

*Mémorandum du Comité interforce d'état-major**Memorandum by Joint Staff Committee*

No. 19

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SECRET

THE DEFENCE OF SYDNEY AND ITS STEEL INDUSTRY

1. In its survey of the coast defence requirements of Canada, the Joint Staff Committee proposes to submit recommendations for the defence of the seaport town of Sydney and its steel industry. The measures proposed will, in addition, ensure the security of a proportion of the local coal mines, the output of which is necessary to the working of the Dominion Coal and Steel Corporation. The defence of Sydney is also of importance because of the fact that in the event of what may be termed an "Atlantic" war it will presumably be used as a convoy assembly port. It was so used during the Great War.

2. The Dominion Coal and Steel Corporation is one of the important producers of iron in Canada, the others being the Algoma Steel Corporation (Sault Ste Marie), the Steel Company of Canada (Hamilton) and the Canadian Furnace Company (Port Colborne). According to a report of the Bureau of Mines dated December, 1936, on the Metallurgical Works of Canada, this first named corporation possesses upwards of thirty per cent of the rated annual capacity of the iron blast furnaces operated in Canada. The importance of the Sydney works to the Canadian steel industry is clearly indicated and the necessity of affording it protection in war time, in the public interest, would seem to be equally clearly established.

3. The provision of coast defences at Sydney, however, will not in themselves ensure the uninterrupted working of its blast furnaces in time of war for the reason that the ore and limestone required for the production of iron are obtained from Newfoundland. The iron mines are situated at Wabana, on Bell Island in Conception Bay. No alternative source of supply of ore is available and, in any event, the smelting process employed at Sydney is one peculiarly designed to suit the characteristics of the Wabana ore. As a consequence, the protection of the source of ore supply is of no less importance than the security of the blast furnaces themselves. In 1918, it was stated by Sir Louis Jackson, who had been requested to report upon the matter, that one shell in the boiler house or power house on Bell Island might stop production for five or six months. Limestone, obviously, can be freely obtained in Canada.

4. As a result of the recent change in the form of Government of Newfoundland the responsibility for its security, in the last analysis, rests on