

MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)



National Library
of Canada

Acquisitions and
Bibliographic Services Branch

395 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Vous pouvez nous téléphoner à

Cherchez votre adresse à

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

Canada

**The St. Lawrence Seaway Question, 1950-1954:
The Canadian Perspective**

by

Christopher Pattison

**A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfillment of
the requirements for the degree of**

Master of Arts

Department of History

**Carleton University
Ottawa, Ontario
March 25, 1994
©copyright
1994, Christopher Pattison**



National Library
of Canada

Acquisitions and
Bibliographic Services Branch

395 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file / Votre référence

Our file / Notre référence

The author has granted an irrevocable non-exclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of his/her thesis by any means and in any form or format, making this thesis available to interested persons.

L'auteur a accordé une licence irrévocable et non exclusive permettant à la Bibliothèque nationale du Canada de reproduire, prêter, distribuer ou vendre des copies de sa thèse de quelque manière et sous quelque forme que ce soit pour mettre des exemplaires de cette thèse à la disposition des personnes intéressées.

The author retains ownership of the copyright in his/her thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without his/her permission.

L'auteur conserve la propriété du droit d'auteur qui protège sa thèse. Ni la thèse ni des extraits substantiels de celle-ci ne doivent être imprimés ou autrement reproduits sans son autorisation.

ISBN 0-315-92965-0

Canada

Name Christopher Pattison

Dissertation Abstracts International is arranged by broad, general subject categories. Please select the one subject which most nearly describes the content of your dissertation. Enter the corresponding four-digit code in the spaces provided.

History - Canadian

SUBJECT TERM

0334

U·M·I

SUBJECT CODE

Subject Categories

THE HUMANITIES AND SOCIAL SCIENCES

COMMUNICATIONS AND THE ARTS

Architecture 0729
 Art History 0377
 Cinema 0900
 Dance 0378
 Fine Arts 0357
 Information Science 0723
 Journalism 0391
 Library Science 0399
 Mass Communications 0708
 Music 0413
 Speech Communication 0459
 Theater 0465

EDUCATION

General 0515
 Administration 0514
 Adult and Continuing 0516
 Agricultural 0517
 Art 0273
 Bilingual and Multicultural 0282
 Business 0688
 Community College 0275
 Curriculum and Instruction 0727
 Early Childhood 0518
 Elementary 0524
 Finance 0277
 Guidance and Counseling 0519
 Health 0680
 Higher 0745
 History of 0520
 Home Economics 0278
 Industrial 0521
 Language and Literature 0279
 Mathematics 0280
 Music 0522
 Philosophy of 0998
 Physical 0523

Psychology 0525
 Reading 0535
 Religious 0527
 Sciences 0714
 Secondary 0533
 Social Sciences 0534
 Sociology of 0340
 Special 0529
 Teacher Training 0530
 Technology 0710
 Tests and Measurements 0288
 Vocational 0747

LANGUAGE, LITERATURE AND LINGUISTICS

Language
 General 0679
 Ancient 0289
 Linguistics 0290
 Modern 0291
 Literature
 General 0401
 Classical 0294
 Comparative 0295
 Medieval 0297
 Modern 0298
 African 0316
 American 0591
 Asian 0305
 Canadian (English) 0352
 Canadian (French) 0355
 English 0593
 Germanic 0311
 Latin American 0312
 Middle Eastern 0315
 Romance 0313
 Slavic and East European 0314

PHILOSOPHY, RELIGION AND THEOLOGY

Philosophy 0422
 Religion
 General 0318
 Biblical Studies 0321
 Clergy 0319
 History of 0320
 Philosophy of 0322
 Theology 0469

SOCIAL SCIENCES

American Studies 0323
 Anthropology
 Archaeology 0224
 Cultural 0326
 Physical 0327
 Business Administration
 General 0310
 Accounting 0272
 Banking 0770
 Management 0454
 Marketing 0338
 Canadian Studies 0385
 Economics
 General 0501
 Agricultural 0503
 Commerce Business 0505
 Finance 0508
 History 0509
 Labor 0510
 Theory 0511
 Folklore 0358
 Geography 0366
 Gerontology 0351
 History
 General 0578

Ancient 0579
 Medieval 0581
 Modern 0582
 Black 0328
 African 0331
 Asia, Australia and Oceania 0332
 Canadian 0334
 European 0335
 Latin American 0336
 Middle Eastern 0333
 United States 0337
 History of Science 0585
 Law 0398
 Political Science
 General 0615
 International Law and Relations 0616
 Public Administration 0617
 Recreation 0814
 Social Work 0452
 Sociology
 General 0626
 Criminology and Penology 0627
 Demography 0938
 Ethnic and Racial Studies 0631
 Individual and Family Studies 0628
 Industrial and Labor Relations 0629
 Public and Social Welfare 0630
 Social Structure and Development 0700
 Theory and Methods 0344
 Transportation 0709
 Urban and Regional Planning 0999
 Women's Studies 0453

THE SCIENCES AND ENGINEERING

BIOLOGICAL SCIENCES

Agriculture
 General 0473
 Agronomy 0285
 Animal Culture and Nutrition 0475
 Animal Pathology 0476
 Food Science and Technology 0359
 Forestry and Wildlife 0478
 Plant Culture 0479
 Plant Pathology 0480
 Plant Physiology 0817
 Range Management 0777
 Wood Technology 0746
 Biology
 General 0306
 Anatomy 0287
 Biostatistics 0308
 Botany 0309
 Cell 0379
 Ecology 0329
 Entomology 0353
 Genetics 0369
 Limnology 0793
 Microbiology 0410
 Molecular 0307
 Neuroscience 0317
 Oceanography 0416
 Physiology 0433
 Radiation 0821
 Veterinary Science 0778
 Zoology 0472
 Biophysics
 General 0786
 Medical 0760

Geodesy 0370
 Geology 0372
 Geophysics 0373
 Hydrology 0388
 Mineralogy 0411
 Paleobotany 0345
 Paleocology 0426
 Paleontology 0418
 Paleozoology 0985
 Palynology 0427
 Physical Geography 0368
 Physical Oceanography 0415

HEALTH AND ENVIRONMENTAL SCIENCES

Environmental Sciences 0768
 Health Sciences
 General 0566
 Audiology 0300
 Chemotherapy 0992
 Dentistry 0567
 Education 0350
 Hospital Management 0769
 Human Development 0758
 Immunology 0982
 Medicine and Surgery 0564
 Mental Health 0347
 Nursing 0569
 Nutrition 0570
 Obstetrics and Gynecology 0380
 Occupational Health and Therapy 0354
 Ophthalmology 0381
 Pathology 0571
 Pharmacology 0419
 Pharmacy 0572
 Physical Therapy 0382
 Public Health 0573
 Radiology 0574
 Recreation 0575

Speech Pathology 0460
 Toxicology 0383
 Home Economics 0386

PHYSICAL SCIENCES

Pure Sciences
 Chemistry
 General 0485
 Agricultural 0749
 Analytical 0486
 Biochemistry 0487
 Inorganic 0488
 Nuclear 0738
 Organic 0490
 Pharmaceutical 0491
 Physical 0494
 Polymer 0495
 Radiation 0754
 Mathematics 0405
 Physics
 General 0605
 Acoustics 0986
 Astronomy and Astrophysics 0606
 Atmospheric Science 0608
 Atomic 0748
 Electronics and Electricity 0607
 Elementary Particles and High Energy 0798
 Fluid and Plasma 0759
 Molecular 0609
 Nuclear 0610
 Optics 0752
 Radiation 0756
 Solid State 0611
 Statistics 0463
Applied Sciences
 Applied Mechanics 0346
 Computer Science 0984

Engineering
 General 0537
 Aerospace 0538
 Agricultural 0539
 Automotive 0540
 Biomedical 0541
 Chemical 0542
 Civil 0543
 Electronics and Electrical 0544
 Heat and Thermodynamics 0348
 Hydraulic 0545
 Industrial 0546
 Marine 0547
 Materials Science 0794
 Mechanical 0548
 Metallurgy 0743
 Mining 0551
 Nuclear 0552
 Packaging 0549
 Petroleum 0765
 Sanitary and Municipal System Science 0790
 Geotechnology 0428
 Operations Research 0796
 Plastics Technology 0795
 Textile Technology 0994

PSYCHOLOGY

General 0621
 Behavioral 0384
 Clinical 0622
 Developmental 0620
 Experimental 0623
 Industrial 0624
 Personality 0625
 Physiological 0989
 Psychobiology 0349
 Psychometrics 0632
 Social 0451




The undersigned recommend to the Faculty of Graduate
Studies and Research acceptance of the thesis

"CANADA AND THE ST. LAWRENCE SEAWAY QUESTION: 1950-1954"


submitted by

Christopher C. Pattison, B.A. Honours

in partial fulfilment of the requirements
for the degree of Master of Arts



Thesis Supervisor



Chair, Department of History

Carleton University

16 May 1994

ABSTRACT

There has been a great wealth of material written on the St. Lawrence Seaway and power project. Surprisingly, historians have paid little attention to the years from 1950 to 1954. During this period, the St. Laurent government grew increasingly frustrated with American inaction on the seaway issue and decided that the waterway would be built by Canada alone, exclusively within Canadian territory. However, this decision was ultimately abandoned by the government in exchange for a joint seaway plan. By relying on untapped Canadian government manuscripts, this thesis will examine the reasons why the St. Laurent government chose not to construct the seaway unilaterally and will analyze the 1954 Canadian-American seaway negotiations.

ACKNOWLEDGEMENTS

During the course of creating this thesis, I have drawn on the assistance of many people to whom I am eternally grateful. I wish to recognize the staff of the National Archives of Canada for their direction in finding research materials. Archivists Paulette Dozoise and Dave Smith were guiding lights in an environment which was overwhelming to a first-time archive user.

My gratitude is extended to the faculty and staff of Carleton University. Among these colleagues, I would like to express particular thanks to Joan Lloyd and my professors Del Muise and Kerry Abel. Immense thanks are due to my advisor Norman Hillmer who has provided professional support, stimulating guidance and unfailing encouragement during my work at Carleton.

Finally, my loving family and friends have supported me throughout the course of this research. I am delighted to acknowledge my parents Clifton and Margarita Pattison who have been there from the beginning, encouraging me to do my best in all endeavours. In addition, I cannot thank my wife Mary enough for the hours she spent listening to me carrying on about my thesis and the various obstacles I encountered. If it were not for her support and careful assistance in editing the final text, it is doubtful that I would have made it this far.

*We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And to know this place for the first time.*

T.S. Eliot, *Four Quartets*

TABLE OF CONTENTS

ABSTRACT	ii
ACKNOWLEDGEMENTS	iii
TABLE OF CONTENTS	iv
LIST OF ABBREVIATIONS	v
CHAPTER ONE	
The Rise of the All-Canadian Seaway	1
CHAPTER TWO	
Challenges to the All-Canadian Plan	26
CHAPTER THREE	
The 1954 Seaway Negotiations	88
CONCLUSION	122
BIBLIOGRAPHY	134

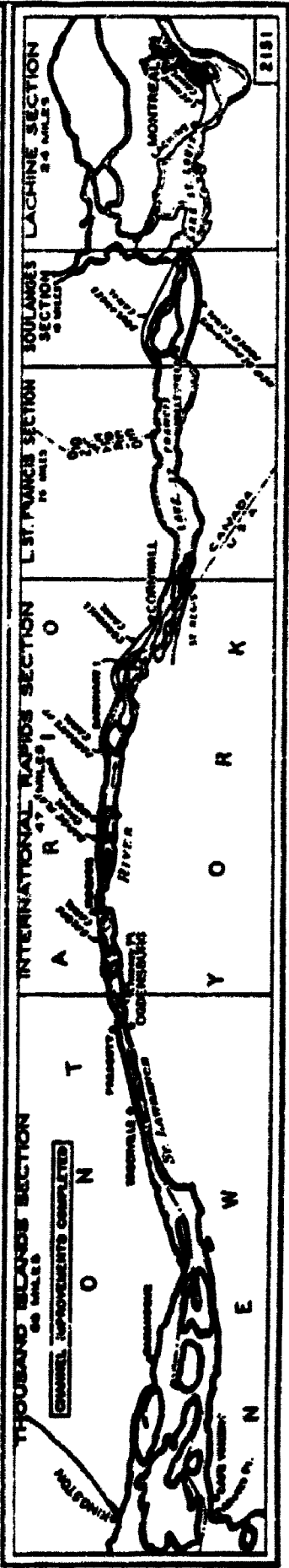
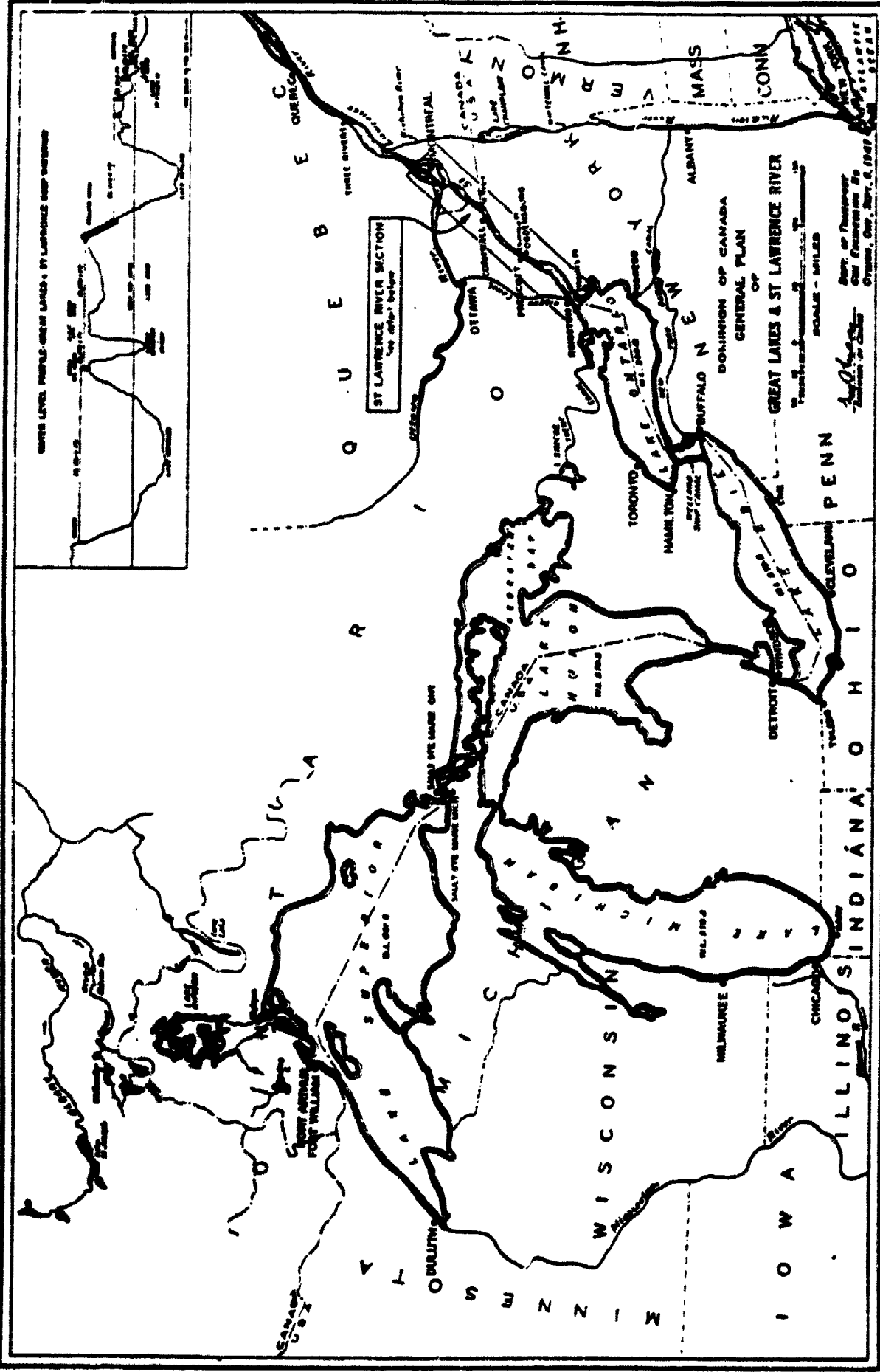
LIST OF ABBREVIATIONS

EA	External Affairs
FPC	Federal Power Commission
HEPCO	Hydro-Electric Power Commission of Ontario
IJC	International Joint Commission
IRS	International Rapids Section
MG	Manuscript Group
NAC	National Archives of Canada
NSRB	National Security Resources Board
PASNY	Power Authority of the State of New York
RG	Record Group
UK	United Kingdom
US	United States

INTRODUCTION

In 1954, the Canadian and American governments agreed to jointly construct and maintain a seaway along the St. Lawrence River. A series of four 27-foot deep locks and canals were to be located in those parts of the river where navigation was not possible because of rapids. Prior to 1954, the Canadian government had already constructed two of these installations in the exclusively Canadian segment of the river. Two more facilities were needed within the 115 mile section of the St. Lawrence which lies directly on the Canadian-American boundary; these installations were to be constructed within a small stretch of this international portion - the International Rapids Section (IRS-see map on following page).¹ Once these modern navigation works were constructed, the existing 14-foot canal system which Canada owned and operated would become obsolete. Atlantic freighters would no longer be obliged to stop in Montreal and engage in the costly and time-consuming exercise of transferring their cargoes onto barges with a shallow draft. The Great Lakes would thus be open to continuous deep-sea navigation. In addition to the seaway, Canada and the United States in the same year agreed to construct jointly hydro-electric power facilities along the IRS.

¹Department of Transport The St. Lawrence Deep Waterway (Ottawa, 1944), 50.



Prior to the seaway's completion, there were five distinct periods during which Canadians constructed navigation facilities within the Great Lakes-St. Lawrence region. The first was in the late seventeenth century when Dollier de Casson, the Superior of New France's Sulpician Seminary, made plans to build a small side canal to by-pass the Lachine Rapids along the St. Lawrence just south of Montreal. By the turn of the century, Casson's Lachine Canal was well on the way to becoming Canada's first navigation facility to circumvent the rapids of the St. Lawrence.

The outbreak of the American Revolution prompted British North Americans to embark on their second phase of navigation construction. If the fighting moved too far to the north, British troops and supplies could be more easily transported by water than over land. Consequently, in order to avoid the rapids between Lakes St. Louis and St. Francis, His Majesty's Royal Engineers built the Soulanges Canals - a series of four small canals on the north shore of the St. Lawrence River south-west of Montreal.²

Forty years later, a third phase began when a group of Upper Canadian investors, led by William Hamilton Merritt, formed the Welland Canal Company. They secured a charter from the Lieutenant-Governor to construct a waterway

²Lionel Chevrier, The St. Lawrence Seaway (Toronto, 1959), 20.

joining Lakes Erie and Ontario, which would have the effect of enabling ships to by-pass the falls and river at Niagara. By 1829, the 326-foot drop between these two lakes no longer constituted a barrier to navigation and all six-foot draft vessels could pass through a canal at Welland. Eventually, the Welland Canal Company was sold to the federal government.

During the 1850's the Americans embarked on a series of navigation improvements in the Great Lakes and connecting channels. They dredged a series of channels through the St. Mary's, St. Clair and Detroit Rivers which enabled ships with drafts of up to 25-feet to travel from one lake to another. These efforts proved to be invaluable to the inter-lake commerce of both nations.

However, the greatest American achievement was the construction of the Erie Canal which, by 1845, was proving to have a devastating effect on the economy of Lower Canada. Soon after its completion, farm products from the North American mid-west had a direct outlet to the Atlantic port of New York. Within months of the canal's opening "Canada's greatest city had suffered a temporarily crippling blow.....Montreal, in its fight to become the eastern port for the middle west, had been beaten by more energetic and better organized opponents."³ If the Erie Canal were to become central and western Canada's cheap

³Ibid., 24.

outlet to the sea, "the rich heartland of the country could be reluctantly forced to entrust its millions of tons of freight to American carriers."⁴ An efficient route to the sea through Canadian territory had now become a necessity.

This competition forced Canada into its fourth phase of navigation construction. In 1845 Canada East built the Beauharnois Canal, on the south side of the St. Lawrence, just west of Montreal, and also deepened the Lachine facility from six to nine-feet. The government of Canada West constructed a second Welland Canal and a series of 14-foot installations between Cornwall and Kingston, Ontario.⁵ Canada now possessed a complete waterway, albeit a shallow one, from Lake Erie to Montreal.

It was not until 1932 that a Canadian government would construct any additional navigation facilities. As part of a nation-wide make-work project, the Bennett government had the Welland facilities dredged to a depth of 25-feet. Since it would now be easier for the increasing number of deep-draft vessels to pass between Lakes Erie and Ontario, this plan of modernization was done to steer as much shipping away from the Erie Canal as possible.⁶ This was the last navigation project undertaken in the St. Lawrence River until work on the seaway began in the fall of 1954.

⁴Ibid., 26.

⁵Ibid., 26.

⁶Ibid., 27.

The importance of the river, particularly the International Rapids Section, was not confined to navigation alone. If developed properly, it could provide an inexhaustible source of electricity for both nations. By the turn of the nineteenth century, hydro-electricity was emerging as an important source of motive power and light in the United States and Canada.⁷

Although initially concentrating their efforts at Niagara Falls, the Americans would soon realize the great potential of the St. Lawrence River. In 1902, the Pittsburgh Reduction Company was the first corporation on either side of the border to construct a large power-generating facility within the U.S. portion of the IRS.

Canadians quickly followed suit. By 1909, a number of small power companies had built hydro-electric generators along the St. Lawrence just west of Montreal. Power was also coming into the country from the facilities at Niagara. Still, these installations were not keeping up with Canadian and American power needs. Only a large dam crossing the entire IRS of the St. Lawrence would be capable of harnessing the amount of power necessary to meet the rising electricity demands of both nations. In light of these circumstances and the prohibitive cost of building such a facility, there would have to be some form of

⁷William R. Willoughby, The St. Lawrence Waterway: A Study in Politics and Diplomacy, (Madison, Wisconsin, 1961), 78.

collaboration between Canada and the United States.⁸

At the time, however, co-operation seemed unlikely. Still recovering from the settlement of the Alaskan Boundary Dispute in 1903, Prime Minister Wilfrid Laurier thundered in Parliament that "the best and most effective way to maintain friendship with our American neighbours is to be absolutely independent of them."⁹ In addition, Canada's Governor General, Lord Minto, was a long-time critic of Americans and was certain that the United States "eventually mean[+] to possess Canada for [it]self".¹⁰ This had the effect of reinforcing Laurier's suspicion of the U.S., preventing the Prime Minister from seizing opportunities to better Canada's relations with its southern neighbour. The fact that Britain's ambassador to the United States, Sir Henry Mortimer Durand, was indifferent to the views of Canada strained Canada-American ties even further.¹¹

This period of icy relations was short-lived. When a number of Canadian politicians directed a raft of complaints against Britain's apparent nonchalance towards

⁸Ibid., 82.

⁹Quoted in Willoughby, 69.

¹⁰Quoted in J.L. Granatstein and Norman Hillmer, For Better Or For Worse: Canada and the United States to the 1990s (Toronto, 1991), 36.

¹¹Ibid., 36.

the Dominion's interests, the Whitehall government, in 1907, replaced Minto with Earl Grey and Durand with James Bryce. Since both men passionately advocated a strong British-American friendship, it seemed that Canadian-American relations now had a real chance for improvement.¹² Once in office, these individuals immediately sought solutions to the long list of differences that plagued Canada's relations with the United States. Before long, an era of 'good-neighbourliness' began. Various agreements were signed and both countries were acquiring the habits of peaceful collaboration. "Not only were they learning to think alike on the important issues of the day, they were learning to tackle common problems in a co-operative manner."¹³ The signing of the 1909 Boundary Waters Treaty, which created the International Joint Commission, was an important example of this new willingness to co-operate.

This treaty was to play a crucial role in the eventual joint construction of the power project and the seaway. It contained the procedures to be followed if Canada and the United States were to construct hydro-electric power dams across the IRS. According to Article IV, both nations agreed that,

¹²Ibid., 38.

¹³Willoughby, 77.

they will not permit the construction or maintenance....of any dams.... obstructions in waters flowing from boundary waters....the effect of which is to raise the natural level of waters on either side of the boundary unless the construction and maintenance thereof is approved by the....International Joint Commission.¹⁴

The International Joint Commission (IJC) was created to handle any problems arising from the use and sharing of frontier waters and was comprised of three Canadian and three American commissioners.¹⁵ If Canada submitted an application to the IJC for the construction of a power dam across the IRS, the American commissioners would not be inclined to approve the project unless both nations participated. Since the IRS was a boundary water and the construction of a power dam from one side of the border to the other would definitely result in raised water levels, the 1909 Boundary Waters Treaty had the effect of making it impossible for either nation to construct large-scale power facilities unilaterally within the IRS of the St. Lawrence, where the potential for generating hydro-electricity was the greatest. For almost fifty years, the Canadian and American governments were either unwilling or unable to reach an agreement on any specific plans for the

¹⁴R.R. Baxter, ed., Documents on the St. Lawrence Seaway, (London, 1960), 9.

¹⁵C.J. Chacko, The International Joint Commission Between the United States of American and the Dominion of Canada (New York, 1932), 7.

construction of power and navigation facilities along the St. Lawrence River.

During the 1920s, the Mackenzie King administration twice refused requests from the American government to negotiate a combined power and navigation treaty for the St. Lawrence River. In 1922, President Harding recognized both nations' need for improved transportation and inexpensive electricity and sent a note to King which proposed Canadian and American participation in the development of a joint seaway and power project. King returned a negative reply. Canada's participation in World War One had burdened the country with a public debt of more than \$2,500,000,000. Moreover, construction of the Welland Ship Canal was proving to be more expensive than anticipated, the government was already committed to complete the Hudson Bay Railway and the country was in a recession.¹⁶ Many Canadians would have undoubtedly criticized King for embarking on an expensive construction project.

As the Canadian economy began showing signs of improvement in the mid 1920s, King agreed to create with the Americans a Joint Board of Engineers which would assess the navigation and power potential along the St. Lawrence.¹⁷ After its first study, the Board recommended the immediate development of facilities within the International Rapids

¹⁶Willoughby, 98.

¹⁷Ibid., 110.

Section. However, King decided not to participate with the Americans at that time. Quebec's Premier L.A. Tashereau had convinced the Prime Minister that his province could meet central Canada's demand for hydro-electricity, and that the existing 14 foot-canals were adequate.¹⁸

By the 1930s a number of noteworthy changes had taken place in Canada, making the environment suitable for discussing a joint seaway and power project with the Americans. King's Liberal government had been defeated and Canada's Conservative Prime Minister, R.B. Bennett, was much more committed to the construction of a seaway. In addition, Ontario's demand for inexpensive electricity was growing rapidly, as were the number of pro-seaway groups throughout the country. Quebecers, who had earlier opposed the construction of a seaway out of fear that ships would by-pass Montreal, had become tolerant of the idea.¹⁹ Consequently, Bennett welcomed an invitation by the American government to negotiate a treaty calling for the joint construction of navigation and power facilities along the St. Lawrence River.

The St. Lawrence Deep Waterway Treaty was signed in 1932, and represented the first attempt by both nations to reach an agreement dealing exclusively with the development of the St. Lawrence River. Wherever needed, 27-foot channels were to be dredged from Lake Superior to the Gulf of St.

¹⁸Ibid., 112.

¹⁹Ibid., 137.

Lawrence. There was to be an even division of the estimated 2,200,000 kilowatts of energy to be developed in the IRS. The United States would deepen all connecting channels in the Great Lakes and those in the Thousand Island region to a depth of 27-feet. Navigation and power works along the IRS would be constructed as a co-operative project under the supervision of a Joint St. Lawrence- International Rapids Commission. Canada was to make all the essential improvements within the exclusively Canadian section of the river. All costs were to be divided equally between the two countries, Canada being given credit for the \$132 million it had already spent on the new Welland Canal. Since hydro-electric power generation fell within the domain of the provinces of Canada and the individual states of America, the cost of constructing these facilities was to be paid by Ontario and New York.²⁰

The precise locations where the new navigation and hydro-electric facilities were to be constructed were not specifically outlined in the treaty. Canada and the United States were both to construct one lock and canal in their respective portions of the IRS and a power generating dam was to be erected at either end of the IRS.²¹

²⁰William R. Willoughby, "The St. Lawrence Waterway Understanding", International Journal 10:4 (Autumn 1955), 243.

²¹Ibid., 243.

Sentiment in both countries seemed to favour the joint development of power and navigation works. Bennett was prepared to wage a fight to secure Parliamentary ratification as soon as the American Senate had given its approval.²² After lengthy consideration, however, the U.S. Senate was unable to obtain the two-thirds majority necessary to pass the treaty. The arguments from a strong and vocal opposition were the cause of its defeat.

During the 1930s, Congress was evenly divided on the seaway issue. Representatives from the Atlantic states who were interested in preserving the transshipment industry of the east coast favoured the construction of power facilities, but feared the competition that a completed seaway would bring. The states of the interior supported the proposed power facilities, as well as the completion of a water-borne transportation system that would extend into the heart of the continent.²³ This apparent rift within Congress would continue until 1954, preventing the success of any agreement for the joint construction of a seaway.

With the Dominion's entry into World War Two, central Canada received a massive number of war orders and the province of Ontario underwent a steady industrial expansion. If new and inexpensive supplies of electricity were not

²²Willoughby, 148.

²³Willoughby, "The St. Lawrence Seaway Understanding", 243.

quickly forthcoming, Canada's industrial heartland could potentially face a power shortage.²⁴ Responding to this situation, Prime Minister King sought to reach an agreement with the United States for the harnessing of the full potential of the St. Lawrence.

These negotiations differed substantially from the 1932 Treaty. Most importantly, the negotiations culminated in an Executive Agreement, requiring only a majority vote in Congress. This Agreement encompassed the redevelopment of Niagara Falls and revised earlier construction plans for the power and navigation aspects of the project. Instead of having two power dams, only one major generator would be constructed at the east end of the IRS, while a smaller control dam would be built at the west end. In addition, all navigation facilities within the IRS were to be constructed on the American side.²⁵

King chose not to present his legislation to Parliament until the agreement had cleared all possible hurdles south of the border. However, Japan's attack on Pearl Harbor, which brought the United States into the Second World War, resulted in the bill being tabled by Congress. Consequently, the Agreement did not receive Parliamentary approval and no further negotiations took place until the summer of 1954.

²⁴Chevrier, 32.

²⁵Willoughby, "The St. Lawrence Seaway Understanding", 244.

There has been a great wealth of material written on the St. Lawrence Seaway and power project. However, leading seaway historians such as Carleton Mabee, Gennifer Sussman, William Willoughby and a host of others concentrate on the first half of the twentieth century, when the Canadian and American governments seemed neither willing nor capable of reaching an agreement on a joint seaway project. Surprisingly, the years from 1950 to 1954 have been given little attention. During this period, the St. Laurent administration grew increasingly frustrated with American inaction on the seaway issue and gave up on the idea of a jointly-constructed project - the waterway would be built by Canada alone. However, this decision was ultimately abandoned by the government in exchange for a joint seaway plan. Since much of the existing seaway historiography was generated in the early 1960s, shortly after the waterway was opened, it is unlikely that historians were able to obtain sufficient materials to provide a detailed account of the 1950 to 1954 period. Even more recent government publications, such as *Canada's Documents on Canadian External Relations* or the U.S. equivalent, *Foreign Relations of the United States*, provide little information on the history of the seaway for the period in question. By relying on untapped Canadian government manuscripts, this thesis will examine the reasons why the St. Laurent government chose not to construct the seaway unilaterally and will analyze the

1954 negotiations.

The existing historiography on the St. Lawrence Seaway tends to portray the 1954 Agreement as a defeat for the St. Laurent government which, a few months earlier, had been committed to the construction of an all-Canadian seaway. Gennifer Sussman, writing in 1978, argued that,

the agreement was not particularly advantageous to Canada....The [American] legislation required all navigation works paid for by the United States to be constructed in U.S. territory, although Canadian experts were of the opinion that the canals and locks of the [IRS] could be more cheaply constructed on the Canadian side.²⁶

Angelika Roemer makes a similar assessment when she concludes that "Canada was not too happy about this co-operation; at this stage it might have preferred to build the Seaway alone."²⁷ In Carleton Mabee's book, *The Seaway Story*, the author writes that,

"Canadian reaction to the passage of the Seaway Bill through Congress was cool....It was possible that most Canadians preferred Canada's going alone. Opinion in the Cabinet was said to have been divided on whether to accept American participation at all."²⁸

Clearly, these historians are convinced that the 1954

²⁶Gennifer Sussman, *The St. Lawrence Seaway: A History and Analysis of a Joint Water Highway* (Montreal, 1978), 23.

²⁷Angelika Roemer, *The St. Lawrence Seaway: its Ports and its Hinterlands* (Tubingen, 1971), 16.

²⁸Carleton Mabee, *The Seaway Story* (New York, 1961), 169.

Agreement was a defeat for Canada. Yet it seems odd that they do not critically examine what prompted the St. Laurent government to abandon its all-Canadian seaway plan or, in any detail, the issues discussed in the 1954 negotiations.

On the rare occasion when historians do attempt to explain why the Canadian government eventually granted the U.S. a seaway role, the authors argue that the St. Laurent government always wanted American participation. Gordon Stewart concluded that,

The St. Lawrence seaway agreement represents a high mark in Canadian-American good neighbourliness....and Canada, all along, had certainly worked for American participation in sharing the cost of construction and ensuring the commercial success of the seaway.²⁹

Stewart was probably influenced by comments made by Canadian politicians during public statements immediately following the 1954 negotiations. Lester B. Pearson, Canada's Secretary of State for External Affairs, stated:

Canada and the United States are good friends and neighbours....Although there are often differences of opinion....it is the deep desire of the peoples and governments of both countries....to try to settle common problems by consultation and agreement, rather than by competing unilateral decisions. Once the people and Congress of the United States resolved to participate in the seaway....a Canadian decision to go our own way.... without any regard to the decision of the United States, however late in the day that

²⁹Gordon Stewart, "'A Special Contiguous Country Economic Regime': An Overview of America's Canadian Policy", Diplomatic History 4:4 (Fall 1982), 349.

decision may have taken, would have been a blow to good relations.³⁰

Similarly, Norman Hillmer and J.L. Granatstein argue that the St. Laurent government was bluffing. In this case, the issue was not one of maintaining an environment of 'good neighbourliness', rather the cost of constructing an all-Canadian seaway. They conclude that,

The costs of the project were so large, however, that this had about it the smell of a bluff. Nonetheless, the Canadian government played its cards well and finally in January 1954, thanks to strong support from an Eisenhower Administration very anxious to prevent unilateral action from the north, Congress agreed that the United States should participate.³¹

There is no proof that the St. Laurent government was using the all-Canadian seaway plan as a tactic for scaring its southern neighbour into participation, nor do the authors provide any evidence that the Canadian government lacked the necessary resources to carry out this project unilaterally. They could have got this idea from a 1953 press conference, during which Prime Minister St. Laurent explained that the Canadian government could save \$35 million if the United

³⁰Alexander Wiley, The St. Lawrence Seaway Manual: A Compilation of Documents on the Great Lakes Seaway Project and Correlated Power Development (Washington, 1955), 203.

³¹J.L. Granatstein and Norman Hillmer, For Better Or For Worse; Canada and the United States to the 1990s (Toronto, 1991), 185.

States was to participate in the project.³² Nevertheless, to conclude that this meant the Canadian government did not possess the resources to complete its seaway would be inaccurate.

As a matter of fact, Canada was the first of the wartime currency-controlled countries to free itself of these restrictions. In 1952, its currency was so well regarded in the money markets of the world that it was selling at a slight premium over U.S. funds. Not only was Canada's budget balanced, but it had a surplus of some \$700 million, and in addition, had a \$1.7 billion reserve of U.S. dollars.³³ Therefore, an all-Canadian project, estimated in 1950 to cost \$261 million, was affordable for the Canadian government.³⁴

Furthermore, by 1952, the government had already spent well over \$300 million in constructing several 14-foot ship canals in the IRS and overhauling the facilities at Welland. The majority of these expenditures were made in the late 1920s and early 1930s, when Canada was experiencing a massive

³²NAC, RG 2, vol. 2652, microfilm, T-2368, reel 5, Cabinet Conclusions on the St. Lawrence Seaway Project, 7 January 1953.

³³"St. Lawrence Seaway and Power Project", Hearings Before the Committee on Foreign Relations, United States Senate, 82d Congress, 2d Session (Washington, 26 February 1952), 184.

³⁴"The St. Lawrence Seaway and Power Project", External Affairs 6:11 (November 1954), 340.

recession and had fewer financial resources.³⁵ It does not seem likely that during the prosperous decades of the 1940s and 1950s the Canadian government would be unwilling to invest in an all-Canadian seaway.

If money was no object, then the central question to ask is why did the St. Laurent administration abandon its seaway plan in order to allow American participation? Since there were several other circumstances which made the environment in Canada conducive to unilateral construction of a deep waterway, this question becomes even more intriguing. First of all, vested interests in the lucrative American east coast transshipment industry had historically opposed the construction of a waterway until well after the seaway was opened. Businessmen and politicians from New York and Massachusetts feared that a completed deep waterway which would penetrate the heart of the North American continent would render their services obsolete.³⁶ However, in Montreal (eastern Canada's centre of transshipment), opposition to a seaway had begun to wane after the Second World War. Until this time, "Montrealers believed that a deep water canal system extending to the head of the Great Lakes would be disastrous to the city, contending that a great deal of

³⁵"The St. Lawrence Seaway Project", Statements and Speeches no. 52/1 (Ottawa, 8 January 1952), 4.

³⁶Willoughby, "The St. Lawrence Waterway Understanding", 243.

shipping would by-pass Montreal."³⁷ In 1950 a group of prominent Montreal businessmen and politicians, referred to as the Montreal Metropolitan Commission, agreed that their city would benefit rather than suffer from an all-Canadian seaway. Ocean-going vessels would undoubtedly still use the harbour of Montreal to transfer their cargoes on to deep-draft Great Lakes freighters.³⁸

Secondly, railway operators in the United States bitterly opposed the construction of a seaway. There already existed enough railway lines to move cargoes to all corners of the United States. A deep waterway meant competition and American railway workers feared that a substantial portion of their traffic could be diverted to the canals and certain lines would have to be shut down. In Canada, the railways complemented domestic shipping on the Great Lakes and St. Lawrence River. The railway lines were too few in number and were unable to meet the transportation demands of the western and central Canadian provinces. Ships using a seaway could carry the overflow of the railways and could better transport bulky and dense freight such as iron ore - a cargo not suited for wooden and often rickety railway cars. Consequently, from early on, railway employees north of the border encouraged the government to construct a deep

³⁷Hugh Boyd, "Seaway of Destiny", Behind the Headlines 11:7 (December 1951), 13.

³⁸Ibid., 13.

waterway.³⁹ By 1952, Canadian railway operators began wholeheartedly to support the all-Canadian seaway plan. Donald Gordon, President of the Canadian National Railways, informed the press that, "Whatever tends to open Canada up and help it grow is good for the railroad."⁴⁰

Third, with the 1949 discovery of massive iron-ore fields in Seven Islands, Labrador, a completed seaway could transport the raw materials needed by the iron-starved steel mills in Ontario and the Uppers Lakes States. Minnesota's Mesabi iron ore range, which provided much of the raw materials for central Canada's mills and the majority of those in the United States, was rapidly being depleted. Almost 80% of American steel was being produced in this region alone and therefore a new source of raw ore was needed.⁴¹ "Labrador iron ore [was] the best possible answer to the supply problems of steel industries located on the Great Lakes."⁴² If a seaway, which could transport this ore, was not constructed, two alternatives existed. Raw materials could be imported from other nations, which would have the

³⁹Norman James Maxwell, The Development of the St. Lawrence Waterway: A Factor in Canadian-American Relations (M.A. Thesis, McMaster University, 1960), 137.

⁴⁰Mary Celeste Beck, An Historical Evaluation of the St. Lawrence Seaway Controversy, 1950-1953 (PhD. Dissertation, St. John's University, 1954), 82.

⁴¹"Canada's Viewpoint on the Development of the St. Lawrence Seaway", Statements and Speeches no. 51/48 (Washington, 28 November 1951), 6.

⁴²Ibid., 6.

effect of driving up the price of the finished product. Or taconite could be used as a substitute. This substance was a low-grade ore, full of impurities and would entail elaborate refining techniques, inevitably increasing the price of the end product. Four tonnes of taconite would be needed to recover one tonne of usable iron ore.⁴³ If the St. Laurent administration unilaterally constructed the seaway, Canada would have a monopoly on the raw materials required by the United States steel industry and the transportation facilities necessary for the shipping of these supplies.

Fourth, the St. Laurent administration negotiated the terms for a joint project despite objections from the Canadian public. When the government announced in 1954 that both nations intended to participate in the joint construction of the waterway, the Prime Minister received hundreds of letters from across the country. Not one letter expressing support for a joint project could be found. In fact, every one demanded the continuation of the all-Canadian seaway plan. The following examples are excerpts of two letters which probably express the sentiments of many Canadians: "To allow any part of the international stretch of the St. Lawrence Seaway to come wholly under the control

⁴³Beck, 35.

of the U.S.A. would be a betrayal of trust."⁴⁴ Another read:

It is time all this shilly shally with the United States....came to a definite stop. They have had many years to make up their minds whether or not they wish to co-operate. We say get on with it at once and after all if Canada pays all, she takes all the profits.⁴⁵

On July 13, 1954, the *Toronto Globe and Mail* also began criticizing the government for abandoning the all-Canadian seaway plan. The newspaper published a political cartoon in which a small Canadian boy scout was sitting on a chair along the banks of the St. Lawrence River, painting a serene picture of what the all-Canadian seaway would look like. Standing directly in front of him, a giant 'Uncle Sam' was already doing the survey work for American participation. At the bottom of the cartoon a caption read: "Whatever happened to that pleasant [all-Canadian] prospect?"⁴⁶ This cartoon no doubt depicted the fears that many Canadians had of American participation in the seaway project and represented the basic question that needed an answer - why? If the Canadian government was committed to the project, had adequate resources, and the full support of the public, why did the St. Laurent administration give the United States

⁴⁴NAC, MG 26 L, vol. 221, file W-10-1, Letter to the Prime Minister from A.D. Morrison, 4 August 1954.

⁴⁵NAC, MG 26 L, vol. 221, file W-10-1, Letter to the Prime Minister from Louise Brodie, 1 February 1954.

⁴⁶NAC, MG 26 L, vol. 2, file W-10-1, Political Cartoon, 13 July 1954.

a role in the construction and maintenance of navigation facilities in the St. Lawrence Seaway? This is the central question which this thesis seeks to answer.

CHAPTER ONE

THE RISE OF THE ALL-CANADIAN SEAWAY

After the Second World War, American sub-committee hearings on the 1941 Executive Agreement commenced once again. Over the next three years, the House of Representatives Committee on Public Works and the Congressional Committee on Foreign Relations conducted hearings on the St. Lawrence Seaway and power project. The differing personalities of the politicians and the filibustering of the various lobby groups indefinitely delayed the voting on this legislation. Nevertheless, American support for a jointly constructed seaway and power project was growing.

Two staunch seaway supporters from Michigan, Senator Arthur Vandenberg and Representative George Dondero, introduced an amendment to the 1941 Executive Agreement that would make the project much cheaper. The seaway would be converted from a public works enterprise into a self-liquidating project by means of toll charges on all traffic utilizing the seaway's facilities. In the long run, if this plan were adopted, the seaway would cost nothing; construction and operating expenses would be recouped through the collection of tolls. Seaway opponents who maintained that a waterway would be too costly would no longer have anything on which to base their argument.

Prior to the introduction of this amendment, Vandenberg informed the Canadian government of his intentions, and Parliament responded by passing the appropriate legislation for the seaway to be made self-liquidating.⁴⁷

Both Congressional committees adopted the Vandenberg-Dondero amendment and eventually sent this legislation forward to the floor of the Senate and House of Representatives. A majority vote by both houses of Congress was all that was necessary to begin construction of a joint seaway and power project. After considerable debate, the amended 1941 Executive Agreement failed to receive a majority vote in the Senate because of the opposition voiced by east coast Senators. Canada's desire for a seaway and more importantly, a new hydro-electric power facility was again delayed by American inaction.

By the late 1940s, the demand for inexpensive supplies of hydro-electricity in Ontario and New York reached unprecedented levels. Residents of New York were paying 25 percent more per kilowatt of electricity than the national average.⁴⁸ Charles Wallgren, chairman of the American Federal Power Commission (FPC), indicated that,

⁴⁷Mary Celeste Beck, An Historical Evaluation of the St. Lawrence Seaway Controversy: 1950-1953 (PhD. Dissertation, St. John's University, 1954), 24.

⁴⁸Norman James Maxwell, The Development of the St. Lawrence Waterway; A Factor in Canadian-American Relations (M.A. Thesis, McMaster University, 1960), 136.

Economic studies made on relative costs of hydro-electric power with cost of steam (coal) electrical energy show an estimated total cost of 3.44 mills per kilowatt-hour for hydro-electric power as compared with 7.5 to 9 mills per kilowatt-hour for steam electric power to load centres.⁴⁹

It was obvious that hydro-electric power was almost three times more efficient than steam-generated power. Clearly, the development of the IRS represented the best solution for meeting growing power demands.

Robert Saunders, chairman of the Hydro-Electric Power Commission of Ontario (HEPCO), also expressed his concern about the lack of inexpensive electricity. In a newsletter to HEPCO employees, he wrote,

Ontario's need for this additional hydro-electric power is one of extreme urgency. If the province is denied access to this important source [the International Rapids], then the Commission is faced with the immediate necessity of building and operating additional steam-electric stations in Windsor and Toronto at a tremendous additional cost to power users.

This fact is best explained by statistics which show that the 6,300,000 kw/hour available from the Canadian share of the St. Lawrence would cost Ontario power consumers some \$33,072,000 more per year if produced by steam-electric units instead of hydro-electric generators.⁵⁰

⁴⁹Beck, 62.

⁵⁰Robert Saunders "Newsletter", Hydro News 38:5 (31 May 1948), 2.

Many Ontario municipalities were beginning to encounter power 'brown-outs', during which certain sections of the city would temporarily lose power. On October 6, 1948, Toronto hydro users experienced their first 24 hour power cut-off. Only hospitals and police stations remained electrified.⁵¹

To make matters worse, Quebec, which had been supplying Ontario with much of its power needs, terminated its policy of selling long-term hydro-electricity contracts outside of the province. Indeed, it even increased its rates for short-term purchases. This was done in response to Quebec's growing demand for power as well as its unwillingness to allow other provinces to use "cheap Quebec power to lure industries within their boundaries when those industries might otherwise end up in Quebec".⁵² It was evident that a new source of power was crucial for Ontario industries.

In light of these circumstances, the Canadian and American governments began preliminary discussions in 1950 for the redevelopment of power facilities at Niagara Falls. The existing Sir Adam Beck Station #1 was outdated and unable to harness the full potential of the falls. A

⁵¹"Hydro Seeks New Curbs in Shop and Sign Lighting", Globe and Mail (7 October 1948), A2.

⁵²L.J. Rogers, "The St. Lawrence Seaway Project is Vital to Canada's Progress", Saturday Night 64 (27 September 1949), 30.

modern facility could provide much more power to Ontario and New York. However, any redevelopment at Niagara would be no more than a band-aid solution to the power problem. The additional hydro-electricity which could be developed there was only 320,000 kilowatts. At best, this could tide HEPCO over in the interval between the completion of the Niagara facility and the completion of the St. Lawrence installation, if they were authorized concurrently and immediately.⁵³

Consequently, New York's Governor Thomas Dewey, Commissioner Robert Moses of the Power Authority of the State of New York (PASNY), Ontario's Premier George Drew and Robert Saunders attempted to by-pass the two federal governments in order to get work on the power facilities started immediately. They agreed that the navigation component of the project should not be responsible for holding up construction of the much-needed power facilities.⁵⁴ HEPCO and PASNY were owned and operated by the province of Ontario and the state of New York respectively and had sufficient resources to commence with the immediate construction of power facilities along the IRS. These individuals took it upon themselves to separate the navigation and power aspects of the project and

⁵³NAC, RG 25, vol. 3561, file 1268-K-40, Memorandum to Cabinet from E.R. Hopkins, 26 May 1949.

⁵⁴Lionel Chevrier, The St. Lawrence Seaway (Toronto, 1959), 33.

prepared the necessary power applications which they expected their federal governments would transmit to the International Joint Commission for them. They were confident that the IJC would authorize the power project independent of navigation plans.⁵⁵

In Canada, this Ontario-New York agreement caused quite a stir. Lester B. Pearson, Canada's Secretary of State for External Affairs, did not permit the application to be filed with the IJC and wrote to Saunders:

The Government considers that your application should not be filed with the IJC until the intentions of the U.S. Government have been ascertained. This decision results from Canada's commitments under the Great Lakes - St. Lawrence Basin Agreement of 1941. We do not wish to take the initiative in a course of action which might have the effect of nullifying an international agreement without first knowing that the U.S. Government has already started consultations with U.S. authorities.⁵⁶

In the United States, the agreement also fared poorly. President Truman condemned the plan and made it known that "the submission of this proposal to the IJC was not appropriate at this time".⁵⁷ The Federal Power Commission, the body of the American federal government responsible for issuing operating licenses to power authorities, refused to

⁵⁵Ibid., 33.

⁵⁶Ibid., 33.

⁵⁷Clayton Knowles, "Dewey Power Plan Vetoed at Capitol", New York Times (16 December 1948), 58.

entertain PASNY's license application. Without the FPC's approval, PASNY was unable to construct or operate power generating facilities along the IRS.⁵⁸

Meanwhile, Ontario's need for power continued. Statistics from HEPCO demonstrated that, if inexpensive supplies of hydro-electric power could not be harnessed from the IRS, Canada's manufacturing heartland would experience a power shortage in 1957. This would have the effect of seriously damaging Ontario's economy.⁵⁹ Although navigation was still considered to be extremely important for the Canadian government, the St. Laurent administration slowly began to support Ontario's plan of fully separating power development from navigation construction. This was evident when, in January of 1949, Prime Minister St. Laurent said in Parliament,

I think it is only fair for us to say that if we cannot at this time get implementation of this (1941) Agreement for the double-barreled purpose of navigation and power, the value of power is so great that we shall have to give very serious consideration to going ahead and developing it on the power side alone.⁶⁰

⁵⁸Ibid., 58.

⁵⁹Saunders, 2.

⁶⁰Official Record of Debates: House of Commons, vol. 1 (January 1949), 66.

The Canadian government's willingness to separate power from navigation intensified throughout the year. St. Laurent even informed the President that Canada would separate the power and navigation aspects of the project if the 1941 Executive Agreement was not approved by Congress by the fall of 1950.⁶¹

Truman responded by reiterating his comments on the Ontario-New York power plan. He told St. Laurent that "the project should be handled legislatively as a single undertaking at this time".⁶² He was apparently unaffected by the Canadian government's willingness to separate the two aspects of the project and was confident that an agreement would be reached when new seaway bills, now before Congress, were passed.

Since a number of new resolutions calling for U.S. participation in the seaway had recently been introduced into both the Senate and House of Representatives, the St. Laurent government patiently waited in the hope that Congress might move to give one of them a majority vote. If so, this would allow work on the power facilities to begin in the following spring. As it turned out, however, the Senate docket would prove to be too full to accommodate these bills. In addition, increasing demands for deeper

⁶¹NAC, RG 25, vol. 3561, file 1268-K-40, Letter to the President from the Prime Minister, 27 May 1949.

⁶²NAC, RG 25, vol. 3561, file 1268-k-40, Letter to the Prime Minister from the President, 8 June 1949.

navigation works through the IRS forced the St. Laurent administration to consider seriously the possibility of constructing a seaway wholly within Canadian territory.

Because of Canada's post-war prosperity, the demand for consumer goods was sky-rocketing and the railways were overflowing with vast cargoes moving from coast to coast.⁶³ In addition, the transporting of Labrador iron ore to the steel mills of in the upper-lakes region via a seaway was a major concern of the Canadian government. Upon reaching the port of Montreal by ship, these ores would have to be transported by rail to Ontario's iron-starved steel mills in the upper lakes region. Canada's railways simply could not handle any more traffic and construction of yet another full line in central Canada would have been too expensive.⁶⁴ Enhanced canal systems constructed in the St. Lawrence region would do much to alleviate these serious transportation problems. Since certain groups in the United States were making it impossible for the Americans to participate in any joint navigation project, the only alternative was for the St. Laurent administration to embark on the construction of a seaway alone, wholly within Canadian territory.

⁶³R.S. Comstock, The St. Lawrence Seaway and Power Project: A Case Study in Presidential Leadership, (PhD. Dissertation, Ohio State University), 369.

⁶⁴R.S. Comstock, The St. Lawrence Seaway and Power Project: A Case Study in Presidential Leadership (PhD. Dissertation, Ohio State University, 1956), 369.

A year earlier, the Canadian government had created an Interdepartmental Committee on the St. Lawrence Seaway Project, which included representatives from the Departments of Defence, Transport, Justice and Finance. The purpose of the Committee was to assess the affects that a completed seaway would have on Canadian shipping and submit reports to Cabinet which were to include recommendations on how this facility was to be constructed. In one of its first reports, the Committee outlined the advantages of constructing an all-Canadian seaway.

It would not depend on the whims of Congress, and might therefore, be realized at an early and foreseeable date.

Canada would have full control of design and of construction schedules.

Canada would have full control of toll schedules and while they would have to be non-discriminatory...they could be made to favour Canadian interests.... there would be no question of having to accept disadvantageous tolls to reach agreement with the United States.

There would be no question of any lessening of Canadian sovereignty over Canadian canals. Nominally, it can be argued that Canadian sovereignty would remain intact under a joint waterway scheme, but this statement would not actually be true in all its implications as long as the United States had a voice in setting toll schedules which would affect the use, if not the control of Canadian canals.

An all-Canadian waterway would have distinct advantages for Canada, in almost every respect except initial cost of

construction, over a joint waterway.⁶⁵

According to the Committee's report, the advantages of constructing a seaway on Canadian territory far outweighed any disadvantages. Nevertheless, the all-Canadian seaway plan would not be considered an alternative by the government until September 1950, when Congress had not yet taken any action on the seaway legislation. Furthermore, Canada's relations with its southern neighbour had recently been strained because of disagreements involving the Korean War.⁶⁶

Frustrated, Prime Minister St. Laurent, on September 9, met with his Minister of Transport, Lionel Chevrier, and insisted that, "We [Canada] should build the seaway alone.

⁶⁵NAC, RG 25, acc. 86-87/159, box 9, file 1268-Q-40, Memorandum to Cabinet from E.R. Hopkins, 13 May 1949.

⁶⁶The Canadian government was already participating grudgingly in the American-led United Nations action in Korea. When, by August of 1950, it had become obvious that the Communist forces had been defeated but the U.S. did not intend to stop at the 38th parallel in their drive to push the North Korean forces out of the south, Pearson feared that this might cause the war to escalate, especially if Communist China decided to participate. Consequently, the Minister convinced U.S. officials to give the North Koreans a grace-period of one month to cease all hostilities and begin negotiations for a truce. In fact, the Americans agreed to recommend this action in a subsequent meeting of the U.N. General Assembly. However, when this meeting opened, the U.S. representative chose to ignore this Canadian-American agreement and asked for support for an immediate pursuit of the North Koreans beyond the 38th parallel. A lengthy war could potentially ensue. John A. Munro and Alex I. Inglis, eds., Mike: the Memoirs of the Right Honourable Lester B. Pearson, Volume 2, 1948-1957, (Toronto, 1973), 155-60.

I think the Americans should be made aware of our determination to get the seaway built."⁶⁷ Before the end of the month, the Canadian public had its first opportunity to hear of the government's all-Canadian seaway plan. Chevrier informed members of the press that "Canada would act alone if the United States Congress did not approve the combined seaway and power project very soon".⁶⁸ When no action had been taken in Congress by the end of July 1951, the Canadian Cabinet agreed officially to separate power from navigation and adopted the all-Canadian seaway plan.⁶⁹ Once the necessary arrangements for power development had been made, the government would construct a waterway solely within Canadian territory.

Before continuing, it is crucial to understand why Cabinet decided to resolve the power issue before engaging in navigation construction. The International Rapids Section of the St. Lawrence River is extremely shallow. In order to provide a series of 27-foot deep locks and canals, the government would have to do a substantial amount of expensive dredging and blasting of bedrock. In fact, the amount of dredging necessary would have made the project financially impossible. However, once a power dam was

⁶⁷Chevrier, 42.

⁶⁸Comstock, 375.

⁶⁹NAC, RG 2, vol. 2648, microfilm, T-2368, reel 3, Cabinet Conclusions on the St. Lawrence Seaway Project, 31 July 1951.

constructed in the IRS, the water level of the St. Lawrence River would rise several metres. Consequently, extensive dredging and blasting would not be necessary and the construction of an all-Canadian seaway would become possible from a financial standpoint.⁷⁰ Even though the Canadian government considered the development of navigation and power facilities along the St. Lawrence as two separate projects, they were clearly related.

Following the Cabinet's decision officially to adopt the all-Canadian seaway plan, the Prime Minister went to Washington to discuss with Truman the remaining steps that were necessary for the immediate construction of power facilities along the IRS. During the meeting St. Laurent asserted that his government was ready to seek Parliamentary authority to construct the all-Canadian seaway and was "prepared to support an application by Ontario to the IJC for permission to undertake their share of the power development".⁷¹ The Prime Minister hoped that his government's navigation plans would be supported by Truman, who might do something to hasten PASNY's license-granting process and begin the preparations for the

⁷⁰Alexander Wiley, St. Lawrence Seaway Manual: A Compilation of Documents on the Great Lakes Seaway Project and Correlated Power Development (Washington, 1955), 202.

⁷¹NAC, MG26 N 1, vol. 52, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 28 September 1951.

American power application to the International Joint Commission.

As it turned out, the President requested that Congress be given another opportunity to enact the necessary legislation for U.S. participation in the seaway. If this proved impossible, he promised to support the all-Canadian seaway plan. St. Laurent agreed to wait, but convinced Truman to support the Canadian initiative if the 1941 Executive Agreement was not passed by the opening of the 1952 Congressional session. At this time, an all-Canadian seaway was merely an alternative to a joint waterway plan and American participation was still welcomed.⁷²

By the end of October, neither the Congressional Committee on Foreign Relations nor the House Committee on Public Works had taken any steps towards sending the seaway legislation to Congress. As a result, the Canadian government began to enact the necessary legislation for an all-Canadian seaway.

On December 3, Ontario and the federal government signed an agreement, giving HEPCO all rights to construct and administer the Canadian portion of the proposed power

⁷²NAC, MG 26 n 1, vol. 52, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 28 September 1951.

facilities."⁷³ In addition, the province was to "transfer to Canada the administration of any such lands....required for the sites of locks and works to carry a deep waterway through the International Rapids Section".⁷⁴ The Canadian government would construct all navigation facilities wholly within its jurisdiction. The 1951 Canada-Ontario Agreement represented the first legislative step towards the construction of an all-Canadian seaway.

Cabinet had also decided to hold a special session of Parliament for the following week, where legislation would be introduced to create a federal agency to construct and maintain the St. Lawrence Seaway either as a joint undertaking with the U.S. or a purely Canadian endeavor. Cabinet agreed that "The introduction of legislation of this character at the special session would be a clear indication that the government firmly intended to proceed in the immediate future with the St. Lawrence Waterway".⁷⁵

During the special session, Parliament unanimously passed the St. Lawrence Seaway Authority Act. This Authority was incorporated for the purpose of

⁷³R.R. Baxter, ed., Documents on the St. Lawrence Seaway (London, 1960), 61.

⁷⁴Ibid., 64.

⁷⁵NAC, RG 2, vol. 2648, microfilm, T-2368, reel 3, Cabinet Conclusions on the St. Lawrence Seaway Project, 3 October 1951.

operating all such works as may be necessary to provide and maintain, either wholly in Canada or in conjunction with...the United States, a deep waterway between the Port of Montreal and Lake Erie.⁷⁶

The money needed to begin the project would be available through the sale of \$300,000,000 in government bonds which had been specifically set aside for this project. The Authority would also ensure that the project was self-liquidating through the collection of tolls.⁷⁷

When, by January 1952, Congress had not yet voted on any seaway legislation, the Canadian government's patience came to an end. Hume Wrong, Canada's Ambassador to the United States, wrote to the U.S. State Department, informing the Americans of the recently-passed legislation and Canada's reluctance to tolerate any further delays. In addition, he notified it that,

In order to proceed as rapidly as possible with the project...the co-operation of the United States Government in preparing concurrent applications for approval of the power project to the IJC 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.⁷⁸

Clearly, the door for American participation had been left

⁷⁶Baxter, 20.

⁷⁷Ibid., 22.

⁷⁸Wiley, 113.

open. Nevertheless, the Canadian government believed that it had waited long enough. Its all-Canadian seaway was rapidly becoming the preferred plan.

The American response to Canada's Note came as no great surprise. Dean Acheson, the U.S. Secretary of State, insisted that Canada had not given Congress sufficient time to act on the seaway legislation and was confident that favourable action would take place during the 1952 session. The St. Laurent administration was asked to wait a bit longer and if Congress failed to act, the all-Canadian seaway would be supported by the American government.⁷⁹

Once again the Canadian government granted Truman an extension, but Ottawa continued to spread the idea of the government's intention to build an all-Canadian seaway. While in New York, Chevrier informed a group of American engineers that, "since the creation of the Canadian Seaway Authority, \$250,000,000 in bonds had already been sold to the public".⁸⁰ He also reported that this was only \$50 million short of what the government had estimated that an all-Canadian seaway would cost.⁸¹

In the meantime, President Truman was making a number of speeches to the American public, stressing the importance to the United States of participating in the

⁷⁹Ibid., 115.

⁸⁰Comstock, 410.

⁸¹Ibid., 410.

seaway project. Convinced of Canada's willingness and ability to proceed without American participation, Truman warned various Congressional committees that,

The question before the Congress, therefore, no longer is whether the St. Lawrence seaway should be built. The question before the Congress now is whether the United States shall participate in its construction, and thus maintain joint operation and control over this development which is so important to our security and our economic progress.⁶²

In a speech to the House Committee on Public Works, the President provided the best example of why the U.S. should fear an all-Canadian seaway. He argued,

The seaway will be self-liquidating though the collection of tolls. The great bulk of the traffic will be bound to or from the United States, but if Canada builds the seaway, Canada will set the tolls. The Canadian legislation provides that tolls shall be set high enough to repay the cost of the seaway; and of course, Canada could keep on charging tolls even after the seaway is paid for.

Under the Boundary Water Treaty of 1909, the tolls must be set so that Canadian and United States shippers pay the same amounts for the same kinds of cargo. Nevertheless, since different kinds of cargo will be of different importance to the two countries, it is obviously of great significance for us to have an equal voice with Canada in establishing the schedules of tolls on the seaway.⁶³

⁶²"The St. Lawrence Seaway and Power Project", House of Representatives Document No. 337, 82d Congress, 2d Session (Washington, 28 January 1952), 3.

⁶³Ibid., 4.

Truman was under the impression that, once the initial construction debts had been amortized, Canada could still charge substantial tolls, particularly on cargoes which were of greater importance to the American rather than the Canadian economy. The potential existed for the United States to become a high paying customer on the Canadian seaway.

The President's insistence on American participation may have also been influenced by his meetings with General Arthur Radford of the Joint Chiefs of Staff. Radford complained that, once the St. Laurent administration constructed its seaway, the United States would have to depend upon Canada to

evaluate and take steps necessary to protect its interest in the matter of the operation of the seaway, not only in relation to toll charges and priority of transportation in times of emergencies, but also in relation to the physical security and control of the seaway.⁵⁴

The general also warned Truman that, if the United States were ever involved in a war in which Canada remained neutral, the seaway's "use could possibly be denied to us at the very time we need it most by a failure on our part to participate jointly with Canada".⁵⁵ In addition, the admission of foreign ships to American waters would be

⁵⁴"The St. Lawrence Seaway and Power Project", House Report No. 1215, 82d Congress, 2d Session (Washington, 19 February 1952), 94.

⁵⁵Ibid., 94.

solely in the hands of a foreign nation. A jointly constructed seaway would be the only manner in which American security interests could be adequately assured.⁸⁶

Despite Truman's efforts, neither of the Congressional committees took any action on the seaway legislation. Convinced that American participation could not be achieved, the Canadian Cabinet decided to send Pearson and Chevrier to Washington to begin negotiations for hydroelectric development along the IRS and to draft the necessary power applications for the IJC. In their April 14 meeting with the President, both Ministers stressed that negotiations ought to start at once. Truman confessed that there had been more than enough delays, yet there still was a possibility that the U.S. Senate would act on the 1941 Agreement in the very near future. He asked that the Canadian government wait one more month and promised that this would be the last time that he would make such a request. Since the President made it clear that no more extensions would be sought, Pearson and Chevrier agreed.⁸⁷

When the Senate did not vote on any seaway legislation within the 30 days, the Canadian government began preparing its draft power application and sent the State Department

⁸⁶Ibid., 94.

⁸⁷NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 15 April 1952.

detailed engineering plans for the all-Canadian seaway.⁸⁸ This was undoubtedly done to prove to the Americans that Canada had already taken the preliminary steps necessary for the construction of a waterway within its own territory.

Honouring his promise, the President informed External Affairs that the American authorities would separate power from navigation and begin drafting a power application to be submitted to the IJC. Truman and St. Laurent agreed that officials from both nations were to meet in Washington on June 30 to negotiate the terms of a joint application.

On June 30, two important events occurred. First, in an Exchange of Notes, the Truman administration officially accepted the Canadian government's plan to

construct all locks and canals on the Canadian side of the international boundary to provide for deep-water navigation to the standard (27 feet) specified in the proposed agreementsigned March 19, 1941.⁸⁹

Secondly, the negotiations for a joint application for power development along the IRS were concluded and submitted to the IJC.⁹⁰ All that now remained was for the

⁸⁸NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 12 May 1952.

⁸⁹Wiley, 127.

⁹⁰For a copy of the joint application, see - Wiley, 120.

IJC to approve the joint application and the Power Authority of the State of New York to have its license granted. Power facilities could then be constructed, followed by navigation installations on the Canadian side of the IRS.

Trumpeting this new era of the all-Canadian seaway project, Pearson exclaimed to a group of Texas engineers:

One expression of our national prideis our decision, indeed of our determination to go ahead with the St. Lawrence Seaway as a Canadian project, as it has been found impossible to build it as a joint effort with you. Fifteen years ago the completion of such a project by Canada alone would have been considered an idle dream, something quite impossible, financially or politically. Now we feel it is a normal job for us to do, one which we are ready, indeed anxious to undertake and to finish - as finish it we will.⁹¹

Following the Exchange of Notes, Cabinet agreed that "the Canadian government should take the earliest opportunity to let the United States government know that the Canadian government could no longer regard itself as bound by the 1941 Agreement".⁹² In other words, when the IJC ruled favourably on the joint application, the government would immediately and entirely disengage itself

⁹¹"The St. Lawrence Seaway and Power Project", Statements and Speeches no. 52/26 (Houston, 30 June 1952), 5.

⁹²NAC, RG 2, vol. 2650, microfilm, T-2368, reel 4, Cabinet Conclusions on the St. Lawrence Seaway Project, 8 July 1952.

from any prior commitments it had made to constructing a joint seaway with the United States. Although the door had technically been left open for American participation if proper legislation was passed by Congress before the IJC had concluded its hearing, the St. Laurent government's interest in a joint project had substantially faded. When an American seaway advocate requested that Canada permit U.S. participation regardless of the outcome of the IJC's deliberations, Chevrier immediately pointed out that

it was becoming more and more difficult to contemplate reverting to joint development of the seaway, not only because of the ever increasing commitments in engineering planning, money and personnel being made by the Canadian government on the all-Canadian scheme but also because Canadian public opinion generally favoured, in most cases enthusiastically, the all-Canadian project and might view with disfavour any switch....to a joint development.⁹³

The all-Canadian project had become the most favoured plan, not only by the government, but by many Canadians. Every day, the Prime Minister received mail whole-heartedly supporting an all-Canadian waterway. One letter read:

St. Lawrence Seaway project....has been a series of disappointments as the United State has persisted in avoiding a joint development program....[S]ince the suggestion has come forward that Canada might attempt the project alone my national pride has given rise to the hope

⁹³NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 25 July 1952.

that the United States will once again reject the plan. If that proves to be the result then it is my hope that the Canadian government will waste no more time but tackle the project alone....such a project would strengthen our country in many ways and give us national confidence that we seem to lack so much, especially in the presence of our British and American friends.⁹⁴

In one instance, the editor of *Saturday Night* magazine wrote:

Canadians have never before had the opportunity to ignore the United States and nationalize an international undertaking....The all-Canadian Seaway may become the symbol of a new independence in Canadian independence from the United States.⁹⁵

Even though American participation in the project was still technically a possibility, a jointly constructed and operated waterway was now being considered by the St. Laurent government as second best and evidently had the support of many Canadians.

On October 30, 1952, the IJC concluded its hearings and ruled in favour of the Canadian and American applications for the development of power along the IRS and the construction of a Canadian deep-waterway.⁹⁶ Since Congress had not yet taken any steps toward participating

⁹⁴NAC, RG 25, acc. 84-85/150, box 27, file 1268-G-40, Letter to the Prime Minister from J.A.D. Attwell, 30 May 1951.

⁹⁵"Editorial", Saturday Night (5 July 1952), 6.

⁹⁶Wiley, 137.

in the seaway project, the road was now completely clear for the construction of an all-Canadian seaway. Thus, Hume Wrong sent a Note to the U.S. State Department, on November 4, informing the Americans that the Canadian government no longer considered it to be practical to revert to the terms of the 1941 Agreement or to place it before Parliament for approval. That agreement had now been superseded by the IJC's Order of Approval.⁹⁷

In response, Dean Acheson, the American Secretary of State replied:

The Executive Branch of the United States Government has always believed that the joint project would be preferable, but under the circumstances, it does not question the rights of the Canadian Government to take the step set forth in its Note. It considers moreover, that we should now co-operate in the development of the St. Lawrence as set forth in the Order of Approval of the IJC.⁹⁸

The Truman administration had now pledged to support the St. Laurent government's all-Canadian seaway plan.

⁹⁷Ibid., 135.

⁹⁸NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 4 November 1952.

CHAPTER TWO
CHALLENGES TO THE ALL-CANADIAN PLAN

On December 12, 1952, six weeks after the International Joint Commission approved the joint power application, Hume Wrong, Canada's Ambassador to the United States, received a letter from Congressman George Dondero of Michigan. The American intended to introduce legislation in the upcoming session of Congress, "requesting the administration to negotiate a new agreement with Canada for the development of the Great Lakes-St. Lawrence Basin as provided in the 1941 Agreement".⁹⁹ This proposal recognized the separation of navigation and power, but called for U.S. participation in the seaway's construction. An American corporation was to build the two navigation facilities proposed for the International Rapids Section (IRS) within U.S. territory.

The people of Dondero's Michigan and the other Upper Lake States were worried because the all-Canadian seaway only included navigation development along the St. Lawrence River. In order to take advantage of this waterway, they would have to appropriate another \$90 million by Congress to modernize the existing facilities which were located

⁹⁹The following five paragraphs deal with information found in NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 12 December 1952.

along the rivers that connected Lakes Huron, Michigan and Superior. Consequently, Americans from the Upper Lakes States believed that only joint participation would bring about the development of modern navigation facilities throughout the entire St. Lawrence-Great Lakes region. Dondero's intentions undoubtedly surprised the St. Laurent government, particularly since the President had already pledged the support of the United States to the all-Canadian seaway plan.

To further complicate matters, America's largest and most powerful pro-seaway lobby group, the Great Lakes-St. Lawrence Association, began questioning Canada's seaway plans. The Association was being influenced by its members from the Upper Lakes States to support Dondero's legislation and do everything possible to ensure that United States participation in the seaway. In fact, the Association's chair, Dr. N.R. Danielian, was being pressed to support the Dondero proposal. He met with Canadian officials to seek an assurance that the St. Laurent government would not construct any part of the seaway in the IRS until Congress had an opportunity to vote on a new agreement enabling American participation in navigation construction. Danielian insisted that, once the members of the Association received an assurance that the Canadian government would give Congress another opportunity to pass the necessary legislation, he would reciprocate by urging

his members to refrain from stalling the Federal Power Commission's (FPC) hearings regarding an operation license for the Power Authority of the State of New York (PASNY).

Apparently, Ontario's much-needed power facilities were about to be held hostage by an influential American lobby group. If the St. Laurent administration began any seaway construction within the IRS before Congress had been granted the opportunity to vote on the proposed Dondero Bill, members of the Great-Lakes Association would challenge any FPC decision to grant PASNY a license. If successful, this could indefinitely delay the construction of power facilities.

Wrong immediately suggested that Pearson inform Danielian that the most time-consuming part of the construction of the waterway would be in modernizing the existing Lachine, Beauharnois and Welland facilities which lay well outside of the IRS. Construction would first begin there. To avoid delays in the FPC proceedings, the Ambassador was urging the Canadian government to give the U.S. another opportunity to participate in the seaway project. Although Danielian's implied threats seemed to have had a definite effect on the Ambassador, the St. Laurent government was not about to consider abandoning its all-Canadian seaway plan.

At the time, the granting of a license to the Power Authority of the State of New York's by the FPC appeared to be only a formality. Even though PASNY was competing for this power license with Hugo Spalinski and his Public Power and Water Corporation of Trenton, New Jersey, it was clear that the former was destined to win. For this multi-million dollar project, Spalinski had only \$2,500 available in initial capital and was convinced that the project would cost much less than what the Canadian and American governments had estimated. There can be no doubt that his license application lacked merit. Nevertheless, he had a right to make his case and the FPC granted him a hearing for the second week of December. If everything proceeded normally, Spalinski's case was bound to be quickly dismissed and the Federal Power Commission would be in a position to grant PASNY its power license.¹⁰⁰

Things did not transpire as predicted. On December 19, the FPC decided to adjourn before concluding the Spalinski hearing and reconvene in the first week of February, two weeks after the new Eisenhower administration was to take office.¹⁰¹ If the Spalinski case was baseless, why would the FPC not have immediately turned down his

¹⁰⁰NAC, RG 25, acc. 86-87/16-, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 12 December 1952.

¹⁰¹William R. Willoughby, The St. Lawrence Waterway: A Study in Politics and Diplomacy (Madison, 1961), 244.

application and issue a license to PASNY? The answer can be found by examining the events of December of 1949.

The reader will recall that during this time Ontario and New York had taken it upon themselves to separate hydro-electric development from navigation construction and submit power applications to the IJC. Nothing came of this and the FPC turned down PASNY's license application. However, the FPC's legal and engineering staffs had reported favourably on the application, and all that remained was for the examiner to organize the various reports and submit them to the Commission for a vote.¹⁰² If three of the five Commissioners ruled in favour, PASNY could be granted its license. However, before the examiner submitted his report, President Truman interceded, announcing that he opposed the separation of the power development from the navigation project. The examiner noted the President's views and issued an order holding in abeyance further action on PASNY's application. Since appointments and reappointments to the FPC are made by the President, the Commissioners perhaps realized that it was not in their best interest to antagonize Truman.¹⁰³

¹⁰² Knowles, 58.

¹⁰³ Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs in Donald Barry, ed., Documents on Canadian External Relations vol. 19:1953 (Ottawa, 1991), 1165.

External Affairs recognized a similar situation emerging in December of 1952. Had the FPC dismissed the Spalinski case before the winter adjournment and been in a position to grant PAsNY a license, one or two of the Commissioners who were favourable to the New York application might have been reluctant to approve the project before the new President took office. If certain Commissioners were known to have voted in favour of PAsNY's license before Eisenhower had an opportunity to express his views, these individuals might very well be overlooked for reappointment by the new administration.¹⁰⁴ In light of these circumstances, the FPC proceedings were put on hold until the views of the new administration were known. The adjournment brought the possibility of an Ontario power shortage closer with every passing day.

To avoid any possible delays, Wrong encouraged Pearson to "find a way to tell Mr. [John Foster] Dulles [the incoming Secretary of State in the Eisenhower Administration], how badly we need power without the mention of navigation."¹⁰⁵ In this instance, the Minister did little more than acknowledge Wrong's note and its

¹⁰⁴NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 17 December 1952.

¹⁰⁵NAC, RG 25, 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 19 December 1952.

suggestion that the government refrain from stating its intention to construct a wholly Canadian seaway. The government did not consider the FPC's adjournment as a good enough reason to send a letter to the future American Secretary of State saying that the Canadian government would consider altering its waterway plans in return for American efforts at expediting the power proceedings.

Meanwhile, pressures for American participation in the seaway continued. In a memorandum to External Affairs, Wrong reported that the American National Security and Resources Board (NSRB) had recently submitted a memorandum to the President indicating that an all-Canadian seaway would be detrimental to American defence. The Board recommended that "the President again ask the Congress to authorize and provide funds for United States participation in immediate construction of the St. Lawrence Seaway and power project".¹⁰⁶ The Ambassador was convinced that,

Congressional proponents for United States participation in the seaway can add this recommendation which, after all, is from an agency of the executive office of the President, to their case....and may be able to use this recommendation to affect the Federal Power Commission hearings.¹⁰⁷

Since it was common knowledge that once the FPC granted

¹⁰⁶NAC, RG 25, 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 23 December 1952.

¹⁰⁷Ibid.

PASNY its license, an all-Canadian seaway would be constructed. Wrong feared that American seaway proponents would use the NSRB report to stall the FPC proceedings. Lengthy delays in the construction of the power facilities could force the Canadian government to abandon its unilateral seaway plan in return for a quick and favourable verdict in the PASNY proceedings.

Despite the Canadian Ambassador's anxieties, External Affairs was not convinced that the American pro-seaway lobby would go to such extremes. Pearson insisted,

We feel we need not open the door to new negotiations for development of the seawaywe might wait for a louder knock than that of Dondero, Danielian, or the National Securities [sic] and Resources Board.¹⁰⁵

The St. Laurent government chose to maintain its all-Canadian seaway plan, especially since Truman had already acknowledged Canada's navigation plans and given assurances that his government would do all it could to assist in the project. In the new year, however, an increasing number of threats came from Canada's southern neighbour, constituting that 'louder knock'.

On January 2, 1953, Senator Alexander Wiley of Wisconsin, a prominent seaway advocate, let it be known that the Senate counterpart to the Dondero Bill would be

¹⁰⁵NAC, RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 29 December 1952.

introduced. He was adamant about American participation and insisted the matter had been taken up with President-elect Eisenhower and U.S. Secretary of State-designate Dulles, both of whom apparently strongly supported the bill. If the U.S. did not play a role in the construction and maintenance of the seaway, Wiley warned fellow Senators that, "there would be every incentive [for Canada] to operate the project as a revenue producing investment, with the United States interests, in effect, continuing to pay rental for its use".¹⁰⁹ In concluding his Senate address, he exclaimed, "I want to state very frankly that I would propose delay in the FPC licensing, if I felt that the Canadian Government would not allow joint participation in the seaway."¹¹⁰ Wiley's testimony represented the strongest opposition to an all-Canadian seaway. His threats of delaying FPC proceedings could negatively affect Ontario's manufacturing economy.

To make matters worse, External Affairs discovered that the U.S. Department of Interior was waging a strong unofficial fight against PASNY's license application. Because of Truman's November 1952 Note, all departments of the U.S. government were officially required to support the

¹⁰⁹Lionel Chevrier, The St. Lawrence Seaway (Toronto, 1959), 119.

¹¹⁰NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 2 January 1953.

power and navigation plans approved by the IJC. Nevertheless, top officials of the Department of Interior, such as Oscar Chapman, were actively promoting opposition to the PASNY application. These individuals wanted the federal government, not the state of New York, to control the hydro-electric power facilities along the International Rapids Section.***

In addition, as the outgoing President, Truman planned to use his New Year's budget address to convince seaway opponents of the utility of American participation and that adequate funds were available.*** This contradicted the promise he and his administration had made to assist the Canadian government in the construction of its all-Canadian seaway.

It now seemed necessary for the St. Laurent administration to reconsider its seaway plans. Legal advisors of the American Division of External Affairs reported that

Senator Wiley's statement and President Truman's budget message....amount to a considerably loud knock on the door and we may jeopardize the present arrangements for power if we fail to respond at all as this would suggest that

***Harold Hilliard, "Expect Bitter U.S. Row Before Agency Named to Work With Ontario", Toronto Daily Star (30 October 1952), 2.

***NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 5 January 1953.

Canada would not even consider proposals for U.S. participation in the seaway.³

To ensure the construction of power facilities, it was becoming evident that the Canadian government would have to give the United States yet another opportunity to participate in the seaway project.

The American government was now awaiting an official Canadian statement addressing the possibility of renewed American participation. It was no secret that a negative response from the Canadian government would jeopardize the construction of power-generating installations within the IRS. In a discussion with Wrong Pearson cited an article which appeared in the *Toronto Globe and Mail*, depicting Canada as staunchly nationalistic and unwilling to allow U.S. participation in the seaway. The Minister insisted that,

If this were the only Canadian point of view brought to the attention of the Congress, we might find that the proponents of U.S. participation would find some way of delaying the present arrangements for power until we were prepared to revert to a joint scheme for the seaway as well.⁴

Consequently, on January 9, 1953, St. Laurent issued a public statement explaining the Canadian government's views on the seaway.

³Ibid.

⁴Ibid.

While the Canadian Government is of course prepared to discuss, in appropriate circumstances, joint participation in the seaway, the demand for power in the area to be served by the International Rapids power development is so urgent that the Canadian Government is most reluctant to engage in any discussion which might delay the progress of the plan now under way for the development of power in the International Rapids Section of the St. Lawrence River at the earliest possible moment.

Once an entity is designated and authorized to proceed with construction of the United States share of the power works, if the United States Government wishes to put forward a specific proposal differing from that put forth by the Canadian Government for the construction of the seaway in the International Rapids Section, which proposal would not delay the development of power arrangements agreed upon in the exchange of Notes of June 30, 1952 and approved on October 29, 1952 by the International Joint Commission, the Canadian Government will be prepared to discuss such a proposal.

The Canadian Government would naturally expect the discussion to be such as not to cause any serious delay in the completion of the whole seaway."

Although the United States had now technically been given the opportunity to participate with Canada in the construction of the seaway, it is important to analyze the conditions of this participation. First, Canada was most reluctant to open any negotiations that would cause delays. This implied that Congress would have to vote quickly in favour of American participation and negotiations would

¹¹⁵NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Public Statement of the Prime Minister, 9 January 1953.

have to be initiated in the very near future. Secondly, negotiations could commence only after the Federal Power Commission granted a license to the Power Authority of the State of New York. This was undoubtedly done to make sure that American seaway advocates could not use the threat of indefinitely delaying the FPC proceedings if certain U.S. navigation demands were not accepted by Canadian negotiators. Third, any proposal for American participation would have to be specific in nature, taking into account the only existing arrangement to that date for the development of navigation facilities within the International Rapids Section - the all-Canadian seaway plan as agreed to by both nations in the June 1952 Exchange of Notes. It was to be from this foundation that the United States proposal would have to be constructed. Fourth, the actual negotiations for a joint seaway could not be so lengthy that they would cause significant delays. If so, the Canadian government would break off its talks and proceed with its original plans. It is evident that the St. Laurent government planned to continue with its all-Canadian seaway if the Americans were not willing to comply with the points mentioned above.

Nevertheless, for the first time in almost a year, the Canadian government was once again seriously considering the possibility of a jointly constructed seaway. Pearson advised Cabinet that "Canadians should not be left with the

impression that the government was lightly abandoning the all-Canadian scheme which had gained strong support throughout the country".¹¹⁶ St. Laurent took Pearson's advice. Without mentioning American pressures, the Prime Minister informed the press that all-Canadian scheme was

a second best choice. For one thing, it would cost \$35 million more. And for another, it wouldn't present the world with the splendid example of international co-operation which a joint American-Canadian seaway would exemplify.¹¹⁷

The plan for an all-Canadian waterway was beginning to crumble, and St. Laurent was preparing the Canadian public for the possibility of American participation.

The Canadian government was under the impression that, by giving the U.S. another opportunity to participate in the seaway, deliberations on PASNY's license would quickly come to an end. This would not be the case. When the FPC reconvened in February, the Spalinski case was not immediately dismissed. Instead, hearings were reopened and a verdict was not expected until June.¹¹⁸ The Commissioners of the FPC were obviously stalling until the

¹¹⁶NAC, RG 2, vol. 2652, microfilm, T-2368, reel 4, Cabinet Conclusions on the St. Lawrence Seaway Project, 7 January 1953.

¹¹⁷NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Press Statement of the Prime Minister, 9 January 1953.

¹¹⁸NAC, RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Prime Minister from L.D. Wilgress, 4 February 1953.

new President, Dwight D. Eisenhower, had made his personal views on the seaway known. Canada's official statement seemed to have done little to encourage American cooperation in the FPC. Therefore, Canada attempted a new approach, one which was suggested by an American.

On 3 March 1953, Dr. Danielian, chairperson of the Great Lakes-St. Lawrence Association, once again made a trip north to discuss the seaway issue with Canadian officials from External Affairs. He seemed confident that, "in the absence of the Wiley Bill being approved by Congress....the [PASNY] license would be refused by a three to two decision of the FPC".¹¹⁹ Since Congress was evenly divided between pro- and anti-seaway factions, Danielian suggested that "a show of Canadian interest [in American participation]....may have an important influence", and specifically recommended that some action be taken by the Canadian government "to bring directly to the attention of the President the merits of the power application without regard to the all-Canadian seaway aspect".¹²⁰ In other words, the St. Laurent administration was being encouraged to downplay its all-Canadian seaway plan and even support the passage of the Wiley-Dondero Bill in order to ensure that the FPC would grant PASNY its license. Although

¹¹⁹NAC, RG 25, 86-87/160, box 162, file 11513-40, Letter to the Secretary of State for External Affairs from D.W. Mundell, 3 March 1953.

¹²⁰Ibid.

Canada would still control the navigation facilities of the upper St. Lawrence River, its plans for development in the IRS were being openly challenged. The Canadian government was compelled to respond and appear more receptive to American participation if a power shortage was to be avoided.¹²¹

St. Laurent therefore sent a letter to President Eisenhower stressing the importance to Canada of hydro-electric development along the St. Lawrence. Acting on Danielian's advice, he refrained from any mention of plans to construct an all-Canadian seaway.¹²² Two weeks later, Pearson sent a similar letter to Dulles, but concluded with, "The immediate development of the power works would in no way prejudice whatever arrangements may be mutually agreed upon by both Governments for the development of the deep waterway."¹²³ Although it appeared that the Canadian government was abandoning the all-Canadian seaway plan, the U.S. would still have to adhere to the stipulations contained in St. Laurent's January 9 statement.

¹²¹Ibid.

¹²²NAC, RG 25, acc. 86-87/160, box 22, file 1268-D-40, Letter to the President from the Prime Minister, 12 March 1953.

¹²³NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Letter to the U.S. Secretary of State from the Secretary of State for External Affairs, 21 March 1953.

By the end of March, Spalinski's license bid had been officially rejected and arguments against the granting of PASNY's license concluded. All that was necessary for a license to be granted was a majority vote by the Commissioners of the FPC. However, this was being delayed by the conflicting views of the Commissioners. J.W. Pickersgill, Secretary to the Cabinet, elaborated on this problem:

The interim Chairman of the Commission is a hold-over from the Democrats, pending the appointment of a new Chairman. The other four members are reported to be divided two and two, and the last time I heard a name suggested for the new Chairmanship, it was someone from Kansas who was supposed to be very strongly opposed to the St. Lawrence development. The present Chairman is understood to be in favour of it.

It therefore seems to be very important either to get a license granted before a new Chairman is appointed, or to have a new Chairman appointed who is friendly to the project. Obviously, this is not a subject on which we can make any...representations, since the FPC is a domestic agency of the United States, but it is possibly something which could come up in the course of an entirely private conversation with someone who might have some influence.¹²⁴

It was therefore in the best interest for Canada to have this issue resolved before the interim chairperson, who favoured the seaway, was replaced.

¹²⁴NAC, MG 27 III B20, vol. 84, Memorandum to Howe from Pickersgill, 30 March 1953.

The FPC examiner was not expected to make his report on the PASNY license before the Commission had finished another set of hearings dealing with the Northwest Natural Gas Case. This case had been filed with the FPC around the same time that PASNY had applied for its license.¹²⁵ Obviously, Canada was once again being stalled. The government had reconsidered American participation in the seaway project with the hope that this would bring a speedy resolution to the FPC quagmire, but it proved to do nothing of the sort.

In addition to these difficulties, other issues were further straining Canada's relations with its southern neighbour. The U.S. House of Representatives Committee on UnAmerican Activities was attempting to designate Pearson a KGB Agent and Canada's Department of External Affairs was formally re-evaluating the overall state of Canada's relations with the United States. This study examined such issues as the domineering tactics of American representatives on the International Monetary Fund, the inability of Americans to accept constructive criticism from Canada on their Asian policies, as well as the St. Lawrence Seaway Project, which was being imperilled by

¹²⁵NAC, RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from Wilgress, 4 April 1953.

American sectional interests.¹²⁶ The St. Laurent administration appeared to be quite frustrated.

C.D. Howe, the Minister of Trade and Commerce, roared to a New York audience that,

the Wiley-Dondero Bill could only complicate the present situation. Ownership by the United States of a short section of a very long seaway would....complicate problems of maintenance and operation of the canal system.¹²⁷

American reaction to this incident was immediate. M. Raynor of the U.S. State Department questioned External Affairs on Howe's speech:

We have noticed the speech made by the Right Honourable C.D. Howe last Tuesday in New York. However, we have every reason to believe that the assurance given by the Canadian Government last January still stands, to the effect that, once an entity had been designated, the Canadian Government would be willing to discuss with the United States Government alternative proposals for the construction of the joint Seaway.¹²⁸

He also inquired how Livingston Merchant, the U.S. Under-

¹²⁶John English, The Worldly Years: The Life of Lester Pearson, Volume II, 1949-1972 (Toronto, 1992), 57.

¹²⁷Willoughby, 250. Howe was also disturbed by the Eisenhower administration's policy of buying all the wheat American farmers could grow and then channelling it into aid programs abroad. This was having a disastrous affect on Canada's wheat exports. See Robert Bothwell and William Kilbourn, C.D. Howe: A Biography (Toronto, 1979), 277.

¹²⁸NAC, RG 25, vol. 3175, file 283, Memorandum to the Canadian Ambassador to the the United States from D.V. LePan, 10 April 1953.

Secretary of State, would respond if the press asked him about Howe's speech. In an attempt to justify Howe's remarks and avoid jeopardizing the FPC proceedings, External Affairs sent a formal apology. If Merchant were asked about the incident, he could respond,

Mr. Howe, although a leading member of the Canadian Government, made the reference to the St. Lawrence Waterway when talking privately to a private audience. We [the State Department] have it directly from the Canadian Government what we regard as an assurance to the effect that the Canadian Government, following the issuance of a license on power, will be willing to discuss plans for the joint development of a Waterway.¹²⁹

This note demonstrated the lengths to which the Canadian government was prepared to go in order to give the impression that American participation in the seaway was desirable.

On April 24 the Eisenhower administration officially declared its support for a jointly constructed seaway and the President immediately sent a letter to the chair of the Federal Power Commission, informing the members that the U.S. government officially sought a seaway role and the Commissioners were to do everything possible to hasten the process of granting PASNY a power license.¹³⁰ A mere two

¹²⁹Ibid.

¹³⁰NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 24 April 1953.

weeks later, the FPC granted PASNY a 50 year license.

To the disappointment of the Canadian government, this ruling did not allow for the immediate construction of power facilities. According to American law, once a power-developing license had been granted, the FPC had to allot an additional 60 days during which any other power company would have a final chance to appeal the decision. After this period, any interest groups believing that this license would negatively affect them also had 60 days to appeal. In either case, if the appeals were rejected by the FPC, the issue could be brought to higher courts. This meant that the legal challenges to PASNY's license could continue well into the fall of 1954, delaying construction of any part of the project until 1955.¹³¹ Ontario might suffer a power shortage before the power facilities could even be completed.

On July 15, the FPC rejected Spalinski's appeal. However, four interest groups - the Public Power and Water Corporation, the Central Pennsylvania Coal Producers Association, the National St. Lawrence Project Conference and the Lake Ontario Land Owners and Beach Protection Association - petitioned the FPC to reconsider its decision on PASNY's license. Although all four petitions were

¹³¹NAC, RG 25, acc. 26-87/16-, box 162, file 11513-40, Minutes of a Meeting of the Interdepartmental Committee on the St. Lawrence Seaway Project, 2 October 1953.

denied, Edward Burling Jr., the attorney hired by the St. Laurent administration to represent the Canadian government during the FPC proceedings, feared that these interest groups would appeal the Commission's decision, thus beginning a long process of judicial delays. He believed that,

unless positive and aggressive steps are taken, little likelihood exists that any construction can be started in 1954.... Additional delays are almost certain in the normal course of events....we ascertained from the Clerk of the Circuit Court of Appeals for the District of Columbia....that its court has one of the most crowded dockets in years and hence that a delay of from two to three months after the completion of all pleadings must be expected before argument is heard unless the court agrees to accelerate the case.¹³²

Burling offered two suggestions for expediting the process of judicial review. First, he and PASNY's attorneys could attempt to "Leapfrog the Court of Appeals and petition the United States Supreme Court for certiorari [hearing] before judgement immediately upon the filing of the notices of appeal in the former court."¹³³ In other words, before the private interests even brought their case to the Court of Appeals in November, the lawyers for Canada and PASNY could file for a rehearing by the U.S. Supreme

¹³²NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Letter to D.V. LePan from Edward Burling, 14 September 1953.

¹³³Ibid.

Court in the hope that it would decide on the issue before the lower court had a chance to render a verdict. If this happened, it would no longer be necessary for the Court of Appeals to proceed with the PASNY hearings.

Burling's second suggestion was to allow the appellants to bring their cases to the Court of Appeals, but in some way "move the court to advance the case on its docket".¹³⁴ If the aggrieved parties then wished to bring their case to the Supreme Court (as they no doubt would), there would be sufficient time for a ruling before the court's summer adjournment in June. In either case, some action would have to be taken by the Canadian government to ensure the resolution of the power issue before the Supreme Court's summer recess. If successful, the construction of hydro-electric installations could begin during the summer of 1954 and the power shortage predicted for Ontario might be averted. If the power issue lingered beyond June, nothing could be done until the Court reconvened in October and it was doubtful that any work would proceed during the late fall and winter. Only in the spring of 1955 could construction of the power installations commence.

After reviewing Burling's suggestions, Canada's Interdepartmental Committee on the St. Lawrence Seaway Project agreed that his first suggestion was too risky. If by chance the Supreme Court denied the petition for a

¹³⁴Ibid.

rehearing, more than a month's time would have been lost and it would have become impossible for the matter to be resolved before the Court's summer recess. The Committee agreed to act on Burling's second recommendation and submitted a report to Cabinet.¹³⁵

If the United States Court of Appeals can be prevailed upon to shorten, as it can legally do, some of the waiting periods which normally govern its processes, there is a good chance that the proceedings before the Court's can all be concluded and a final decision rendered by early June, 1954, thereby enabling power construction to commence in the 1954 season...the best way to bring about such an intervention by the U.S. Department of Justice would be for an initiative to be taken by Canada at a high level. It is therefore, suggested that a Canadian Minister seek an interview with the U.S. Secretary of State...It is the opinion of the Committee that any such approach to Mr. Dulles at the Ministerial level should be restricted exclusively to the 'power' aspects of the project.¹³⁶

Cabinet agreed that the Eisenhower administration might once again expedite the proceedings if it was reassured of Canada's commitment to allow U.S. participation. Therefore, on October 8, Howe was sent to Washington to meet with Dulles.

¹³⁵NAC, RG 25, acc. 66-87/160, box 22, file 1268-D-40, Minutes from a Meeting of the Interdepartmental Committee on the St. Lawrence Seaway Project, 2 October 1953.

¹³⁶NAC, MG 32 B16, vol. 30, Memorandum to Cabinet from the Interdepartmental Committee on the St. Lawrence Seaway Project, 6 October 1953.

Although Dulles was not available, Howe presented a memorandum to A. Phleger, Legal Advisor in the State Department. It made no reference to Canada's intention to build the seaway alone, but urged Dulles to ensure that the PASNY hearings proceed as quickly as possible.¹³⁷ Phleger asserted that, prior to any expediting, Dulles would have to send the U.S. Attorney General a note expressing the interest of the State Department in an early disposal of the appeals.¹³⁸

After the meeting, Phleger discussed the issue of accelerated hearings with the Attorney General, who in turn discussed the matter with Eisenhower. The President seemed to be in favour of a speedy resolution to PASNY's hearings. In fact, lawyers in the U.S. Justice Department were already hard at work in determining what would be the best means of securing an early and final disposition by the Court of Appeals.¹³⁹ The United States authorities were finally honouring their promise of doing all they could to expedite the power process. However, this came at a price: the Americans were only willing to help if the St. Laurent government would leave the door open for U.S. participation

¹³⁷ NAC, RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to Phleger from Howe, 20 October 1953.

¹³⁸ Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States in Donald Barry, ed., Documents on Canadian External Relations vol. 19:1953 (Ottawa, 1991), 1167.

¹³⁹ Ibid., 1168.

in the seaway.

To ensure that U.S. co-operation continued, Pearson was sent to Washington to discuss the issue with Dulles. The Minister was instructed to encourage the United States to defend the PASNY's case with vigour and, wherever possible, go around some of the legal proceedings.¹⁴⁰ Although transcripts of this meeting are not available, the Canadian strategy appears to have had some effect. By the end of October, Dulles had written the note necessary for expediting the PASNY litigation to Herbert Brownell Jr., the U.S. Attorney General.

The importance to Canada - as well as the United States - of completion of this project as promptly as possible makes [legal] delays of this sort highly undesirable if such delay can be avoided. The common interests of the two nations in this and other matters of great moment clearly call for the co-operation of the United States in the attainment of this end.¹⁴¹

The American authorities seemed willing to go even one step further. When the motion for accelerated hearing was filed and adopted by the Court of Appeals, each of the appellants were informed about the accelerated nature of the proceedings. The plaintiffs were thus deprived of the

¹⁴⁰NAC, RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from Cabinet, 19 October 1953.

¹⁴¹NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Letter to the U.S. Attorney General from the U.S. Secretary of State, 2 November 1953.

opportunity of arguing before the Court of Appeals that the request for an accelerated hearing had taken them by surprise. Any request they might have for a standard procedure would be denied.¹⁴² As a result of the lengths that the American authorities had gone to expedite the legal proceedings, Canada should have felt obliged to entertain seriously the prospect of a jointly-constructed seaway once the proper legislation was passed by Congress. However, the dream of an all-Canadian seaway was not so lightly abandoned.

Whenever American authorities asked the Canadian government to make an official statement on the contents of the Wiley and Dondero Bills, the St. Laurent administration's response remained constant. American participation in the seaway would only be considered by the Canadian government if it adhered to the stipulations contained in St. Laurent's January 9, 1953 statement: namely PASNY's license would first have to be signed and no longer challenged in the courts and the American authorities would have to submit a specific proposal that recognized the all-Canadian seaway plan as the starting point for negotiations.¹⁴³

¹⁴²Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States in Barry, 1171.

¹⁴³NAC, RG 25, vol. 3175, Memorandum to D.V. LePan from D.I. Fortier, 14 January 1954.

In the meantime, by the end of April 1954, the last of the appeal cases had been concluded by the Court of Appeals. The appellants had lost and the Federal Power Commission's ruling on PASNY's license was upheld. The U.S. Attorney General immediately petitioned the Supreme Court to expedite any further appeals it might receive from the lower court, and if possible, conclude any such hearings before the June adjournment.¹⁴⁴

However, the Canadian government was still concerned that the 1954 construction season would be lost if the U.S. Supreme Court decided not to render a verdict on this matter prior to its summer adjournment. Pearson cautioned Wrong that

The 1954 construction season appears to depend on a very considerable measure of the co-operation on the part of the parties' lawyers and, perhaps, on an unusually hasty determination of the matter by the Supreme Court itself.¹⁴⁵

These fears were justified, especially when the U.S. Supreme Court seemed at first reluctant to move the proceedings along. At the end of April, when the Court of Appeals denied the requests of Spalinski and the four interest groups for rehearings, the appellants had 30 days to present their case to the Supreme Court. Somewhat

¹⁴⁴NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 23 February 1954.

¹⁴⁵Ibid.

surprisingly, Spalinski was granted an extra 30 days, meaning that the Court would have been unable to conclude hearings before its summer adjournment.¹⁴⁶ A verdict would not have been forthcoming until the opening of the fall session in October.

Immediately, External Affairs sent a telegram to the U.S. State Department requesting that the Supreme Court revoke the extension granted to Spalinski. The telegram concluded: "It has been felt that Canada could more easily get the United States Government to take the necessary steps in connection with the power works if its eventual participation in the Seaway was left open."¹⁴⁷ This statement, demonstrating Canada's willingness to allow U.S. participation, was perhaps the final assurance required by the American authorities before they would resolve the power issue. The day after receiving this telegram, the U.S. Solicitor General petitioned the Justice Department to shorten Spalinski's extension by half.¹⁴⁸ Less than one week elapsed before the Solicitor General's request was

¹⁴⁶NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 27 April 1954.

¹⁴⁷NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to D.V. LePan from D.I. Fortier, 28 April 1954.

¹⁴⁸NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 29 April 1954.

granted. It now seemed probable that the Supreme Court would be able to render a verdict by June.

Although the U.S. authorities had expedited the process of legal challenges to PASNY's license, Pearson and St. Laurent were surprised at the extent to which the Eisenhower administration favoured the construction of a joint seaway project. The President's and State Department's promotion of the Wiley-Dondero Bill demonstrated that the U.S. government was not about to support the construction of an all-Canadian seaway as promised by Truman in November 1952. Consequently, Cabinet decided to refrain from making any further comments on the possibility of a jointly-constructed seaway. Instead, Cabinet agreed that, in the event that the Supreme Court rejected all appeals and the Wiley-Dondero Bill was defeated,

...no new legislation providing for United States participation in the waterway could be considered by the Congress until 1955 and....there would be no impediment to proceeding with the construction of all navigation facilities entirely within Canada.¹⁴³

Similarly, if all appeals were rejected and if the Wiley-Dondero Bill was still being debated, there would be a "twilight period from the date of the Supreme Court

¹⁴³NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from Cabinet, 20 April 1954.

decision until the end of the present session of Congress, during which the Canadian Government would proceed with the construction of a wholly Canadian seaway ".¹⁵⁰ According to the St. Laurent official statement of January 9, 1953, Canada was only committed to negotiate so long as this would cause no delays in the construction of any facilities. Since a considerable delay between the Supreme Court's final decision and the passage of the Wiley-Dondero Bill was predicted, the all-Canadian seaway plan still existed.

Before adjourning for summer, the U.S. Supreme Court denied a rehearing to the last of the plaintiffs. PASNY's license now stood unchallenged, and work on the power project and the all-Canadian seaway could commence.

However, this would not be the case. On May 6, 1954, approximately one month before the Supreme Court's final verdict, Congress passed the Wiley-Dondero Act. The Canadian government could no longer use the 'twilight period' or 'delays' as excuses for constructing its own waterway. Bound by its January 9 statement, Canada would have to negotiate the terms of American participation in the seaway project.

The Wiley-Dondero Act received the support of a majority in Congress for a number of reasons: effective lobbying by the Great Lakes-St. Lawrence Association,

¹⁵⁰Ibid.

strong support by the entire Eisenhower administration, the need for Labrador ores to supply U.S. mills,¹⁵¹ and undoubtedly, the fear of an all-Canadian seaway that would be economically and militarily controlled by Canada.¹⁵²

On the morning of June 7, the day that PASNY's license was signed by the President, the Canadian government received a copy of the Wiley-Dondero Act and a Note from the State Department requesting that detailed discussions take place between representatives of both nations on the planning and execution of navigation construction in both countries.¹⁵³ The U.S. now planned to participate in the construction of the seaway. However, the Canadian government had some reservations.

Cabinet appeared to be divided on whether or not this U.S. legislation and Note required the Canadian government to begin negotiations. The reader will recall that on January 9, 1953, St. Laurent made a public statement which included a number of stipulations which the Americans would have to adhere to before the Canadian government granted the U.S. a seaway role. One of these requirements was for the American authorities to draft a specific proposal which differed from the all-Canadian seaway plan (which both

¹⁵¹Willoughby, The St. Lawrence Waterway: A Study in Politics and Diplomacy, 260.

¹⁵²Chevrier, 62.

¹⁵³NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, American Note to the Canadian Government, 7 June 1954.

nations had officially agreed to on June 30, 1952). Since neither the Wiley-Dondero Act nor this Note made any reference to the all-Canadian seaway plan, but rather to the 1941 Executive Agreement, many Cabinet Ministers felt that the United States had not fulfilled the necessary requirements for partnership.¹⁵⁴ Incidentally, because this U.S. legislation included a section which read: the U.S. St. Lawrence Seaway Development Corporation was "authorized and directed to construct in United States territory, all deep-water navigation works....in the International Rapids Section",¹⁵⁵ Cabinet agreed that the Wiley-Dondero Act represented a declaration of the U.S. government's intentions, rather than a proposal. Even though this issue was not resolved in this particular Cabinet meeting, many Ministers suggested that the St. Laurent government ought to proceed with the all-Canadian seaway.¹⁵⁶

Later in the same day, External Affairs was informed about a crucial judgement made by the U.S. Supreme Court. It had rejected an appeal of the Lake Ontario Land

¹⁵⁴NAC, RG 25, vol. 2655, microfilm T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 7 June 1954.

¹⁵⁵Alexander Wiley, St. Lawrence Seaway Manual: A Compilation of Documents on the Great Lakes Seaway Project and Correlated Power Development (Washington, 1955), 6.

¹⁵⁶NAC, RG 25, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 7 June 1954.

Development and Beach Protection Association which sought to have PASNY's license revoked for fear that properties along the IRS would be flooded upon completion of the power facilities. Nevertheless, the Supreme Court ruled that Congress could terminate PASNY's license if something extraordinary, such as flooding, were to occur. The conditions for termination of the license, however, were not further defined.¹⁵⁷ A number of unspecified conditions could move Congress to terminate the power license.

The following week, during another Cabinet meeting, the Ministers agreed that the Wiley-Dondero Act and U.S. Note constituted a specific proposal and decided to inform the State Department that preparations ought to be made for negotiations.¹⁵⁸ Although no evidence exists that can directly link the information about Congress' power to terminate PASNY's license with the Canadian government's decision to negotiate with the Americans, it is likely that the St. Laurent administration realized that Congress might revoke the power license if the U.S. were not granted a seaway role. If this were to occur, neither the power facilities nor the navigation installations ~~would be~~ constructed.

¹⁵⁷NAC, RG 25, acc. 86-87/160, box 23, file 1268-D-40, Weekly Divisional Note of the Department of External Affairs' American Division, 7 June 1954.

¹⁵⁸NAC, RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to R.A. MacKay from G.E. Cox, 16 June 1954.

In response to these circumstances, Arnold Heeney, Canada's new Ambassador to the United States, sent a memorandum to Pearson expressing his views. Already critical of U.S. authorities on other issues,¹⁵⁹ he wrote,

It is inevitable that Canadians should feel that the United States Government...is really a Johnny-come-lately in this enterprise.

It may be demonstrated that the balance of commercial and financial advantages to Canada would now lie with an all-Canadian seaway....Finally, it is only natural that, with the recollection that from the earliest times the St. Lawrence has been considered an essentially Canadian river, some Canadians should prefer an all-Canadian seaway. To my mind, however, these considerations are hardly relevant in the present situation. It can hardly be denied that, by our January 9 statement...we have helped to create the impression within the United States that, if a bill similar to the one that has been before Congress for two years now were to be approved, the Canadian government would be willing to accept United States participation on that basis. The bill has become law; and we believe there is now no alternative but to enter into negotiations, when they are requested by the United States authorities, to try, if possible, to reach agreement for the early construction of the seaway as a co-

¹⁵⁹Within months of replacing Hume Wrong as the new Canadian Ambassador to the United States, Heeney had taken offence to many American actions, such as Dulles' January 1954 'massive retaliation' speech indicating that the U.S. would retaliate against any aggressor with considerable force and even use atom bombs anywhere in the world. In addition, the Ambassador was quite critical of the Communist 'witch-hunts' of Senator Joseph McCarthy. See Brian D. Heeney, ed., *The Things That Are Caesar's: Memoirs of a Canadian Public Servant* (Toronto, 1972), 115.

operative venture. For the Canadian Government to take any other course would ...seriously damage relations between the two countries.

That is not to suggest...that Canada should accept any or every proposal that the United States may care to put forward on the basis of the new legislation. Far from it. Canadian interests must be stoutly advanced and defended in the negotiations; and, above all, Canada's agreement to co-operate should be withheld until arrangements have been worked out that would be reasonably satisfactory in the circumstance, and in the light of the history of this issue. We can conceive of a situation in which some aspects of the United States proposal, although consistent with the terms of the Wiley Bill might be so unacceptable from the Canadian point of view that we would be obliged to break off the negotiations, refuse co-operation, and go ahead with an all-Canadian seaway. But any such possibility is for the future to reveal.¹⁶⁰

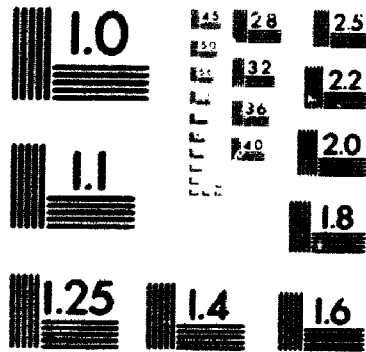
The Canadian government had been forced officially to abandon its plans for an all-Canadian seaway and negotiate with the Americans. It was no secret that the sole reason that the United States desired to participate in the project was to control 50 percent of the seaway.¹⁶¹ The Eisenhower administration wanted the Canadian government to operate only the existing Lachine and Beauharnois facilities, which were located within the Canadian section

¹⁶⁰NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 19 May 1954.

¹⁶¹NAC, MG 32 B16, vol. 28, Memorandum to Cabinet from Chevrier, 14 June 1954.

of the St. Lawrence River. The Americans planned to construct and maintain the Barnhart and Illinois installations, which were to be located within the international section of the river. Despite the American demands, Canada's negotiators would do everything in their power to keep the level of American participation to a minimum.

2 of /de 2



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

CHAPTER THREE
THE 1954 SEAWAY NEGOTIATIONS

As early as January 21, 1954, the Canadian Cabinet had begun addressing the issues that might emerge during negotiations for a jointly-controlled seaway. Considerable concerns over specific portions of the Wiley-Dondero Bill were voiced. The American legislation called for the establishment of the St. Lawrence Seaway Development Corporation which would construct and operate, within U.S. territory, the Iroquois and Barnhart locks and canals - the two deep-water navigation facilities proposed for the IRS. The Americans would thus control two of the four navigation installations located along the entire St. Lawrence River. Since the St. Laurent government had originally intended to construct all the works within Canadian territory, losing control of 50 percent of the seaway was not a welcome prospect.¹⁶²

After PASNY's license had been granted, the Canadian and American governments agreed to meet in Ottawa during the first week of July to set a negotiating agenda and hear brief comments on each other's positions. In preparation, the Canadian government restructured the Interdepartmental Committee on the St. Lawrence Seaway Project to include not

¹⁶²NAC, RG 2, vol. 2654, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 21 January 1954.

only individuals from the Departments of External Affairs, Transport, and Defence, but also Finance, Justice and Canada's principal representative on the International Joint Commission, General A.G.L. McNaughton. This Committee held a series of meetings to develop the strategy for the upcoming negotiations.

During the first meeting,¹⁶³ the officials discussed the problems that were expected to arise when ships other than those of U.S. registry used the locks and canals proposed by the Wiley-Dondero Act which had been passed on May 13, 1954. Before reaching an agreement, committee members first analyzed the extent to which Canada relied on foreign shipping and the terms of existing treaties and agreements which Canada had signed with other nations, especially the United States. The consensus was that Canada and the United States relied almost entirely on foreign ships for the direct transportation of water-borne commerce between the Great Lakes and overseas ports. With the completion of a modern seaway, this traffic was expected to increase and the officials were certain that these ships would carry a much greater proportion of Canadian overseas commerce than American.

¹⁶³The following four paragraphs deal with information from NAC, MG 32 B16, vol. 30, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from Cabinet, 21 June 1954.

Under existing treaties and agreements such as the British Commonwealth Merchant Shipping Agreement, the Canadian government had undertaken a general commitment to grant ships of foreign nations a general right of entry into all Canadian ports. Upon the completion of the seaway, the Great Lakes would be open to continuous deep-sea shipping and all treaties and agreements would apply to Canada's previously inaccessible inland ports.

The officials agreed that the 1909 Boundary Waters Treaty had the effect of "ensuring equal rights of navigation for the purpose of commerce to citizens and vessels of both countries throughout the St. Lawrence River and Great Lakes". However, the treaty was subject

to the right of each country to enact any laws and regulations within its own territory (including those relating to security) so long as they are not inconsistent with the privilege of free navigation.

In other words, vessels engaged in Canadian shipping could not be prohibited from using American navigation facilities, yet they still could encounter some difficulties. The U.S. government might discriminate against foreign vessels engaged in Canadian shipping by subjecting them to strict regulation enforcement (that is, customs, sanitary, quarantine, safety and security matters) while in the American facilities. In this way the "subjecting of ships on the registries of countries other than Canada to strict U.S. regulations could detract

substantially from the benefits which the seaway might be expected to yield to the Canadian economy". If the Eisenhower administration was to participate in the project, the officials concluded that the Canadian negotiators should insist that,

only regulations comparable to those in force in Canada should apply to Canadian registered ships in the U.S. section of the Seaway and to any shipping using the seaway when destined only for [or originating only in] Canadian ports.

The differing approaches that Canada and the United States had to security issues were also discussed. For the U.S., "where a potential risk exists, massive controls must be applied". The Canadian government believed that "such [security] measures should be directed mainly to situations where there exists a serious risk and where they will be effective". Because of Canada's trade relations with several foreign and some East-Bloc nations such as Poland, officials were certain that the American government would consider a deep waterway a constant threat to North American security. In the American portion of the seaway, the United States would undoubtedly impose strict security controls which could affect the personnel on board ships. These measures would substantially delay the movement of goods between Canadian and overseas ports. Assuming that all navigation facilities of the IRS were constructed and maintained by the U.S., the officials agreed that the U.S. facilities should operate much like the Canadian

installations located elsewhere in the waterway. Consequently, American participation in the project would not constitute a radical departure from the all-Canadian seaway plan.

In another meeting,¹⁶⁴ the Committee discussed Canada's commitment to a \$15 million contribution to the Hydro-Electric Power Commission of Ontario and the Power Authority of the State of New York. When, in 1952, the seaway was expected to be constructed and operated by Canada, the federal government agreed that some money ought to be given to the power authorities, since much of their dredging was necessary for both the power and navigation projects. This commitment was even included in the 1952 Exchange of Notes,

the Canadian Government is prepared to agree to contribute \$15 million towards the cost of the channel enlargement which the power-developing entities must undertake in the St. Lawrence River in consideration of the benefits which will accrue to navigation from such channel enlargement.

If the United States were to construct these navigation facilities, the Committee members agreed that the Eisenhower administration ought to pay the \$15 million for the works common to navigation and power. However, the Wiley Act made no mention of such a proposal. In fact,

¹⁶⁴The following three paragraphs deal with information from NAC, MG B16, vol. 30, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from Cabinet, 25 June 1954.

under section 3, the U.S. St. Lawrence Development Corporation was directed to construct works that were solely for navigation. Since the dredging in question was to benefit both the power and navigation projects, the St. Lawrence Seaway Development Corporation could not accept direct responsibility for a \$15 million contribution.

During this meeting, McNaughton noted that, in 1952, the United States strongly urged that this contribution be made by Canada on the grounds that the International Joint Commission might not approve the power development project unless some of the costs related to works required for both navigation and power were charged to navigation. In light of this, he concluded that, "it would be astonishing if the United States did not agree to accept responsibility for the payment".

The Canadian officials also addressed the issue of toll collection on a jointly-constructed seaway. Both the St. Lawrence Seaway Authority and the St. Lawrence Development Corporation were authorized to set tolls either jointly or unilaterally. The Committee members agreed that the Canadian and American governments would have different priorities in toll setting. Low toll rates on grain moving from the west to overseas markets would be a high priority for Canada, while rates on iron ore moving from the Atlantic seaboard into the Great Lakes would be the major concern of the United States. Even though these

differences could be overcome through a system of joint tolls, this would require extensive negotiations.¹⁶⁵ A system of unilaterally-imposed tolls seemed to be more advantageous. Each country would be free to set tolls on various commodities for its own canals at whatever level it thought best. "Any tendency towards extreme discrimination as between commodities would presumably be held in check by the fact that unreasonable tolls levied by one Authority could lead to retaliation by the other Authority."¹⁶⁶

In a subsequent meeting,¹⁶⁷ the Committee agreed that, if the Eisenhower administration sought an assurance that the Canadian government would not concurrently proceed with its own waterway in the International Rapids Section, "Canadian negotiators should indicate quite clearly that the Canadian Government would not be prepared to make any such commitment, even for a limited period of time." Once traffic warranted, the St. Lawrence Seaway Authority would construct duplicate canals in Canadian territory. In fact, officials planned to encourage the government to take advantage of the low water levels caused by American

¹⁶⁵NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from Cabinet, 20 April 1954.

¹⁶⁶Ibid.

¹⁶⁷The following two paragraphs deal with information from NAC, MG 32 B16, vol. 30, Minutes of a Meeting of the Interdepartmental Committee on the St. Lawrence Seaway Project, 29 June 1954.

navigation excavations at the northern end of Barnhart Island, just north of Cornwall. Excavating a Canadian canal and lock before the water levels were raised would create a 25 percent savings. In so doing, the government would also be maintaining the possibility of constructing an all-Canadian seaway in the future.

The officials also acknowledged the importance of the Canadian delegates avoiding "any suggestion that might lead to a reopening of the Order of Approval issued by the International Joint Commission on October 30, 1952". They feared that American officials might wish to submit their seaway legislation to the IJC for a ruling and that this might cause further delays in the construction of power works for at least another season.

In addition, the Committee members dealt with the issue of Canada's existing 14-foot navigation facilities within the IRS.¹⁶⁵ These canals had been used for over one hundred years, enabling shallow draught vessels to bypass the rapids in the IRS. With the construction of power facilities, the natural water level would rise and ultimately destroy these works. These canals would have to be rebuilt in order to link Ontario towns such as Prescott and Cornwall to the American deep waterway proposed by the

¹⁶⁵The following three paragraphs deal with information from NAC, MG 32 B16, vol. 30, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from A.G.L. McNaughton, 2 July 1954.

Wiley-Dondero Act.

According to the 1932 draft Treaty and 1941 Agreement, provisions were made for the maintenance of a 14-foot Canadian canal upon completion of power generating facilities. The 1951 Agreement between Canada and Ontario described how the Hydro-Electric Power Commission of Ontario (HEPCO) and an American power authority were to compensate Ottawa with approximately \$15 million for the construction of this facility. However, in the 1952 Exchange of Notes, both countries agreed that, since the seaway was to be constructed wholly within Canadian territory, a 14-foot canal system would not be necessary. Towns like Prescott and Cornwall would lie directly on the all-Canadian seaway route. Consequently, the power authorities would be relieved of their responsibility of paying the Canadian government for the maintenance of a 14-foot canal system.

If the United States was to construct the navigation facilities within the IRS, however, the Committee agreed that the Canadian negotiators ought to insist that HEPCO, along with PASNY or the American government, pay for replacing these canals. However, the state of New York (like all states) did not have the constitutional authority to negotiate a financial settlement with the Canadian government. In addition, since the funds necessary for maintaining these 14-foot installations were not solely for

deep-water navigation in the seaway, as called for by the Wiley Act, it again seemed doubtful that the American government would compensate Canada.

By the end of these preparatory meetings, the Interdepartmental Committee on the St. Lawrence Seaway Project submitted its report to Cabinet, which carefully studied the recommendations. The document was approved and then given to the Canadian negotiators, who met with the American representatives on July 5 and 6 to set an agenda for the August negotiations and engage in preliminary discussion.¹⁶⁹ As it turned out, every issue caused some problems.

The American authorities were insistent that their U.S. St. Lawrence Seaway Development Corporation "was not only authorized but directed to build all canals and works in the International Rapids Section to the extent of \$105 million. These works must be for navigation alone." The Eisenhower administration was unwilling to take over Canada's commitment to contribute \$15 million to PASNY and HEPCO for the construction of works common to power and navigation. American officials suggested that Canada continue its financial commitment and at a later date, the American government might seek "Congressional appropriation

¹⁶⁹The following seven paragraphs deal with information from NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Minutes of the July 5 and 6 Intergovernmental Meeting on the St. Lawrence Seaway Project, 9 July 1954.

of funds or a change of the legislation....[to] compensate Canada out of tolls".

On the issue of shipping rights, the U.S. officials argued that,

It would be extremely difficult to give guarantees (even if Canada assured reciprocity) that Canadian vessels should be able to use the 'Wiley' [American] canals on terms no more onerous or restrictive than United States or Canadian vessels using Canadian canals.

The Americans maintained that in this instance a treaty approved by Congress would be required and they "raised doubts as to the constitutionality of such action which would in effect deprive the United States of the application of a part of its territorial sovereignty". They insisted that the most Canada could obtain from the United States might be an "assurance that the United States government would first consult Canada before Congress passed a law or the Administration fixed regulations affecting Canadian shipping in the 'Wiley' locks". Canadian negotiators had a difficult task ahead in trying to secure concrete guarantees of Canadian and foreign shipping rights in the American navigation facilities.

With regard to third-party shipping, the U.S. officials were not willing to give any assurances. Since Canada would undoubtedly be greatly dependent on foreign vessels for its commerce, this issue was even more important than the treatment of Canadian vessels.

Nor would the American government compensate Canada for the destruction of its 14-foot canals. Using Section 3(a) of the Wiley-Dondero Act, the Americans argued that any capital outlay on the part of their government would be solely for navigation of a 27-foot waterway. They did not favour the continuation of a 14-foot system, even if the Canadian government decided to pay for its maintenance and collect tolls on this facility. The U.S. officials argued that this would "detract from the possibilities of amortizing the cost of the construction of the 'Wiley' locks". The Eisenhower administration apparently sought a monopoly on all navigation works within the IRS, and Canadian ships using this portion of the St. Lawrence were expected to be completely dependent upon American locks and canals.

The American delegates also mentioned their government's desire to work out an agreement or understanding with Canada in which neither country would duplicate facilities within the IRS. As feared, the U.S. negotiators were prodding the Canadian government to surrender a portion of its territorial sovereignty. This was likely being done in an attempt to thwart any possibilities of a future all-Canadian seaway.

From these discussions, it appeared that the Eisenhower administration was determined in its quest to control all aspects of navigation within the IRS. All

attempts by Canadian negotiators to minimize the extent of control sought by the U.S. were rebuffed by American officials. Although toll collection was not discussed, both sides agreed to have a legal advisors' meeting on July 23 to discuss the legality of each issue in the draft agenda for the forthcoming intergovernmental meetings.

The St. Laurent administration now adopted a new tactic. The negotiators would demand that the St. Lawrence Seaway Authority construct the Iroquois lock and canal on Canadian territory.¹⁷⁰ This was one of the two lock and canal systems proposed for the IRS. As we have seen, the Wiley Bill made it essential for the U.S. Corporation to construct the two navigation facilities proposed for the IRS. However, the Canadian negotiators would challenge the navigation plans outlined in the Wiley Bill if American authorities did not pay the \$15 million for works common to navigation and power, as well as for the maintenance of Canada's 14-foot canal system.¹⁷¹

There were a number of advantages for Canada in constructing the Iroquois lock and canal within Canadian territory. First, from an engineering standpoint, such construction could be undertaken at a lower cost in Canada. Secondly, instead of the Americans controlling two of the

¹⁷⁰NAC, RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on Building at Iroquois, 13 July 1954.

¹⁷¹Ibid.

four navigation installations within the St. Lawrence River, they would have to be satisfied with one. Third, the immediate construction of a Canadian lock and canal at Iroquois would enable Canada to complete its own seaway more cheaply and quickly if and when increased traffic or U.S. restrictions on Canadian shipping warranted such action. Fourth, Canada could collect sufficient tolls on this facility to amortize the cost of reconstructing the 14-foot canals which were essential to join Cornwall with the American navigation installations north of Barnhart Island. Fifth, these tolls could be used for the \$15 million contribution to the power authorities.¹⁷²

Carrying this new plan, M.H. Wershof, Legal Advisor to External Affairs, met with American legal officers on July 23 to discuss each issue in the draft agenda for the forthcoming intergovernmental meetings.¹⁷³ Lee Rankin of the U.S. Justice Department began the session by insisting that "the United States could not, without new legislation, pay the \$15 million to PASNY and HEPCO, or any part thereof." The Eisenhower administration was also unwilling to reimburse Canada for the reconstruction of the destroyed 14-foot canals. Wershof recommended that the United

¹⁷²Ibid.

¹⁷³The following three paragraphs deal with information from NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of States for External Affairs from the Canadian Ambassador to the United States, 24 July 1954.

States, either in an Exchange of Notes or in an amendment to the Wiley-Dondero Act, "assume the \$15 million expenditure, or gradually repay this money to Canada out of its share of tolls from the Wiley canals." R.T. Yingling of the U.S. State Department expressed his doubts that Congress would approve any such legislation "in view of the representations made to Congress during the passage of the Wiley Act concerning the maximum proposed expenditures [\$105 million]."

Since it was obvious that the United States was unwilling to compromise, Wershof informed the American legal advisors that the Canadian government would construct the proposed 27-foot Iroquois canal and lock on the Canadian side of the International Rapids Section and the tolls collected from this facility would be used by Canada to maintain its 14-foot canal system and to make the \$15 million contribution to the power authorities. Surprised by Wershof's message, Rankin warned that,

such a decision by the Canadian government would present a serious legal problem to the United States. The Wiley Act directed the United States Corporation to construct all navigation works....Although the Corporation might be able to deviate in small matters from the list of works, it could not legally drop such a substantial item as the Iroquois Canal and lock from its program. Congress had not given the corporation any discretion to pick and choose between the various works which Section 3 of the Wiley Act directed the corporation to build in United States territory.

Clearly, the U.S. authorities were not willing to sacrifice the Iroquois installation.

As the meeting progressed, the legal advisors agreed that Article 1 of the Boundary Waters Treaty guaranteed freedom of navigation on a non-discriminatory basis for all Canadian and American vessels using any boundary waters, such as the IRS. Nevertheless, Wershof insisted that non-discrimination was not enough. The assurance was vague and did not address navigation rights for third-party shipping or the status of United Kingdom and Commonwealth vessels. He insisted that,

Canadian vessels should be able to use the Wiley canals just as if they were in Canadian territory, i.e. under rules no more onerous than those from time to time imposed on shipping in the Canadian parts of the St. Lawrence Seaway by Canadian law.

Wershof suggested the negotiation of a treaty to provide such assurances. Despite his insistence, both Yingling and Rankin argued that U.K. shipping and Commonwealth vessels had no treaty rights under Article 1 of the Boundary Waters Treaty, and that this treaty request was unconstitutional under American law "because it would amount to the United States handing over to Canada the right to say what laws should prevail in a part of United States territory". However, the Americans suggested that their government might agree "to consult with Canada before any new legislation or regulations were brought into force in the

Wiley Canals which might have an effect on Canadian shipping". Although not precisely the assurances that Wershof desired, it was at least a step in the right direction.

The officials then discussed the Eisenhower administration's request for a promise from Canada that no duplicate canals would be constructed in the IRS. Wershof insisted that, as soon as traffic warranted, Canada would build duplicate facilities and it was probable that some preparatory works for the eventual construction of a 27-foot canal at Cornwall would commence in the near future. The U.S. legal officers urged that consultation with U.S. authorities precede any such construction.¹⁷⁴ Although Wershof agreed to take this under advisement, the U.S. legal advisors' next request was not welcome. Rankin recommended that facilities only be duplicated once traffic warranted such action. Wershof refused to consider this, arguing that "a future Canadian government might decide to duplicate the canals for other reasons, e.g. if Canadian trade or shipping were interfered with as a result of action by some future Congress".¹⁷⁵ Consequently, Canada remained unwilling to abandon the possibility of one day

¹⁷⁴NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from Wershof, 26 July 1954.

¹⁷⁵Ibid.

constructing and maintaining an all-Canadian seaway.

At the conclusion of this meeting, Yingling argued that some formal action by the International Joint Commission was necessary to ensure the legality of the construction of the navigation works under the Wiley Act.¹⁷⁶ As we have seen, when the IJC approved the 1952 joint applications for power development along the IRS, the all-Canadian seaway plan had been included and approved. Now that the Americans planned to construct all the navigation facilities proposed for the IRS, there was some question whether or not this plan needed an IJC approval. Wershof asserted that "International Joint Commission action was not legally required for the construction of [navigation] works....and emphasized the importance of avoiding any delays".¹⁷⁷

By the evening of July 23, the ground was laid for future negotiations in August. Although some important compromises seemed achievable, the majority of the St. Laurent government's demands had been refused by the American officials. To make matters worse, when the officials of the U.S. State Department learned that Canada intended to construct the Iroquois facility, they sent a

¹⁷⁶NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 24 July 1954.

¹⁷⁷Ibid.

memorandum to External Affairs warning that, "under United States law, the Congress could at any time terminate the license issued to PASNY".¹⁷⁸ This was undoubtedly done to keep the Canadian government from constructing this facility.

In any event, the St. Laurent administration would not be bullied. Pearson informed Cabinet that,

While Rankin underlined the very serious legal difficulties which would confront the U.S. government if Canada decided to build at Iroquois, the implication Rankin made regarding a possible revocation of the approval of the power works, is....one which can be safely forgotten.¹⁷⁹

It is crucial to understand that the St. Laurent administration was willing to risk the cancellation of PASNY's power license in order to keep U.S. participation in the seaway to an absolute minimum. In fact, Arnold Heeney sent a telegram to Pearson, urging the Canadian negotiators to continue insisting that Canada's St. Lawrence Seaway Authority construct and maintain the Iroquois lock and canal within Canadian territory because

this would do something to satisfy those in Canada who believed that an all-Canadian Seaway should be built. It would leave less work to be done on the Canadian side of the river if it were

¹⁷⁸NAC, RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from E.A. Cote, 27 July 1954.

¹⁷⁹NAC, RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 28 July 1954.

decided at some later date to duplicate the canals on the United States side [at Barnhart].¹⁸⁰

In brief, Heeney was encouraging the Canadian negotiators to challenge the American seaway legislation.

Although the U.S. legal officers had argued that a shipping treaty was not possible, R.A. MacKay, Acting Under-Secretary of State for External Affairs, had his Legal Division produce a draft treaty which included rights for Canadian, American and other foreign vessels engaged in water-borne trade on a jointly-controlled seaway. Article 1 of the treaty read,

In order to facilitate the maximum use of this navigation system in the interests of the commerce and industry of both countries, all ships....proceeding to or from Canadian ports either directly or indirectly shall have the right to pass through channels....now existing or to be built in the waters....in United States territory, under terms and conditions and in accordance with regulations relating to the passage of such ships....their cargoes, passengers and crews which are no more onerous than those in effect governing the use of those channels, canals and locks in Canadian territory.¹⁸¹

In other words, Canada's maritime laws should apply to all vessels engaged in Canadian shipping even in the American

¹⁸⁰NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 26 July 1954.

¹⁸¹NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to R.B. Bryce from R.A. MacKay, 27 July 1954.

navigation facilities proposed for the IRS. A reciprocal assurance would also be extended to American and foreign ships (either en route to or from U.S. ports) using the navigation systems within Canadian territory. Article 3 stated that the Governments of the United States and Canada "agree that they shall endeavor to prevent in their respective territories any action which would be productive of material injury to the navigation interests on either side of the boundary".¹⁵² This draft treaty demonstrated that the St. Laurent government would not stand for any discriminatory U.S. policies on Canadian shipping in the American locks and canals.

In a memorandum to the Canadian negotiating team, which included Pearson, Howe and George Marler from the Department of Transport, Wershof insisted that they object to sending the Wiley Bill to the IJC for approval. This would only delay the construction of both the power and navigation phases of the seaway.¹⁵³ More importantly, since the construction of these navigation facilities would not affect water levels, "it [was] not in Canada's long term interest to allow any 'back-door' recognition of the IJC's in-existent jurisdiction over navigation works to be

¹⁵²Ibid.

¹⁵³NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to Cabinet from Wershof, 29 July 1954.

constructed in this section of the St. Lawrence".¹⁸⁴ Wershof warned that, "any precedent now created would be held against Canada when Canada decided to build on Canadian territory in the future".¹⁸⁵

During one of the final Cabinet meetings before the August 12 negotiations, the Canadian negotiators received some final instructions. St. Laurent opened the meeting with a somewhat ominous tone, warning that it was important that the Americans be granted a small role in the seaway since "it [was] possible for the U.S. administration to cancel the license granted to PASNY by the FPC".¹⁸⁶ It was now up to the Canadian negotiators to control the level of American participation.

On the issue of tolls, Cabinet agreed that it would be in the best interest of Canada to have them fixed unilaterally; the process of extensive negotiations and coordinating schedules would be avoided. In addition, U.S. authorities would have no influence in Canadian toll-setting.¹⁸⁷

¹⁸⁴Ibid.

¹⁸⁵Ibid.

¹⁸⁶NAC, RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 28 July 1954.

¹⁸⁷Ibid.

Cabinet members thought it would be beneficial to purchase all lands necessary to construct future navigation facilities in the Cornwall area, but decided against the immediate excavation of a lock and canal in the area.¹⁸⁸ American negotiators were to be informed of this purchase and it was to be explained to them that the cost of this acquisition was not to be paid for out of toll revenues until the navigation facilities were constructed at some later date.¹⁸⁹ This was undoubtedly done to convince the Eisenhower administration that Canada would duplicate the American Barnhart Island facility at Cornwall when the situation warranted. An all-Canadian seaway would be built.

The negotiators were also instructed to inform the American officials of three circumstances which would force the Canadian government to duplicate U.S. navigation facilities within Canadian territory. The first, which needs no explanation, would be an increase in the volume of traffic.¹⁹⁰ Secondly, the imposition of what the Canadian government might regard as unnecessarily restrictive customs, sanitary, safety and especially security

¹⁸⁸NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Negotiators from Cabinet, 9 August 1954.

¹⁸⁹Ibid.

¹⁹⁰NAC, RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to the Canadian Negotiators from Cabinet, 4 August 1954.

regulations would have an adverse effect on shipping in the seaway. Since ships operating through the seaway would carry a much greater proportion of the Canadian overseas commerce than of the United States' overseas commerce, "such restrictive regulations would have a greater adverse effect on the Canadian economy".¹⁹¹ Third, the United States might impose discriminatory tolls. Assuming that both governments agreed to a system of unilateral tolls, the United States could impose exorbitant rates on cargos of particular importance to the Canadian economy, such as prairie grains en route to European markets. They could also charge meagre rates on freights in which United States had a special interest, such as iron ore headed to the steel mills of the upper lakes region.¹⁹² The purpose of informing the U.S. officials of these three circumstances was to illustrate that the St. Laurent government would have no qualms about duplicating American navigation facilities, and not simply because of a mere increase in traffic.

In a final memorandum to the negotiators, Cabinet instructed them to insist on a system of unilateral tolls and to object to any American suggestion to send the Wiley

¹⁹¹ Ibid.

¹⁹² Ibid.

Bill to the International Joint Commission for approval.¹³³
If the U.S. authorities were unwilling to pay for the reconstruction of the 14-foot canals and make the \$15 million contribution to the power authorities, the negotiators were to do no more than agree to modify the arrangements contained in the 1952 Exchange of Notes in the following manner:

The Canadian government will construct all the necessary 27-foot navigation works between Lake Erie and the port of Montreal on the Canadian side of the International Boundary....with the exception of....the construction of a side canal for 27' navigation in the vicinity of Barnhart Island....As soon as it [the Canadian Government] considers that traffic conditions warrant....its present intention is to duplicate 27-foot navigation facilities on Canadian soil in the vicinity of Barnhart Island....Canada will make the contribution of \$15 million out of tolls assessed against the Iroquois works.¹³⁴

These modifications would satisfy the spirit of the Wiley-Dondero Act, which essentially called for co-operation with the Canadian government in the construction of the seaway.

The negotiators were also told to encourage the Americans to sign the draft shipping treaty. If this failed, they were to aim for an Executive Agreement calling for each government to avoid any action which would

¹³³NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Negotiators from Cabinet, 9 August 1954.

¹³⁴ibid.

adversely affect the trade or shipping of the other. There would have to be consultation before new legislation was enacted which would directly affect the commercial interests of either country in the IRS.¹⁹⁵

The stage was now set for the negotiations to begin. They proceeded quickly and by the end of the first meeting on August 12, most of the main issues had already been decided.¹⁹⁶ The American team was comprised of two individuals, Robert B. Anderson, Deputy Secretary of Defense and General R. Brucker. This may be a hint of what the Eisenhower administration thought was at stake, and why the American government so desperately sought a seaway role.

After considerable debate, Anderson indicated that "the United States authorities were now in a position to revise their judgement and could see no reason now to have to go the IJC for approval of the Wiley Bill". The risk of further delays caused by a reopening of this case by the IJC was thus averted.

On the issue of consultation before the duplication of works, there seemed to be no difficulty in reaching an agreement. Anderson maintained that "the United States

¹⁹⁵Ibid.

¹⁹⁶The following ten paragraphs deal with information from NAC, RG 25, acc. 86-87/160, box 23, file 1268-D-40, Minutes of the August 12 and 13 Intergovernmental Meetings, 20 August 1954.

would like to talk to Canada before there was any duplication because they would not want to impair the partnership arrangements". Pearson even took this opportunity officially to inform the Eisenhower administration of the Canadian government's intention to appropriate the necessary lands for the eventual construction of a navigation facility in the Cornwall area. With little discussion, the American representatives agreed that the Canadian government might wish to duplicate the American facilities for reasons other than an increase in traffic.

With respect to navigation guarantees, Pearson gave a copy of the draft treaty on shipping rights in the IRS to Anderson, arguing that, "If this were signed, it would be infinitely easier to get Canadian public opinion to support this project". The U.S. official refused and "had grave doubts whether the United States could enter into an inflexible treaty whereby the power of Congress to legislate would be circumscribed". However, Anderson did suggest that, "if anyone proposed legislation which would affect shipping in the IRS, the United States would be prepared to consult Canada and ascertain the Canadian reaction". As instructed by Cabinet, the Canadian representatives agreed to this expedient.

The tolls problem was put off and both sides agreed to discuss this matter at a later date, closer to the seaway's completion. C.D. Howe suggested however, that "there might be considerable difficulty in arranging joint tolls, because of the different systems for arriving at tolls in each country". He further indicated that, "The preliminary view, however, was that it would be much better to fix tolls unilaterally and perhaps later arrange for some sort of joint collection." Anderson had been instructed to encourage the Canadians to set tolls jointly and was somewhat surprised when Pearson refused to discuss the matter any further.

Up until this point, the meeting was proceeding quite smoothly. However, the real difficulties began when Pearson asked the American officials about the \$15 million contribution to the power authorities. Anderson announced that, "the United States recognized the equity of Canada's claim but the Wiley Act made no provision for its payment. Even if it could, there would not be enough money left to build the remaining works". The only way open to the United States would be "for the Administration to seek an additional \$15 million from Congress, but, this might prove impossible to obtain and would in any event delay matters until at least March 1955". The St. Laurent administration was not going to get the Americans to pay for any works common to navigation and power.

When it came time to discuss the continuation of Canada's 14-foot canals, Howe explained that

there had been a canal on the Canadian side for the IRS for the last hundred years, that industry had been built around it and that the 1941 Agreement provided for the maintenance of a 14' canal as, indeed, the Ontario-Canada Agreement had.

He concluded that Ontario and either New York or the United States, "would have toreimburse Canada for the loss and reconstruction of this canal". Once again, Anderson insisted that, "the United States could not go beyond its legislation and....doubted that there was any way of obtaining any financial provision from Congress for continuing these works on Canadian territory".

Howe then asked Anderson to forget about compensation, and to comment on what the United States might think about the Canadian government using its own resources to reconstruct this canal. Anderson responded, "whatever Canada wished to do was its own decision. If however, the canal traversed the whole IRS, we hope that Canada would charge tolls". Obviously there was little the American authorities could do to stop the Canadian government from reconstructing its system of 14-foot canals within its own territory. Yet, by urging the Canadian government to charge tolls, the U.S. negotiators were expressing a fear that some traffic would be lost to these smaller systems if they were to operate on a toll-free basis. Nevertheless,

the negotiators agreed that Canada could maintain a 14-foot canal within the IRS. After first consulting with the U.S. authorities, the Canadian government would decide whether or not to charge tolls on this facility.

Pearson now took the opportunity to inform the Americans that the Canadian government intended to construct the Iroquois navigation facilities. To justify the government's decision, Howe argued that, "If the Canadian Seaway Authority builds at Iroquois, the Government might find it easier to explain the matter publicly." He then asked the Americans, "Would it not be possible for the United States Administration to undertake to refrain from building the Iroquois section?" Anderson's response was emphatic: "No! From the United States viewpoint, the Corporation is obliged to construct...the works authorized by the Wiley Act. If it deviated from this, it would have to go to Congress."

There was confusion on the part of the American representatives about Canada's intentions at Iroquois. General R. Brucker of the U.S. Defense Department, and an official at the negotiations, suggested that the Americans "had not set a time for the construction of Iroquois...and this also seemed to be true of Canada's intention to build there". Howe promptly assured the general that, "Canada intended to build immediately at Iroquois". In fact, Pearson insisted that his government's intentions ought to

be included in the final Canadian-American agreement. There was some considerable protest from Anderson on this point. He insisted that "both sides should refrain from announcing their construction plans at Iroquois until after the Notes were agreed". Pearson flatly opposed that course of action because he "wished to avoid giving the impression that Canada is committed not to construct parallel facilities in the IRS". By the conclusion of the meeting, the officials of both parties finally agreed to include their respective governments' intentions on the Iroquois facility in the text of the final agreement.

After a busy day of negotiations, the officials from each country began drafting their respective Notes. Once exchanged, these documents would constitute an Executive Agreement for the joint construction of the St. Lawrence Seaway. The actual wording of the Notes was discussed on August 13, and on August 17 the exchange took place.

The Canadian Note declared that Canada was prepared to allow limited U.S. participation in the seaway. The St. Laurent government agreed to an American lock and canal in the Barnhart Island vicinity of the IRS. The St. Lawrence Seaway Authority would construct the canal and lock at Iroquois, and when the situation warranted, complete a navigation installation at Cornwall. There was to be consultation with the American government before the construction of these works began. The American government

was also expected to consult with Canada before duplicating any Canadian navigation works. Canada's 14-foot canals would be maintained, and the government reserved the right to decide whether or not tolls would be collected. In addition, the St. Lawrence Seaway was to be used to the maximum extent required by the needs of commerce. "[B]oth Governments [would] use their best endeavours to avoid placing unreasonable restrictions on the transit of passengers, shipping or trade in the international section".¹⁹⁷ The governments would consult with one another before enacting any new legislation affecting shipping within the IRS. If Ottawa ever believed that its ships or those engaged in Canadian shipping were being treated unfairly while using American facilities, a duplicate lock and canal could be constructed within Canadian territory.¹⁹⁸

In response, Don C. Bliss, the American charge d'Affaires of the U.S. Embassy in Ottawa, sent a Note to Pearson, which concluded with: "The United States Government wholeheartedly shares the views expressed by the Government of Canada".¹⁹⁹ This U.S. document concurred

¹⁹⁷Alexander Wiley, St. Lawrence Seaway Manual: A Compilation of Documents on the Great Lakes Seaway Project and Correlated Power Development (Washington, 1955), 172.

¹⁹⁸Ibid., 172.

¹⁹⁹Ibid., 171.

with every statement of the Canadian Note, and thus the 1954 Executive Agreement kept alive the possibility of an all-Canadian seaway in the future. Although the Americans still intended to build at Iroquois, Bliss acknowledged the Canadian government's intentions to construct this facility.²⁰⁰ Since the St. Laurent administration, immediately after the August negotiations, awarded a contract for the construction of a Canadian lock and canal at Iroquois, the U.S. authorities finally agreed not to build a duplicate American facility.²⁰¹ Consequently, it was now safe for the Canadian government to commence with the construction of the first phase of a potential all-Canadian seaway.

The Canadian negotiating team had been successful in keeping U.S. participation in the seaway project to a minimum. The Americans, who sought to control half of the waterway would have to settle for a quarter, operating only the Barnhart Island facility. Canada would be the senior partner in the St. Lawrence Seaway project. Furthermore, a strong possibility for an all-Canadian seaway in the future still existed, beginning with the plan for constructing a Canadian lock and canal at Iroquois and then, perhaps, at Cornwall too. In fact, some of the groundwork for this had already been laid. As the reader

²⁰⁰Ibid., 173.

²⁰¹Ibid., 173.

may recall, Cabinet had already agreed to purchase the land necessary for the construction of navigation facilities in the Cornwall area.

CONCLUSION

Even though most academics defend the St. Laurent administration's commitment to the all-Canadian seaway plan, they do not attempt to explain why the waterway eventually became a joint project. These same historians also generally conclude that most Canadians would have preferred the construction of all navigation works within their own territory and were upset when Congress passed the Wiley-Dondero Act. Furthermore, without analyzing the 1954 negotiations, historians such as Carleton Mabee, Jennifer Sussman, Angelika Roemer and William Willoughby have all concluded that the United States emerged as the victor. Gordon Stewart colourfully wrote that,

The seaway was like a huge economic zipper knitting these countries together. It was a fitting climax to the [American] post-1906 policy goals of economically integrating the two countries and molding the 'special contiguous country economic regime'.²⁰²

However, this interpretation cannot be substantiated by the facts. Stewart implies that the United States government, and not Canada, had historically been more interested in a seaway and was somehow responsible for its construction. As we have seen, the whole notion of constructing a continuous deep-sea waterway from the Great

²⁰²Gordon Stewart, "'A Special Contiguous Economic Regime': An Overview of America's Canadian Policy", *Diplomatic History* 4:4 (Fall 1982), 349.

Lakes to the Atlantic Ocean had been a Canadian dream from the time of Jacques Cartier. By the twentieth century, various Canadian governments had been successful in providing navigation works to overcome the natural barriers at Niagara Falls and in various portions of the St. Lawrence River. By replacing the small canals located along the International Rapids Section of the St. Lawrence with two modern 27-foot facilities, deep-draft ships would be able to penetrate the heart of the North American continent. Yet this proved to be easier said than done.

The Canadian and American governments made many attempts at negotiating an agreement for the joint development of navigation and hydro-electric power installations along the IRS. Once it had become obvious that American participation was not forthcoming, Prime Minister St. Laurent decided that Canada could wait no longer. Since the Americans were unable to participate in this project, the seaway would be constructed and maintained by the Canada alone.

The reader will recall that there could not be a seaway in the International Rapids Section of the St. Lawrence unless the river was first dammed by the power authorities. Upon completion of this facility, the water level in the river would rise to a point where the cost of dredging 27-foot locks and canals would no longer be prohibitive. Although a waterway could be constructed

unilaterally by either nation on its own side of the IRS, the power dams could not be built without the full agreement and friendly co-operation between both nations. The Canadian government would not have been able to begin navigation construction of its all-Canadian seaway unless it was certain that the power dams would be built. For this to occur, it was necessary for the United States authorities to grant the Power Authority of the State of New York a license to generate power.

However, it seemed clear that as early as 1952 that powerful elements in the United States were quite prepared to wreck the new power arrangements in order to obtain a foothold for U.S. participation in the development of the Seaway.²⁰³

Such individuals as President Truman, N.R. Danielian, Congressman George Dondero, Senator Alexander Wiley and Hugo Spalinski were making it impossible for the St. Laurent administration to proceed alone.

Willoughby briefly mentions that the St. Laurent government's abandonment of the all-Canadian seaway plan "was largely due....to fear that to refuse to accept the United States as a partner in the development of the Seaway might cause the Americans to refuse [participating in] the power development."²⁰⁴ Although Willoughby does not pursue

²⁰³NAC, RG 25, vol. 2959, file B-58, General History on the St. Lawrence Seaway and Power Project, 1 June 1955.

²⁰⁴William R. Willoughby, The St. Lawrence Waterway: A Study in Politics and Diplomacy (Madison, 1961), 246.

this issue, his observation was accurate. Unwilling to jeopardize Ontario's power needs, the Canadian government was forced to abandon its seaway plan in order to convince the American seaway supporters to avoid delaying the process of obtaining an approval from the necessary American authorities for U.S. participation in the power project.

The Canadian government held off this decision until the last possible moment and, when it was made, there can be no doubt that it was done most grudgingly. Even after Danielian and Wiley had succeeded in forcing Canada to keep the door open for American participation, Canadian politicians never fully abandoned the all-Canadian seaway plan. Chevrier often wrote to Pearson and St. Laurent, making it known that they ought to maintain their unilateral seaway plan even if this meant delays to the power project.²⁰⁵ The Canadian Cabinet also agreed that, "It would be preferable, from a Canadian point of view, if it could be agreed that the deep waterway....would be developed exclusively by Canada".²⁰⁶ The Prime Minister made several speeches in Parliament informing members that

²⁰⁵Letter to the Secretary of State for External Affairs from Chevrier in Donald Barry, ed., Documents on Canadian External Relations vol. 19:1953 (Ottawa, 1991), 1132.

²⁰⁶NAC, RG 2, vol. 2652, microfilm, T-2368, reel 4 Cabinet Conclusions on the St. Lawrence Seaway Project, 2 April 1953.

the all-Canadian seaway plan had not been totally abandoned and would be implemented if an acceptable agreement for a jointly-constructed waterway could not be reached.²⁰⁷ The best example of the government's reluctance to abandon the all-Canadian seaway plan occurred in June 1954, after the U.S. State Department had sent External Affairs a copy of the Wiley-Dondero Act and a Note, requesting that both governments begin immediately the negotiations for a jointly-constructed seaway. The reader will recall that Cabinet was divided on whether or not this Note and legislation constituted a specific proposal for U.S. participation as indicated in St. Laurent's January 9, 1953 public statement. As it turned out, Cabinet did finally agree to negotiate with the Americans. Nevertheless, this incident demonstrates clearly that the all-Canadian seaway plan had not been abandoned until the last possible moment and a jointly-constructed and maintained waterway was considered second best by the St. Laurent administration.

By the time the 1954 negotiations had arrived, compromise was a notion which the Canadian government was no longer willing to entertain. Pearson and Howe performed their negotiating duties with skill, zealously defending their government's stand on a contribution of \$15 million to the power authorities, maintenance of Canada's 14-foot

²⁰⁷ Official Report of Debates: House of Commons vol. 6 (6 May 1954), 4495.

canal system, and a guarantee of shipping rights for foreign vessels. In the end, an agreement acceptable to both nations was reached.

There were other Canadian successes not mentioned in the final Exchange of Notes. The Canadian officials had succeeded in convincing the Eisenhower administration not to send the Wiley-Dondero Act to the IJC for approval. This would have meant further delays in the construction of the much-needed power installations. Even though the U.S. officials sought a resolution to the toll issue during the August negotiations, Pearson effectively deferred discussion and as it turned out, both nations did not reach an agreement until May 1958.²⁰²

The most crucial point in the 1954 negotiations occurred when Canada's officials successfully challenged those aspects of the Wiley-Dondero Act which called for the United States to construct both navigation installations proposed for the IRS. The Canadian officials risked jeopardizing the power project, and consequently the navigation project, in order to make the Iroquois works a fully Canadian undertaking.

One may ask why the United States authorities did not act on their threat to revoke PASNY's license once it was clear that Canada intended to build at Iroquois. For that

²⁰²Lionel Chevrier, The St. Lawrence Seaway (Toronto, 1959), 115.

matter, it is difficult to understand why the Americans ended up compromising on so many other issues as well, when only a few weeks earlier, the U.S. negotiators seemed to be inflexible. Unfortunately, no Canadian documents exist which might help to explain this. One can assume that a cancellation of PASNY's license was considered a last resort by the Eisenhower administration during the summer of 1954. By that time, the Americans needed a seaway and the Canadian government was undoubtedly aware of this.

Steel production in the United States from 1949 to 1954 had doubled and its value now constituted approximately 6 per cent of GNP - a considerable portion for any one industry.²⁰⁹ Over eighty per cent of this steel was being produced in the upper Great Lakes states.²¹⁰ The reader will recall that during the late 1940s, the iron ore fields which supplied these mills were slowly being depleted. By 1954, the availability of raw ore had reached a critical level.²¹¹ In addition, the Eisenhower administration in 1954 began aggressively implementing the recommendations made by Truman's 1952 Material Policy Commission which called for stockpiling natural resource and manufactured steel products as a means for ensuring a state of general

²⁰⁹Edwin D. Goldfield, ed., *Statistical Abstract of the United States, 1957* (Washington, 1957), 788-91.

²¹⁰*Ibid.*, 727.

²¹¹*Ibid.*, 791.

preparedness in the event of a future war as well as maintaining a high level of employment in various manufacturing industries.¹¹⁴

In light of these circumstances, the American economy would have suffered if new and inexpensive sources of iron ore were not made available and there were few options left to avert this crisis. First, low-grade taconite could be used if properly smelted. However, this was a time consuming and expensive process. Second, raw materials could be imported from abroad, unloaded from ships onto railway cars which would transport the iron ore from the east coast to the steel mills of the upper Great Lakes states. In addition to the high level of freight rates which already plagued the U.S. railways, new cars and locomotives would have to be built for the movement of this very dense and heavy freight, and railway beds and bridges would have to be strengthened. The costs would have been prohibitive.¹¹⁵ A completed seaway, which could carry Labrador ores and operate on a moderate toll schedule, would provide an efficient means for transporting these desperately-sought raw materials. Aware of this situation, the Canadian officials were able to keep American

¹¹⁴"Foundations for Growth and Security". A Report to the President by the President's Materials Policy Commission vol. 1 (June 1952), 165.

¹¹⁵Mary Celeste Beck. A Historical Evaluation of the St. Lawrence Seaway Controversy: 1950-1954 (Ph.D. Dissertation, St. John's University, 1954), 50.

participation in the seaway to a minimum and extract considerable compromises from the U.S. negotiators.

In addition, it is possible that the Americans feared Canada would duplicate the Iroquois facility if a favourable agreement could not be reached. In 1954, the level of water-borne traffic was such that the amount of tolls that could be levied were sufficient to amortize the construction cost of only one navigation facility at Iroquois. Millions of dollars could have potentially been lost if the existing traffic were split between two installations. Whatever the reason, by the end of the negotiations the Eisenhower administration, which sought to control half of the seaway, would have to be satisfied with one quarter - a U.S. lock and canal at Barnhart Island.

Immediately following the negotiations, the *Toronto Globe and Mail* published a cartoon with Lester B. Pearson tossing a scrap of meat to a sickly looking dog, meant to represent Canada. The scrap, containing the word 'Iroquois', had been carved from a roast which was meant to represent the seaway. The remaining chunk of meat had the phrase, 'Americans at Barnhart' written on it.²⁴ The message was that the all-Canadian seaway plan had been abandoned without a fight and the St. Laurent government's decision to build at Iroquois was a poor consolation.

²⁴NAC, MG L, vol. 221, file K-10-1, Political Cartoon, 19 August 1954.

Historians have made a similar error, interpreting the 1954 Agreement as a Canadian failure.

Six months after the 1954 negotiations, the Eisenhower administration officially recognized Canada's plans for Iroquois through an Exchange of Notes. American officials were in the process of asking Congress to relieve the St. Lawrence Seaway Development Corporation of its statutory obligation for providing the navigation works at Iroquois.¹¹⁵ In effect, Canada's southern neighbour had abandoned its plans for an all-American International Rapids Section and resigned itself to controlling only the Barnhart Island facility. Furthermore, prior to the one year anniversary date of the seaway negotiations, Congress passed the necessary legislation authorizing PASNY to contribute \$6 million to Canada for the construction of a canal necessary to join Cornwall with the American navigation facility at Barnhart.¹¹⁶ These were additional successes for Canada.

In the final analysis, the Canadian negotiators took incredible chances in order to keep U.S. participation in the seaway to a minimum. The risks involved were no secret and can be demonstrated in a statement made by Pearson

¹¹⁵Alexander Wiley, St. Lawrence Seaway Manual: A Compilation of Documents on the Great Lakes Seaway Project and Correlated Power Development (Washington, 1955), 173.

¹¹⁶NAC, MG 32 B16, vol. 30, Report to Cabinet from Chevrier, 16 July 1955.

during a press conference following the 1954 Exchange of Notes. He informed reporters that this Agreement represented the best possible deal for Canada and concluded that,

Canada really could not build [an all-Canadian seaway] in the face of United States opposition. They could stop us in various ways, e.g. by canceling the license issued to the New York State Power Authority [PASNY].²¹⁷

Despite the fact that the U.S. had the power to hamstring both the power and navigation projects, the Canadian government insisted upon, and won, the role of senior partner in the construction and maintenance of the St. Lawrence Seaway. No less a nationalist than General A.G.L. McNaughton wrote:

I am delighted indeed with the way in which the recent negotiations on the St. Lawrence Seaway worked out and how we had stood up to the United States to the extent that they would now cease to have confidence that just because Congress passes a bill they can do what they like.²¹⁸

²¹⁷NAC, RG 25, acc. 86-87/160, box 162, file 11513-40, Minutes of the Secretary of State's Press Conference, 13 August 1954.

²¹⁸NAC, RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to E.A. Cote from McNaughton, 19 August 1954.

BIBLIOGRAPHY

PRIMARY SOURCES1. Government Records - National Archives of Canada (NAC)

- RG 2, vol. 2648, microfilm, T-2368, reel 3, Cabinet Conclusions on the St. Lawrence Seaway Project, 31 July 1951.
- RG 2, vol. 2649, microfilm, T-2368, reel 3, Cabinet Conclusions on the St. Lawrence Seaway Project, 3 October 1951.
- RG 2, vol. 2649, microfilm, T-2368, reel 3, Cabinet Conclusions on the St. Lawrence Seaway Project, 13 October 1951.
- RG 2, vol. 2650, microfilm, T-2368, reel 3, Cabinet Conclusions on the St. Lawrence Seaway Project, 8 July 1952.
- RG 2, vol. 2652, microfilm, T-2368, reel 5, Cabinet Conclusions on the St. Lawrence Seaway Project, 7 January 1953.
- RG 2, vol. 2652, microfilm, T-2368, reel 5, Cabinet Conclusions on the St. Lawrence Seaway Project, 2 April 1953.
- RG 2, vol. 2654, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 7 January 1954.
- RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 21 January 1954.
- RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 7 June 1954.
- RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 6 July 1954.
- RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on Building at Iroquois, 13 July 1954.

- RG 2, vol. 2655, microfilm, T-2368, reel 6, Cabinet Conclusions on the St. Lawrence Seaway Project, 28 July 1954.
- RG 2, vol. 2655, microfilm, T-2368, reel 6, External Affairs Press Release, Canada, 18 August 1954.
- RG 25, vol. 3561, file 1268-K-40, Memorandum to Cabinet from E.R. Hopkins, 26 May 1949.
- RG 25, vol. 3561, file 1268-K-40, Letter to the President from the Prime Minister, 27 May 1949.
- RG 25, vol. 3561, file 1268-K-40, Letter to the Prime Minister from the President, 8 June 1949.
- RG 25, vol. 2959, file B-58, General History on the St. Lawrence Seaway and Power Project, 1 June 1955.
- RG 25, acc. 86-87/159, box 9, file 1268-Q-40, Memorandum to Cabinet from E.R. Hopkins, 13 May 1949.
- RG 25, acc. 84-85/150, box 27, file 1268-G-40, Letter to the Prime Minister from J.A.D. Attwell, 30 May 1951.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 19 December 1952.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs to the Canadian Ambassador to the United States, 23 December 1952.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 29 December 1952.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Prime Minister from L.D. Wilgress, 4 February 1953.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Letter to the President from the Prime Minister, 12 March 1953.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to Wilgress from the Secretary of State for External Affairs, 4 April 1953.

- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Minutes from the Oct. 2 meeting of the Interdepartmental Committee on the St. Lawrence Seaway Project, 2 October 1953.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Letter to the U.S. Secretary of State from C.D. Howe, 20 October 1953.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from Cabinet, 19 October 1953.
- RG 25, acc. 86-87/160, box 22, file 1268-D-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 20 October 1953.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Weekly External Affairs' American Divisional Note, 7 June 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from R.A. MacKay, 9 June 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to R.A. MacKay from G.E. Cox, 16 June 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to the Acting Under-Secretary of State for External Affairs from E.A. Cote, 17 June 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to the Acting Under-Secretary of State for External Affairs to E.A. Cote, Canada, 16 July 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to the Secretary of State for External Affairs from E.A. Cote 27 July 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to the Prime Minister from the Interdepartmental Committee on the St. Lawrence Seaway Project, 4 August 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Minutes of the August 12 and 13 Intergovernmental Meetings, 20 August 1954.
- RG 25, acc. 86-87/160, box 23, file 1268-D-40, Memorandum to E.A. Cote from S.A. Freifeld, 19 August 1954.

- RG 25, vol. 3175, file 283, Memorandum to the Canadian Ambassador to the United States from D.V. LePan, 10 April 1953.
- RG 25, vol. 3175, file 283, Report on Remarks made by C.D. Howe in New York, 9 April 1953.
- RG 25, vol. 3175, file 283, Memorandum to D.V. LePan from D.I. Fortier, 14 January 1954.
- RG 25, acc. 86-87/160, box 25, file 1268-AF-40, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from Cabinet, 9 July 1954.
- RG 25, acc. 91-92/109, box 138, file 11513-40, Press Communique of External Affairs on St. Laurent's May 7 Visit to Washington, 8 May 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 15 April 1952.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 2 May 1952.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 25 July 1952.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 4 November 1952.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 12 December 1952.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs to the Canadian Ambassador to the United States, 12 December 1952.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 17 December 1952.

- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs to the Canadian Ambassador to the United States, 2 January 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 5 January 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 9 January 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 29 January 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External affairs from David Mundell, 3 March 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Letter to the U.S. Secretary of State from the Canadian Secretary of State for External Affairs, 21 March 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 20 April 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External affairs from the Canadian Ambassador to the United States, 24 April 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Letter to D.V. LePan from Edward Burling Jr., 14 September 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Minutes of the Oct. 2 Meeting of the Interdepartmental Committee on the St. Lawrence Seaway Project, 2 October 1953.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Letter to the U.S. Attorney General from the U.S. Secretary of State, 2 November 1953.

- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Ambassador to the United States from the Secretary of State for External Affairs, 23 February 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from Cabinet, 20 April 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 27 April 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 29 April 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 19 May 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Note to the Department of External Affairs from R. Douglas Stuart, Canada, 7 June 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from R.A. MacKay, 9 June 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to Cabinet from the Canadian Negotiators, 9 July 1954.
- RG 25, acc. 86-87/160, box 162, file 15513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, Canada, 14 July 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 24 July 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 26 July 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to R.B. Bryce from R.A MacKay, 27 July 1954.

- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway Project from M.H. Wershof, 29 July 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to E.A. Cote from M.H. Wershof, 29 July 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Memorandum to the Canadian Negotiators from Cabinet, 9 August 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Press Conference of the Secretary of State for External Affairs, 13 August 1954.
- RG 25, acc. 86-87/160, box 162, file 11513-40, Press Conference of the Prime Minister, 18 August 1954.

2. Private Papers - National Archives of Canada (NAC)

- (Lionel Chevrier Collection), MG 32, B 16, vol. 30, Memorandum to Cabinet from Chevrier, 6 October 1953.
- MG 32, B 16, vol. 28, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway from Cabinet, 14 June 1954.
- MG 32, B 16, vol. 30, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway from Cabinet, 21 June 1954.
- MG 32, B 16, vol. 30, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway from Cabinet, 25 June 1954.
- MG 32, B 16, vol. 30, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway from Cabinet, 29 June 1954.
- MG 32, B 16, vol. 30, Memorandum to the Interdepartmental Committee on the St. Lawrence Seaway from General A.G.L. McNaughton, 2 July 1954.
- MG 32, B 16, vol. 30, Report to Cabinet on the St. Lawrence Seaway Negotiations, 16 July 1957.
- (Louis St. Laurent Collection), MG 26 L, vol. 221, file W-10-1, Letter to the Prime Minister from A.D. Morrison, 2 August 1954.

- MG 26 L, vol. 221, file W-10-1, Letter to the Prime Minister from Louise Brodie, 1 February 1954.
- MG 26 L, vol. 2, file W-10-1, Political Cartoon, 13 July 1954.
- MG 26 L, vol. 221, file K-10-1, Political Cartoon, 19 August 1953.
- Lester B. Pearson Collection, MG 26 N1 vol. 52, Memorandum to the Secretary of State for External Affairs from the Canadian Ambassador to the United States, 28 September 1951.
- (C.D. Howe Collection), MG 27 III B20, vol. 84, Memorandum to Howe from J.S. Pickersgill, 30 March 1953.
- MG 27 III B20, vol. 84, Memorandum to Cabinet on the St. Lawrence Seaway and the Question of Inquiries 12 November 1954.

3. Printed Primary Sources

- Armour, Stuart. "How Canadian View the Seaway", Vital Speeches vol. 25 (15 February 1959), 280-83.
- Barry, Donald. edit. Documents on Canadian External Relations vol. 19:1953. Ottawa, 1991.
- Baxter, R.F.. edit. Documents on the St. Lawrence Seaway. London, 1960.
- Boyd, Hugh. "Seaway of Destiny" Behind the Headlines XI:7 (Dec. 1951) p. 1-17.
- "Canada's Viewpoint on the Development of the St. Lawrence Seaway", Statements and Speeches no. 51/48. Washington, Nov. 28, 1951.
- Cochrane, H.C. "Could We Build the Seaway Alone?", Canadian Business (December 1950), 32-41.
- Department of Transport. The St. Lawrence Deep Waterway. Ottawa, 1944.
- "Editorial" Saturday Night vol. 67 (July 5, 1952), p.6.
- Fraser, Blair. "Why Uncle Sam Has Blocked the Seaway", Maclean's Magazine (15 May 1951), 16-17.

- Foreign Relations of the United States vols. 1950 and 1955. Washington, 1976 and 1982.
- Goldfield, Edwin D., ed. Statistical Abstract of the United States, 1957. Washington, 1957.
- Hilliard, Harold. "Expect Bitter U.S. Row Before Agency Named to Work With Ontario" Toronto Daily Star (Oct. 30, 1952), p.A1-2.
- "Hydro Seeks New Curbs in Shop and Sign Lighting" Globe and Mail (Oct. 7, 1948) p.A1-2.
- Knowles, Clayton. "Dewey Power Plan Vetoed at Capital" New York Times (Dec. 16, 1948) p.58.
- Lincoln, Freeman. "Battle of the St. Lawrence", Fortune (December 1950), 84-90, 184-89.
- Official Report of Debates: House of Commons vol. 1, Ottawa, 1949.
- Official Report of Debates: House of Commons vol. 5, Ottawa, 1954.
- "Paying the Seaway's Way", The Economist, vol. 188 (2 August 1958), 377.
- Richards, P.M. "The St. Lawrence Seaway Project is Vital to Canada's Progress" Saturday Night vol. 64 (Sept. 27, 1949) p.30-31
- "Foundations for Growth and Security", A Report to the President by the President's Materials Policy Commission vol. 1 (June 1952).
- St. Laurent, Louis S. Application of the Government of Canada to the International Joint Commission: For an Order of Approval of the Construction of Certain Works for Development of Power in the International Rapids Section of the St. Lawrence River. Ottawa, 1952.
- State Department of the United States. The Public Papers of the Presidents of the United States: Dwight D. Eisenhower: Containing the Public Messages, Speeches and Statements of the President, January 20, 1953 to December 31, 1955. Washington, 1959.

- State Department of the United States. The Public Papers of the Presidents of the United States: Harry S. Truman: Containing the Public Messages, Speeches and Statements of the President, January 1, 1948 to December 31, 1953. Washington 1966.
- Saunders, Robert. "Newsletter" Hydro News vol. 38:5 (May 3, 1948), p.1-3.
- "The St. Lawrence Seaway and Power Project". Hearings Before the Committee on Foreign Relations, United States Senate, 82d Congress, 2d Session. Washington, February 26, 1952.
- "The St. Lawrence Seaway and Power Project - the President of the United States to the Committee on Public Works", House of Representatives; Document No. 337, 82d Congress, 2d Session. Washington, 28 January, 1952.
- "The St. Lawrence Seaway and Power Project - Report of the Committee on Public Works", House of Representatives, Report No. 1215, 82d Congress, 2d Session. Washington, 19 February 1952.
- "The St. Lawrence Seaway Project", Statements and Speeches no. 52/1. Ottawa, Jan. 8, 1952.
- "The St. Lawrence Seaway Project", Statements and Speeches no. 52/26. Houston, 30 June, 1952.
- "The St. Lawrence Seaway and Power Project", Statements and Speeches no. 54/11. Kingston, February 15, 1954.
- "The St. Lawrence Seaway and Power Project". External Affairs vol. 6:11 (Nov. 1954) p. 332-43.
- Wiley, Alexander. St. Lawrence Seaway Manual: A Compilation of Documents on the Great Lakes Seaway Project and Correlated Power Development. Washington, 1955.

SECONDARY SOURCES

- Aikin, J. Alexander. "The St. Lawrence Waterway Project", Queen's Quarterly vol. 39 (1932), 111-129.
- Beck, Mary Celeste. An Historical Evaluation of the St. Lawrence Seaway Controversy: 1950-1953. (PhD. Dissertation) St. John's University, 1954.
- Berle, Beatrice B. and Jacobs, Travis B. Navigating the Rapids, 1918-1971: From the Papers of Adolf A. Berle. New York, 1973.
- Beston, Henry. The St. Lawrence Seaway. New York, 1942.
- Bothwell, Robert, et al. Canada Since 1945: Power, Politics, and Provincialism. Toronto, 1981.
- Bothwell, Robert and Kilbourn, William. C.D. Howe: A Biography. Toronto, 1979.
- Bothwell, Robert. Canada and the United States: The Politics of Partnership. Toronto, 1992.
- Brebner, John Bartlet. North Atlantic Triangle; The Interplay of Canada, the United States and Great Britain. Toronto, 1945.
- Brown, George W. "The St. Lawrence Navigation System", Queen's Quarterly, vol. 35 (1928), 628-42.
- Callahan, James Morton. American Foreign Policy in Canadian Relations. New York, 1967.
- Calvin, D.D. A Saga of the St. Lawrence; Timber and Shipping Through Three Generations. Toronto, 1945.
- Chacko, C.J. The International Joint Commission Between the United States of America and the Dominion of Canada. New York, 1932.
- Chevrier, Lionel. The St. Lawrence Seaway. Toronto, 1959.
- Comstock, R.S. The St. Lawrence Seaway and Power Project; A Case Study in Presidential Leadership. (PhD. Dissertation) Ohio State University, 1956.
- Creighton Donald G. The Commercial Empire of the St. Lawrence. New Haven, 1937.

- Cuff, R.D. and Granatstein, J.L. Ties that Bind: Canadian-American Relations in Wartime, From the Great War to the Cold War. Toronto, 1975.
- Curtis, Kenneth M., Carroll, John E. Canadian-American Relations; the Promise and the Challenge. Toronto, 1983.
- English, John. The Worldly Years: The Life of Lester Pearson, Volume II, 1949-1972. Toronto, 1992.
- Farr, D.M.L., et al. Two Democracies. Toronto, 1983.
- Gibbons, Alan O. "Sir George Gibbons and the Boundary Waters Treaty of 1909", Canadian Historical Review, vol. 34 (June 1953), 124-38.
- Glazebrook, George P. A History of Transportation in Canada. New Haven, 1938.
- Gogo, Jean L., ed. Lights on the St. Lawrence; An Anthology. Toronto, 1958.
- Good, Mabel Tinkiss. Chevrier: Politician, Statesman, Diplomat and Entrepreneur of the St. Lawrence Seaway. Montreal, 1987.
- Granatstein, J.L. and Hillmer, Norman. For Better Or For Worse: Canada and the United States to the 1990s. Toronto, 1991.
- Heeney, Brian D., ed. The Things that are Caesar's; Memoirs of a Canadian Public Servant. Toronto, 1972.
- Hillmer, Norman, ed. Partners Nevertheless; Canadian-American Relations in the Twentieth Century. Toronto, 1989.
- Hills, T.L. The St. Lawrence Seaway. London, 1959.
- Hoopes, Townsend. The Devil and John Foster Dulles. Boston, 1973.
- Mabee, Carlton. The Seaway Story. New York, 1961.
- Mahant, E.E. and Mount, G.S. An Introduction to Canadian-American Relations. Toronto, 1984.
- Martin, Lawrence. The Presidents and the Prime Ministers, Washington and Ottawa Face to Face: the Myth of Bilateral Bliss, 1867-1982. Toronto, 1982.

- Maxwell, Norman James. The Development of the St. Lawrence Waterway; a Factor in Canadian-American Relation. (M.A. Thesis) McMaster University, 1960.
- McCullough, David. Truman. New York, 1992.
- Munro, John A. and Inglis, Alex I., eds. Mike: the Memoirs of the Right Honourable Lester B. Pearson, Volume 2; 1945-1957. Toronto, 1973.
- Nye, Joseph G. Canada and the United States; Transnational and Transgovernmental Relations. New York, 1976.
- Pach, Chester L. and Richardson, Elmo. The Presidency of Dwight D. Eisenhower. Kansas City, 1991.
- Phillips, William. Ventures in Diplomacy. Boston, 1953.
- Pickersgill, J.W. My Years with Louis St. Laurent: A Political Memoir. Toronto, 1975.
- Richardson, Ronald, ed. Developing Water Resources; The St. Lawrence Seaway and the Columbia/Peace Power Projects. Toronto, 1969.
- Roemer, Angelika. The St. Lawrence Seaway; its Ports and its Hinterlands. Tubingen, 1971.
- Stephens, George Washington. The St. Lawrence Waterway Project: The Story of the St. Lawrence River as an International Highway for Water-borne Commerce. Toronto, 1930.
- Stewart, Gordon T. The American Response to Canada Since 1776. East Lansing, Michigan, 1992.
- Stewart, Gordon T. "'A Special Contiguous Country Economic Regime': An Overview of America's Canadian Policy", Diplomatic History 4:4 (Fall 1982), 338-57.
- Sussman, Gennifer. Quebec and the St. Lawrence Seaway. Montreal, 1979.
- Sussman, Gennifer. The St. Lawrence Seaway; a History and Analysis of a Joint Water Highway. Montreal, 1978.
- Swettenham, John. McNaughton vol. IV. Toronto, 1969.
- Thomson, Dale C. Louis St. Laurent: Canadian. Toronto, 1967.

- Thomson, Lesslie R. "The St. Lawrence Navigation and Power Project". Journal of Political Economy, vol. 38 (February 1930), 86-107.
- Thomson, Lesslie R. "The St. Lawrence Problem: Some Canadian Economic Aspects". Engineering Journal, vol. 12 (1929), 188-304.
- Willoughby, William R. The St. Lawrence Waterway: A Study in Politics and Diplomacy. Madison, 1961.
- Willoughby, William R. "The St. Lawrence Waterway Understanding". International Journal 10:4 (Autumn 1955) 242-52.
- Willoughby, William R. The Joint Organizations of Canada and the United States. Toronto, 1979.
- Wright, C.P. The St. Lawrence Deep Waterway: A Canadian Appraisal. Toronto, 1935.

END

0 8 - 1 1 - 9 4

FIN