

Close co-operation in the field of defence production was developed within the frame work of the "Statement of Principles for Economic Co-operation" agreed upon in October 1950, following on the acceleration of North American rearmament after the outbreak of hostilities in Korea. The increase in mutual defence procurement during the year resulted in more effective use of defence production facilities available in the two countries.

By an exchange of notes dated December 5, Canada leased to the United States certain parcels of land within the Royal Canadian Air Force station at Goose Bay. The purpose of the lease is to enable the United States Air Force, which has had facilities at Goose Bay since the base was established during the war, to construct buildings, etc., of a permanent nature. The base remains under Canadian command.

### International Joint Commission

An increasing number of complex problems along the boundary between Canada and the United States, arising mainly out of the use of the rivers and lakes in border areas, are dealt with by the International Joint Commission, the Canadian-United States body established under the Boundary Waters Treaty of 1909.<sup>1</sup>

The Department continued to advise on Canadian interests in matters before the Commission which range from the Reference on the Saint John River Basin, in New Brunswick and Maine, to the Reference on the Columbia River Basin, in British Columbia and the North-Western United States, and which include such diverse problems as preserving of the scenic beauty of Niagara Falls and reducing atmospheric pollution in the Windsor-Detroit area.

The work of the Commission was greatly increased during the year by the submission by the two Governments of applications for approval of plans for the development of power in the St. Lawrence River. Another large task was put before the Commission on June 25, when it was requested to study the various factors which affect the widely fluctuating level of Lake Ontario in order to determine whether anything could be done to reduce the fluctuations in the level of the lake.

At present, the level of the lake is going through a high phase of its natural cycle which normally fluctuates six feet or more. Studies have indicated that the effect of the Gut Dam, built fifty years ago in the St. Lawrence River below Prescott to eliminate dangerous cross-currents in the navigational channel of the river, is negligible. However, the Canadian Government decided to advance the time of the removal of the dam, which must be taken out in connection with the St. Lawrence project, and the removal was almost complete at the end of the year. The Commission has decided to establish an engineering board to determine what practicable action can be taken to deal with the wide natural fluctuation in the level of the lake.

### St. Lawrence Project

A final effort was made by the United States Administration to obtain approval of the Congress for the Great Lakes-St. Lawrence Basin Agreement. This Agreement, signed on March 19, 1941, provides for

<sup>1</sup> The three members of the Canadian Section of the Commission are General A. G. L. McNaughton (Chairman), Mr. George Spence and Mr. J. Lucien Dansereau.