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*Henry H. Seaway  
(copy sent to Campfish)*

August 20, 1957



MEMORANDUM FOR RECORD:

Governor Adams met at 2:30 PM on August 16th with Secretary Brucker on the subject of the St. Lawrence Seaway.

Mr. Brucker's briefing of the Governor was as follows:

Under Public Law 358 the St. Lawrence Seaway is being constructed and will be operated under the supervision of the President. This responsibility is delegated to the Secretary of Defense and is currently subdelegated to the Secretary of the Army.

A conflict exists within the purview of the Secretary of the Army. By Section 8 of this law the Corps of Engineers, a part of the Army, is under contract to St. Lawrence Seaway Development Corporation to construct and exercise technical assistance in the operation of the Seaway. Also, under Mr. Brucker's supervision directly is the St. Lawrence Seaway Development Corporation, completely separate from any military connections.

(As background, Mr. Brucker offers the estimate that the 14-foot channel will be completed by 1 July 1958 and the 28-foot channel in May or June of 1959, after which there will be some continuing construction involving the connecting waters.)

The difficulty arises in the fact that the St. Lawrence Seaway Development Corporation has let out a contract to the Corps of Engineers which will terminate on 1 October 1958. Mr. Castle, the head of the Corporation, plans to discharge the services of the Corps of Engineers after that. Mr. Castle plans to do all the administration himself, and General Itchner, the Chief of Engineers, feels that the Engineers should actually perform the physical operation of the Seaway.

The merits of the case, as Secretary Brucker sees it, are as follows:

1. The Corps of Engineers has experience in the field of inland waterways. On the statutes it has responsibility for many inland waterways. Further, the Corps of Engineers says that it has primary responsibility in this country for the operation of canals and locks and that Congress did not mean to exclude them on a specific deal.

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- 2 -

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.

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- 3 -

All had agreed, therefore, with Mr. Dulles concurring, that the Seaway should not be administered by the Corps of Engineers on that account. In discussions with Mr. Quarles and Mr. Wilson, it had been decided that the decision should be delayed because there was something on both sides.

Mr. Dulles' outlook on this, according to Governor Adams, is that logic is on the side of administration by the Department of Commerce since the Seaway is a commercial enterprise and will involve such things as collection of tolls. However, it is expected that Defense will do a better job. The conclusions, then, that Governor Adams reaches are that:

1. The Canal should be administered by a civilian agency.
2. There is no particular need for an early conclusion as to the division of these responsibilities under question.
3. Responsibility may rest with Defense or be transferred to Commerce. In this connection, however, Governor Adams feels that it is better to leave it in Defense because a better and cheaper job will be done. Here he would expect for operation and maintenance that the Secretary of Defense would leave this to civilian agencies. He feels that the Corps of Engineers could give these agencies the benefit of experience but such Engineers as are involved should be under civilian officers. He has not checked with Bureau of Budget in this regard. He further states that the Corps of Engineers should not campaign for operational jurisdiction.

Discussion then turned up that the two viewpoints were essentially the same. Secretary Brucker's plan for Engineer continuation in the Seaway was that they should not be an independent agency but that the Engineers should be limited to operation and maintenance only under direction of civilians.

Some discussion then followed on the point of view of the Canadians in attempting to set up an all-Canadian seaway. This, however, was not directly relevant to the case at hand. The conclusion was that essentially as Secretary Brucker initially recommended. The St. Lawrence Seaway Development Corporation will maintain and operate the Seaway and continue contractual arrangement until it is convenient to take over all responsibilities. Once more both Governor Adams and Secretary



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- 4 -

Brucker agreed that it appears best at this moment for responsibility to remain with the Department of Defense. (In substantiation, Mr. Brucker read from the preamble of P. L. 358 that the project was being done primarily in the interests of National Defense.)

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