

P.C. 2509.

*Certified copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 12th October, 1918.*

The Committee of the Privy Council have had before them a Report, dated 19th September, 1918, from the Acting Secretary of State for External Affairs, submitting as follows:—

As the result of an application recently made to the International Joint Commission by the St. Lawrence River Power Company, a corporation of the State of New York, for the approval of a project to construct certain works in the South Sault Channel of the St. Lawrence river, an international navigable boundary water, a situation arose which gravely concerned Canadian interests; for in the view of this Government, already expressed at length in the Order in Council of the 2nd September, 1918, (P.C. 2144), not only was it clear that, since the proposed works would wholly prevent navigation through the South Sault Channel, the International Joint Commission was, by reason of existing treaties, between His Majesty the King and the United States, without power to sanction the project, but it was further apparent that the project itself was inconsistent with and would seriously impede the best development of the St. Lawrence river for navigation and power purposes in the interest of both countries. It was also the view of this Government that the construction of such works was in no wise necessary for the attainment of the end desired by the St. Lawrence River Power Company, as expressed in their application, but that other effective and wholly unobjectionable means were available for that purpose. Accordingly it became the duty of the Government to appear formally before the International Joint Commission and to enter its strong objection to any consideration of the application by that tribunal. At the same time it appeared that the Government of the United States had come forward in support of the application and was urging its immediate approval as an urgent war measure.

In these circumstances this Government, with every desire to promote the most effective co-operation in the prosecution of the war, proposed, as will appear from the said Order in Council of the 2nd September, 1918, that the matter should be withdrawn from the International Joint Commission and discussed directly between the two Governments with a view to securing the immediate accomplishment of the desire and purpose of the United States Government and at the same time preserving the position of this country in respect of its treaty rights and its interest in the sound development of the St. Lawrence river for navigation and power purposes. The proposal was indeed calculated to secure this purpose of the United States Government more expeditiously than was possible through the medium of the Commission, even if the Commission had had power to entertain the same.

In pursuance of this proposal two members of the government proceeded to Washington and presented the position in greater detail to the Secretary of State of the United States. It may be added here that the proposal was not at that time accepted, nor has it since been accepted; in fact, no reply thereto has yet been received from the United States Government.

Subsequently, on the 14th September, 1918, the International Joint Commission reached a decision on the application and delivered an order, copy of which is appended hereto, approving the construction of the proposed works on certain conditions therein set forth. At the same time the order reserves for further consideration the question whether under the terms of existing treaties the Commission has power to approve the proposed structure. It should be added that the Canadian Government through its counsel had already, before the issuance of the order, acquainted the Commission with the terms of the Order in Council of the 2nd September, 1918, setting forth its view that the Commission was without power to make such an order.