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In forwarding the application the Acting Secretary of State enclosed letters from the Chairman of the War Industries Board and the Acting Director of Aircraft Production to the Chairman of the International Joint Commission pointing out the urgent necessity of increasing the production of aluminum and asking that the application of the St. Lawrence River Power Company be favourably considered and acted upon with all celerity provided navigation interests are unaffected thereby.

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A copy of this Application was filed with your Commission at Washington on the 9th of August, 1918, but copies were not filed with the Government of Canada until Monday, 19th August.

The rules of procedure of your Commission call for the filing in response to such application, a statement "setting forth any fact or facts bearing on the subject matter of the application and tending to defeat or modify the order of approval sought, or to require that the same be granted on condition, and setting forth whether the order of approval is opposed, in whole or in part, and if in part only, to what extent, and if it be desired that the approval be on condition, setting forth the particular condition or conditions upon which it is thought the order of approval should be granted" and that such statement be filed within thirty days. The said rules also provide that the time for the filing of any paper or the doing of any act required thereunder may be extended.

In the meantime Counsel of the War Department of the United States appeared before your Commission in session at Atlantic City, on the 12th August and moved for the suspension of Rules 9, 10, 11, 12 and 13 of your Rules of Procedure and prayed that the hearing on said application proceed forthwith at that session of the Commission.

Counsel of the Dominion of Canada and Counsel for the Canadian Marine Association appeared and opposed the motion, whereon it was ordered that the hearing be fixed for the 29th August, at Montreal, Canada.

THE GOVERNMENT OF THE DOMINION OF CANADA is unable to agree to the proposed works for the following reasons:—

(a) Both the Channels at the Long Sault stand in a different position to others in the St. Lawrence River, in that by Article VII of Treaty commonly known as "The Webster-Ashburton Treaty of 1842," it is stipulated "That the channels of the River St. Lawrence on both sides of Long Sault Islands and of Barshart Island . . . shall be equally free and open to the ships, vessels and boats of both parties."

(b) Any interference with the free and open navigation of the South Sault Channel specifically mentioned in, and covered by said Treaty is not within the jurisdiction of the International Joint Commission, but should be dealt with by direct negotiations between the high contracting parties to said Treaty.

(c) Furthermore, the Treaty between the United States and Great Britain relating to boundary waters, Treaty series No. 548 is the foundation of the jurisdiction of your Commission.

In Article 1 thereof, it was agreed that "The navigation of all navigable boundary waters shall forever continue free and open for the purpose of commerce to the inhabitants and to the ships, vessels and boats of both countries equally. Subject, however, to any laws or regulations of either country within its own territory not inconsistent with such privilege of free navigation, and applying equally and without discrimination to the inhabitants, ships, vessels and boats of both countries."