluded its public hearings on these applications on February 27, 1953, but has not, as of this date, made known its decision in the matter.

8. In a Note addressed to the U.S. Ambassador at Ottawa on January 9, 1953, the Government of Canada indicated that, once the works for power were under construction jointly by the Hydro-Electric Power Commission of Ontario and the entity designated by the United States, Canada was fully prepared to construct the navigation works alone. However, once an entity was designated by the United States and authorized to proceed, Canada was prepared to discuss any specific alternative plan the United States Government might wish to make for joint development of the seaway provided such discussion did not cause any delay in the completion of the power project.

9. The reasons which in the past prompted the Permanent Joint Board

on Defence to support so strongly early construction of the St. Lawrence power and navigation project remain not only as valid today as they were then but have, if anything, become even more compelling in the light of present conditions and the ever increasing requirements that must be met if Canada and the United States are to be afforded that degree of defence preparedness which can truthfully be termed adequate.

10. In so far as the purely hydro-electric aspect of the project is concerned, developments have been such during the past few years that, from a defence production point of view, the need for the more than two million horse-power available in the International Rapids Section is much more urgent and pressing now than was the case in 1948 or even in 1951.

11. Nearly one half of Canada's current production of defence goods flows from that area in Ontario to be served by the proposed power development in the International Rapids Section. Unless an almost immediate start is made on the power development, Ontario will face an acute shortage of hydro-electric power by 1957, which is bound to have a direct adverse effect on defence procurement programmes not only in Canada but in the United States as well. From plants in this area, the Canadian Armed Forces receive over 80% of their mechanical transport, about 60% of their electronic and communications equipment, the Orenda jet engines used in both the CF-100 and the F-86E. As is well known, Canada is depending on the CF-100, the all-weather night interceptor, to fulfill her role in the joint air defence of the North American continent and the F-86E is flown in Korea and Europe (NATO). The propulsion units to equip Canadian naval escort vessels are produced in this area in which is also located the only Canadian source of synthetic rubber. In short, from this area comes 55% of the aircraft, 40% of the ammunition and explosives, 25% of the weapons and 25% of the ships required by the Canadian Armed Forces.

12. In line with a policy which has long been strongly advocated by the Permanent Joint Board on Defence, a great volume of defence goods is procured by Canada in the United States and by the United States in Canada. From the area concerned in Ontario, the United States obtains aircraft, ammunition, explosives, airplane sub-assemblies, helicopter power drive gearings, turbine blades and components. Ontario produces practically all the electronic gear and most of the building materials that will enter into the early warning radar screen which is being erected for the joint protection of this continent.

13. Over and above the finished products mentioned above, this area of Canada also produces highly important strategic materials, ferrous and non-ferrous metals, aluminum, magnesium and industrial chemicals. Over 90% of the supply of nickel available to the United States comes from the Province of Ontario. From this area also comes all the cobalt, calcium and platinum group metals produced in and exported from Canada. The United States obtains approximately 10% of its cobalt, selenium and tellurium requirements from Ontario. Half of Canada's copper comes from Ontario where is also located over 90% of Canadian aluminum rolling mill and other fabricating capacity. Furthermore, Ontario plants account for one-half of the brass and copper rod and wire mill capacity of Canada, over one-half of the white metal alloy

production

production, half of the industrial chemicals and over 40% of Canada's primary plastics production.

14. It is clear, from the above, that the essential defence requirements of Canada and, to a more limited but nonetheless real extent, those of the United States are very largely dependent on the continuing activity and expansion of the vast industrial plant located in the Province of Ontario. It is only too evident that such expansion may be seriously jeopardized unless a very early start is made on the development of the power potential available in the International Rapids Section.

15. In the circumstances the Permanent Joint Board on Defence may deem it advisable not only to reaffirm its previous recommendations regarding early completion of both the seaway and the power developments but also to draw the attention of the Governments of Canada and the United States to the fact that the St. Lawrence project, both for navigation and power, is no longer simply something from which our common defence measures would derive substantial benefits, but something which, with the passing of time, has become an urgent requirement in the arrangements for the defence of the North American continent.

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