

2. On the side of the Seaway Development Corporation, the Act as written gives the power to them to make contracts. Further, Mr. Castle states that nobody has a monopoly on inland waterway activities and he proposes to develop his own unit.

In summary, the Corps of Engineers cites the experience it has, taking the position that the initial operating phase will be a delicate time, with accidents highly possible. Apparently the Corps of Engineers hates to leave this project since it has had the responsibility for development, partly because of the adverse appearance of an early terminated contract. Mr. Castle on the other hand criticizes the massive bureaucracy inherent in the Army Engineers, and feels that he can develop experience within his own corporation.

Mr. Brucker summarized his own viewpoint as follows:



1. He dislikes a new organization created to do the job already done by an old.
2. He is concerned, as are the Engineers, over the safety factor in the initial stages of the operation.
3. He feels the Engineers will run the Canal at less cost than will the Seaway Corporation.
4. He admits that if the Engineers function in operations as they did in construction, it will be necessary to go from Massena to Buffalo to Chicago to Washington to get a policy question answered. He points out, however, that General Itschner feels the situation can be corrected easily. Mr. Brucker's solution for the problem is that for the start and through the first full shipping season the Engineers should be retained under contract. This would bring them to 1 December 1960.

Governor Adams then explained that this matter had been brought up inadvertently at this level. The Bureau of the Budget had desired to transfer responsibility to the Department of Commerce and the question had been brought up with Secretary Wilson. Generally speaking, the conclusion had been that this Seaway should be administered by a civilian agency. The Canadians have a St. Lawrence Seaway Authority which is a strictly civilian unit. The Canadians are sensitive and protocol conscious and do not like to deal with the military under these conditions.