

is McCloskey

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CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS

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BULLETIN

NOVEMBER, 1941.

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Dept. of Foreign Affairs  
and International Trade  
Ministère des Affaires étrangères  
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125 Sussex  
Ottawa K1A 0G2



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(A) INTERNATIONAL NEGOTIATIONS AND AGREEMENTS

1. Resolution adopted by the Governing Body of the International Labour Office at Session in New York, October 1941.

The Acting Director of the International Labour Organization has forwarded to the Canadian Government the text of a resolution which was unanimously adopted by the Governing Body of the International Labour Office at its recent session in New York. The text of the resolution is as follows:-

"The Governing Body, mindful of the services and privileges afforded by the Government of Canada to the International Labour Organization, expresses to the Canadian Government its appreciation of this aid and kindness, which have made it possible for the International Labour Organization to maintain its international character."



2. Exchange of Notes between Canada and the United States of October 27, 1941, relating to Utilization of Water for Power Purposes at Niagara Falls.

October 27, 1941.

Sir:

I have the honour to refer to the exchange of notes of May 20, 1941, regarding increased diversions of water for power purposes at Niagara Falls, and to conversations that have already taken place between officials of the Governments of the United States and Canada regarding the urgent need for additional power in the Niagara Falls area.

In my note of May 20th, with which you agreed on behalf of the Canadian Government, I said, in part:

In view of the above, and having in mind assurances of engineers that there will be no material adverse effect to the scenic beauty of the Falls, I propose through this exchange of notes that for the duration of the emergency and in all events subject to reconsideration by both Governments on October 1, 1942, an additional diversion for power purposes of 5,000 cubic feet per second be utilized on the United States side of the Niagara River above the Falls. In making this proposal this Government is prepared to give assurances that no objection will be raised to an additional diversion of 3,000 cubic feet per second on the Canadian side of the Niagara River above the Falls. It is also proposed that the engineers of the two Governments be instructed to take such steps as may be necessary with a view to initiating forthwith the construction of works designed to distribute the flow of waters over the Falls in such a manner as to preserve their scenic beauty.

Moreover, the American Government proposes that upon the entry into effect of the Agreement for the Utilization of the Water of the Great Lakes-St. Lawrence Basin signed on March 19, 1941, the foregoing arrangements will be subject to the provisions of Article IX of the Agreement, and that it will be open to the Commission appointed under the provisions of the Agreement and carrying out the duties imposed upon it, to take such action as may be necessary, and as may come within the scope of the Agreement with regard to diversions at Niagara.

The Honorable Leighton McCarthy, K.C.,  
Minister of Canada.



I am advised by the defense authorities of this Government and by the Federal Power Commission that, notwithstanding the additional diversions authorized in May, there is now a gravely urgent need for more power in the Niagara Falls area for manufacturing vitally necessary to the United States National Defense and Lease-Lend Programs. I understand that a similar need exists on the Canadian side.

On the United States side in this area there is idle equipment which could at once utilize an additional diversion for power purposes of 7500 cubic feet per second. I understand that, on the Canadian side, the existing equipment is in the course of normal operations fully used only in daytime hours and that, if fully used during the night hours, it could utilize an additional diversion amounting, in the daily aggregate, to 6,000 cubic feet per second.

I propose therefore that, for the duration of the emergency and in any event subject to reconsideration on October 1, 1942:-

1. The Canadian Government will raise no objection to an additional diversion for power purposes of 7,500 cubic feet per second, in terms of the daily aggregate, through existing facilities, on the United States side of the Niagara River above the Falls, and
2. The United States Government will raise no objection to an additional diversion for power purposes of 6,000 cubic feet per second, in terms of the daily aggregate, through existing facilities, on the Canadian side of the Niagara River above the Falls.

These diversions would be subject to an operating margin of one per cent of the total diversions whether authorized by this agreement or otherwise, and could be exceeded to that extent in order to provide for small excesses which may occur at times in the interest of efficient operation.

Upon acceptance of these proposals by your Government, it will be even more important than it was earlier in the year to proceed with the construction, in the 1942 open season of remedial works. The United States-St. Lawrence Advisory Committee and the Canadian Temporary Great Lakes-St. Lawrence Basin Committee (created pursuant to the Exchange of Notes of October 14, 1940) should be instructed immediately by the respective Governments to concert for the purpose of jointly recommending to the two Governments - (1) the exact nature and design of the works that should be constructed in 1942, and (2) the allocation of the task of construction as between the two Governments. Upon the recommendations being accepted by the two Governments, and the acceptance notified to each other, the construction would be undertaken pursuant to the recommendations. The total cost of the works would be divided equally between the two Governments regardless of the allocation of the task of construction.

The United States Government proposes further that upon the entry into effect of the Agreement for the Utilization of the water in the Great Lakes-St. Lawrence Basin signed on March 19, 1941, the foregoing arrangements will be subject to the provisions of Article IX of the Agreement, and that it will be open to the Commission appointed under the provisions of the Agreement and carrying out the duties imposed upon it,

I am advised by the defense authorities that this Government and by the Federal Government notwithstanding the fact that the Canadian Government has, these days, a heavy burden on its shoulders, the United States Government is not prepared to make any concession in the present circumstances. The Canadian Government is not prepared to make any concession in the present circumstances.

On the United States side in the case of equipment which could be used for the purpose of power purposes of 7,500 cubic feet per second, on the Canadian side, the existing equipment is in the course of normal operations fully used only during the hours and that it is not used during the night hours. An additional diversion amounting to 1,000 cubic feet per second.

I propose therefore that for the purpose of the emergency and in the event subject to reconsideration on October 1, 1941, the Canadian Government will be asked to object to an additional diversion of 1,000 cubic feet per second of the daily average, through existing facilities on the United States side of the Niagara River above the Falls and

2. The United States Government will be asked to object to an additional diversion of 1,000 cubic feet per second of the daily average, through existing facilities on the Canadian side of the Niagara River above the Falls.

These diversions would be subject to the same conditions as those set forth in the first diversion which was authorized by this agreement. It is proposed that the Canadian Government should be asked to provide for an amount of 1,000 cubic feet per second at times when the flow of the Niagara River is above the Falls.

Upon the basis of the above proposals, it will be noted that the Canadian Government is asked to provide for an amount of 1,000 cubic feet per second at times when the flow of the Niagara River is above the Falls. The Canadian Government is asked to provide for an amount of 1,000 cubic feet per second at times when the flow of the Niagara River is above the Falls. The Canadian Government is asked to provide for an amount of 1,000 cubic feet per second at times when the flow of the Niagara River is above the Falls.

The United States Government proposes further that upon the entry into effect of the Agreement for the utilization of the water in the Great Lakes-St. Lawrence Basin signed on March 18, 1941, the foregoing arrangements will be subject to the provisions of Article IX of the Agreement, and that it will be open to the Commission appointed under the provisions of the Agreement and carrying out the duties imposed upon it

to take such action as may be necessary, and as may come within the scope of the Agreement with regard to diversions at Niagara.

If the foregoing is acceptable to the Government of Canada, this note and your reply thereto, when approved by the Senate, will be regarded as placing on record the agreement of the two Governments concerning this matter.

Accept, Sir, the renewed assurances of my highest consideration.

For the Secretary of State

Adolf A. Berle, Jr.

Mr. Hon. Cordell Hull,  
Secretary of State of the United States,  
Washington, D.C.

Further exchange of notes of November 27, 1941.  
The 7th paragraph in the United States note above was  
struck out. The notes became effective on November  
27, 1941.

to take such action as may be necessary to carry out the provisions of the Agreement with regard to the matters mentioned in the foregoing paragraphs. It is the understanding of the Government of Canada, which note and hereby approve the Agreement, that the Government of the United States will be regarded as having agreed to the terms of the Agreement and to the matters mentioned in the foregoing paragraphs.

Accept, Sir, the renewed assurances of my highest consideration.

For the Secretary of State  
Abraham D. S. Jr.

No. 651.

October 27, 1941.

Sir:

I have the honour to inform you that the Canadian Government concurs in the proposals set forth in your note of October 27th, 1941, regarding the utilization of water for power purposes at Niagara Falls.

I have the honour to be,

with the highest consideration,

Sir,

Your most obedient,

humble servant,

(Sgd) H. H. WRONG  
For the Minister

The Hon. Cordell Hull,

Secretary of State of the United States,

Washington, D.C.

Note: By a further Exchange of Notes of November 27, 1941, the 7th paragraph in the United States Note above was struck out. The Notes became effective on November 27, 1941.



3. Meeting of Joint Economic Committees

The Joint Economic Committees of Canada and the United States, meeting in Montreal for a three-day session, through Sunday, November 9, took cognizance of the new Canadian-United States joint committee on defense production established by Prime Minister King and President Roosevelt as a result of their recent recommendation.

In addition, the Committees examined the progress made in transactions under the Hyde Park declaration to the end of September 30 and explored the obstacles presented by tariffs between the two countries to the exchange of defense articles.

The bulk of the session, however, was devoted to a study of the major question of economic collaboration in the post-war period. In post-war studies of the Committees, attention was given not only to the nature of the problem, but also to the development of effective international machinery for their solution. The interrelations of the Canadian and United States economies in the post-war period were reviewed both by themselves and in the light of the likely and desirable framework of world trade and exchange organization.

4. Meeting of Permanent Joint Board on Defence

A meeting of the Permanent Joint Board on Defence was held in New York on November 10, and 11, 1941.

5. Meeting of Canadian and United States officials on Tax Problems

Further meetings were held in Washington in November between Canadian and United States officials concerning tax problems arising out of Canadian and United States fiscal legislation.

6. Proposed Canada - United States Extradition Treaty

Consideration has been given in the past few months to the proposal that a new comprehensive extradition treaty should be entered into between the United States and Canada to replace the series of treaties and conventions, all but one of which were entered into by Great Britain and the United States, which now governs extradition between the two countries. On November 10, 11 and 12 in Washington, D.C. representatives of the Canadian Government met representatives of the United States Government, for discussion of the proposed treaty. The conferences took place at the State Department in Washington and resulted in complete agreement on a new draft which embodies several changes from the provisions which at present apply. It is expected that a final draft of the treaty will be in readiness at an early date.

From the Canadian point of view, special importance is attached to the projected treaty since it will be the first comprehensive extradition treaty ever to be negotiated by Canada, and thus will serve, in many respects, as a model for future treaties.



7. Statement to the Press: - Report of British Columbia-Yukon-Alaska Highway Commission (Canada), November 12, 1941

The Report of the British Columbia-Yukon-Alaska Highway Commission was tabled today in the House of Commons by the Prime Minister. This Commission was appointed by Order-in-Council of December 22nd, 1938. It was instructed to enquire into the engineering, economic, financial and other aspects of a proposed highway to connect the Pacific Northwest of the United States with Alaska by way of British Columbia and the Yukon.

This project had been under consideration by various official and unofficial bodies in Canada and the United States for some twelve years or more, and reports had been made by a United States Commission in 1933 and by a Canadian Inter-departmental Committee in 1938. This latter report was not published. In 1938 representations were made to the Canadian Government by the Government of the United States with regard to the desirability of providing for the construction of such a highway, and the Canadian Government was informed that the President of the United States had appointed a Commission of five members "to cooperate and communicate directly with any similar agency which may be appointed in the Dominion of Canada in a study for the survey, location and construction of a highway to connect the Pacific Northwest part of continental United States with British Columbia and the Yukon Territory in the Dominion of Canada and the Territory of Alaska".

In the spirit of these instructions to the United States Commission by the President, the Canadian Commission, which also consisted of five members, was instructed by the Canadian Government "to meet for the purpose of discussion and exchange of information with the United States Commission appointed for that purpose".

The Canadian Commission, which consists of the Hon. Charles Stewart, Major General Thomas L. Tremblay, Mr. J. M. Wardle of the Department of Mines and Resources, Mr. Arthur Dixon of the Department of Public Works of British Columbia, and Mr. J. W. Spencer of Victoria, with Mr. Stewart as Chairman, held a series of public hearings in British Columbia and the Yukon in the summer of 1939, and, under the direction, reconnaissance surveys were carried out by Dominion and Provincial engineers, both by air and on the ground.

The substance of these hearings and surveys was communicated to the Government in a Preliminary Report in April, 1940. The Commission at that time felt that further ground work by engineers would be necessary before it would be in a position to give a reasoned opinion on the respective merits of different routes that had been proposed for a highway. These additional surveys were carried out in the summer of 1940, and when the reports of the engineers had been received the Commission proceeded to consider and digest all the available information. It also, in accordance with the instructions of the Order-in-Council, held meetings from time to time with the members of the United States Commission, and discussed with them various problems arising out of their respective investigations.

The Commission, having completed its investigations and

Statement to the House - Report of British

The Report of the British Commission on the  
Government of the United States and the  
United States Government was tabled in the House of Commons  
by the Prime Minister, Mr. Lloyd George, on the 11th  
of December 1918. The Report was presented to the  
House of Commons on the 12th of December 1918, and  
to the House of Lords on the 13th of December 1918.

The Report is a long and detailed document, and  
it is not possible to give a full account of its  
contents here. It deals with the relations between  
the United Kingdom and the United States, and  
with the various questions which have arisen  
since the outbreak of the war. It is a valuable  
document, and it is well worth reading.

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deliberations, prepared for the information of the Government of Canada the very comprehensive Report which has now been tabled. This Report, after surveying the results of previous inquiries, and summarizing the evidence obtained at the public hearings, describes in detail the various routes investigated by the Commission, and analyzes the information collected on the natural resources of the regions traversed by various proposed routes, the character of the country, its climate, snow-fall, and so forth.

The Commission has embodied in its Report a great deal of relevant data, including estimates of costs, that will be of service to the Government when the time comes to consider the desirability of building such a Highway. Having brought together this information in its Report, the Commission concluded that either of the two main routes investigated, known as the "A" and "B" Routes, is practicable from an engineering point of view. It is understood that the United States Commission concurs in this conclusion.

These routes, the former nearer the sea and the latter nearer the mountains, are shown on the map accompanying the Commission's Report. The "A" Route runs roughly from the vicinity of Fort St. James, in northern British Columbia, and by way of Atlin, near the British Columbia-Yukon border to Whitehorse, and from there to the Alaskan boundary. The "B" Route from Prince George extends north through what is known as the Rocky Mountain Trench to the Liard River and down the valley of the Pelly to the Yukon and from there to Dawson and the Alaskan boundary. The Commission, after balancing the advantages and disadvantages of each route, concludes that the "B" Route would best fulfil the purposes of the proposed Highway.

In its consideration of the proposed Highway and Commission has assumed that the existing roads of British Columbia from the international boundary north to Prince George and Fort St. James would form part of the Highway whatever route might be adopted, and confines its consideration of these existing roads to an estimate of the cost of bringing them up to the suggested standard of the Highway.

The Commission finds that the length of the Highway from Vancouver to the Alaskan boundary would vary from about 1700 miles to about 1900 miles according to the route adopted.

The Commission estimates the cost of a highway completed to the required standard, but exclusive of paving, at from \$25,000,000 to \$30,000,000, but as these figures are based upon reconnaissance surveys they are only approximate. The "B" Route would be somewhat shorter than the "A" Route and would cost less both to construct and to maintain.

The Commission expresses its appreciation of the cordial cooperation of the Government of British Columbia in placing all relevant maps and engineering data at its disposal and in authorizing at considerable expense additional field surveys by its engineers.

belonging to the Government, prepared by the interested parties, has now been made available to the very comprehensive knowledge of the public. This report, after a careful study of the results of the public hearings, and summarizing the various points raised in the public hearings, described in detail the various routes suggested by the Commission, and analyzed the information collected on the natural resources of the country, its climate, snow-fall, and so forth.

The Commission has embodied in its Report a great deal of relevant data, including estimates of costs, and will be of service to the Government when the time comes to consider the desirability of building such a highway. Having brought together this information in its Report, the Commission concludes that either of the two main routes investigated, known as the "A" and "B" Routes, is practically feasible from an engineering point of view. It is understood that the Highways Commission concurs in this conclusion.

These routes, the former nearer the sea and the latter nearer the mountains, are shown on the map accompanying the Commission's Report. The "A" Route commences from the vicinity of Fort St. James, in northern British Columbia, and by way of Alton, near the British Columbia-Alaska border to Fairbanks, and then thence to the Alaskan boundary. The "B" Route from Prince George extends northwards, what is known as the Rocky Mountain Trench to the Yukon and from there to Dawson and the Alaskan boundary. The Commission, after examining the advantages and disadvantages of each route, concludes that the "B" route would best fulfill the purposes of the proposed Highway.

In its consideration of the proposed highway and Commission has assumed that the existing route from Dawson to Fairbanks would form part of the highway whatever route from the international boundary north to Prince George and Fort St. James would form part of the highway. The Commission might be asked, and perhaps the objection of those existing roads to be replaced by the proposed highway. The suggested standard of the highway.

The Commission finds that approximately the Highway from Vancouver to the Alaskan boundary would vary from about 1700 miles to about 1800 miles depending on the route selected. The Commission estimates that the cost of a highway completed to the proposed standard, but exclusive of paving, at from \$50,000,000 to \$60,000,000, but as these figures are based upon recent estimates, and the cost of material and labor is constantly rising, the "A" route and "B" route would cost approximately \$70,000,000 and \$80,000,000 respectively.

The Commission expresses its appreciation of the cordial cooperation of the Government of British Columbia in placing all relevant maps and engineering data at its disposal, and in authorizing its consultants to incur additional field surveys by its engineers.

(B) COMMONWEALTH AND FOREIGN REPRESENTATIONS IN OTTAWA

1. Mr. H. Pinheiro de Vasconcellos has been appointed Consul General of Brazil in Montreal.
2. Lieutenant (J.G.) Norman B. Deuel, U.S.N.R. and Lieutenant (J.G.) Gregory S. McIntosh, U.S.N.R. have been appointed Assistant Naval Attaches and Assistant Naval Attaches for Air at the United States Legation, Ottawa.
3. Captain Alberto Brunet has been appointed Naval and Aeronautical Attache of the Argentine Legation in Ottawa.

COMMON RAIL AND RAILROADS  
Mr. E. Ribeiro de Vasconcelos has been appointed  
General Counsel of Brazil, in Brazil.

Lieutenant (J.G.) Norman B. Bell, U.S.N.R., has  
Lieutenant (J.G.) Gregory S. McIntosh, U.S.N.R.,  
have been appointed Assistant Naval Attaches  
Assistant Naval Attaches for the United States  
Legation, Ottawa.

Captain Alberto Bruner has been appointed  
Assistant Naval Attache of the Argentine Legation in Ottawa.

(C) CHANGES IN THE CANADIAN EXTERNAL SERVICE

1. Major General Victor W. Odlum, General Officer Commanding Second Canadian Division, has been appointed High Commissioner for Canada in the Commonwealth of Australia. General Odlum will proceed to Canberra from London via the Middle East, in order to see something of Australian troops in the field of operations, before taking up his new post.
  
2. Mr. A.F.W. Plumptre has been appointed Financial Attache at the Canadian Legation in Washington, in place of Mr. James Coyne who has returned to Ottawa. Mr. Plumptre will also act as the representative of the Wartime Prices and Trade Board in Washington.

