

September 18, 1957

MEMORANDUM FOR RECORD:



A meeting was held in Governor Adams' office today on the question of possible shifting of responsibilities for the administration of the St. Lawrence Seaway, with the following in attendance: Secretary Wilson, Secretary Brucker, Secretary Anderson, Director Brundage, Bryce Harlow, General Goodpaster, in addition to Governor Adams.

Governor Adams recalled that he had mentioned the possibility of a shift to the President, who indicated favorable initial reaction to the idea of placing responsibilities in the Commerce Department. He added that the President's Advisory Committee on Reorganization had also favored Commerce. He thought it was desirable to consider the timing of whatever might be decided upon as a final solution, since he understood the Canadians were now holding hearings as to whether to have any tolls at all. He thought the President felt that there should be a civilian organization (rather than a military) dealing with the Canadians, and that it should be at the same general level of government.

Mr. Wilson thought there were two questions. The first is as to how to give top level supervision to the St. Lawrence agency; the second is with respect to the future responsibilities, if any, of the Army Engineers in the activity. He thought it might be possible to let the Engineers finish the construction and then face the problem as to who should physically maintain and operate the waterway, and who should supervise the agency and conduct negotiations with the Canadians.

Secretary Anderson recalled that he had discussed this matter three or four years ago, when he was designated to supervise the matter in terms of two questions -- who should construct the Canal and who should negotiate the agreements with the Canadians. The President favored construction by the Engineers without regard to the question of who should operate the facility. When Mr. Anderson discussed the matter of negotiation with Secretary Dulles, the latter asked him to negotiate

with the Canadians and then turn the agreements over to State for signature. He said he had reached agreement with the Canadians on the construction, but had left open all questions regarding operations, many of these being of highly political significance.

Secretary Brucker said that a lot of hard construction work remains to be done, requiring vigorous prosecution and economy efforts. He thought it would be a mistake to shift construction responsibility. There was general agreement on this. He said the time had come when the tolls problem must be dealt with. He said that the Department of Defense has the only experience in the government for dealing with this problem. The Panama Canal is the major example of such activity. He thought that with regard to the handling of problems of operations until the construction is finished, the Department of Defense has the people most competent in this matter.

Governor Adams did not agree as to the logical compulsion to vest the responsibility for operations (including related administrative activity and negotiations) in Defense. He thought we should take the time to study these arrangements, and particularly how to set up a unit within the federal government to handle this. He suggested that necessary papers be prepared for a solution under which supervisory responsibility would be placed in Commerce, with a view to having another meeting of the same group when these are ready.



A handwritten signature in blue ink, appearing to be "A. J. Goodpaster".

A. J. Goodpaster  
Brigadier General, USA