

PRESS RELEASE

DEPARTMENT OF EXTERNAL AFFAIRS

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The Department of External Affairs announced today that since January, 1953, discussions have been carried on with the United States Department of State concerning a Canadian proposal of arbitration as a means of investigating and, if necessary, adjudicating the claims by United States citizens who allege that they have been injured as a result of the construction and operation of Gut Dam. The State Department has been informed that the Government of Canada stands ready to compensate United States citizens for any damage directly attributable to Gut Dam but that Canada does not admit, on the basis of evidence now available, that Gut Dam was a material cause of the injury which is alleged to have been suffered by the claimants. The Canadian Government is, however, prepared to cooperate in an investigation and adjudication of the claims.

There are many natural causes which might bring about fluctuations in the level of all the Great Lakes. To determine whether Gut Dam caused any rise in the level of Lake Ontario would require an extensive engineering investigation. In June 1952 the Governments of the United States and Canada requested the International Joint Commission to make a comprehensive survey of all the factors affecting the levels of Lake Ontario and to report its recommendations for remedial measures to the two Governments. These studies, which are being conducted by an international engineering board appointed by the Commission, are now under way.

The dam was constructed by Canada, with the consent of the United States, in 1903 as an aid to navigation in the international section of the St. Lawrence River. On January 6, 1953, the dam was removed by Canada as part of the preparatory work in connection with the St. Lawrence power project. Some of the claimants, who own property along the United States shore of Lake Ontario, now contend that the damage to their properties has been caused by the construction and maintenance of Gut Dam and that the Government of Canada must therefore compensate them for such damage.

The United States claimants have commenced legal action in the courts of the United States in an effort to obtain compensation for the alleged injury. One court action, directed against the United States Secretary of the Army and others, has been dismissed in the United States District Court for the District of Columbia. A second action against the United States Government is pending in the United States Court of Claims. Two other actions have been commenced in the District Court for the Northern District of New York with the view of bringing suit against the Government of Canada.

The Government of Canada has made known its willingness to have the claims investigated and decided by an international arbitral tribunal. This method would be less costly to the claimants than ordinary court actions. The Canadian view on such court actions is that no existing court in the United States could properly render a decision in a matter involving the Government of Canada without its consent. The Canadian offer of arbitration remains open and, moreover, the Government is willing to consider any other reasonable method of investigation and adjudication that may be suggested.
