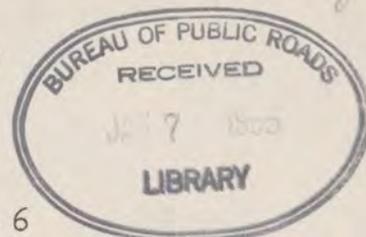


54. Lawrence Kottaway

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
DIVISION OF INFORMATION  
609 LAFAYETTE BUILDING  
WASHINGTON, D. C.



IMMEDIATE  
RELEASE

January 4, 1955

SLSDC - 6

EX 3-3111

Ext 568-69

SECOND SEAWAY CONTRACT BIDS ADVERTISED  
OTHER EXCAVATION CONTRACTS PLANNED

Administrator Lewis G. Castle of the Saint Lawrence Seaway Development Corporation announced today that rapid progress is being made on planning, designing, and contracting phases of construction of the Seaway.

Mr. Castle gave full credit to the speed and efficiency of the Corps of Engineers, U. S. Army, who as the Corporation's agent today placed advertisements for bids on the second major contract to be awarded on the Seaway, the excavation for Robinson Bay Lock.

Accordingly, drawings and specifications for the new work will be available at the Office of the District Engineer, Colonel Loren Olmstead, Corps of Engineers, U. S. Army, Niagara and Bridge Streets, Buffalo 7, New York. Contractors should send their bids to the same address. Bids will be opened on or about February 3.

The Corporation plans to advertise additional excavating contracts as follows:

<u>Item</u>	<u>Approximate Quantity of Excavation Cubic Yards</u>	<u>Type of Material</u>	<u>Approximate Advertising Date</u>
Grass River Lock Excavation	2,500,000	Earth	Feb. 15, 1955
Long Sault Canal Excavation & Dike Construction	12,000,000	"	Mar. 15, 1955
Thousand Islands Section Channel Dredging	60,000	Rock	June 15, 1956
Cornwall Island South Channel Dredging & Canal Excavation Downstream of Grass River Lock	3,100,000	Earth	Sept. 15, 1956

When these contracts are let, provision will have been made for more than 85 percent of the excavation authorized to be done on the Seaway by the United States.

The site of the Robinson Bay lock excavation for which bids are now being solicited (see map attached) is about three and one-half miles Northeast

of Massena, New York. The lock excavation work consists of furnishing all plant, labor, and materials and equipment and performing all work required for the excavation of overlying material to expose surface of rock over an area approximately 200 feet by 1200 feet.

The depth of the material to the surface of the rock is about 115 feet; in all an estimated 2 million cubic yards of glacial till will have to be removed. The glacial till is mostly sand and clay interspersed with boulders and stones, and approximately 1 million cubic yards of dike embankment also are involved.

Necessarily, the depth of excavation is much deeper than the required depth of the lock chamber, and the width of excavation is also wider than the outside width of the lock, which will be approximately the size of those in the Welland Canal.

The lock-construction contract to be advertised at a later date will require the excavation of a certain amount of rock to prepare foundations for the lock walls. Award of a separate contract for earth excavation, rather than including this work with the lock construction, will lead to earlier completion of the locks.

Bidders are invited to visit the site to acquaint themselves with conditions and problems incident to the proposed work. Arrangements may be made to inspect four open pits excavated to canal grade, as well as for general inspection of the job site by applying to Thomas F. Airis, resident engineer. Mr. Airis's address is Area Office, Corps of Engineers, Plancor Road, Massena, New York, telephone; Massena 422.

Two complete sets of drawings will be issued to those who intend to bid, upon receipt of \$25 per set. The deposit must be in the form of a postal money order or a certified check payable to the "Treasurer of the United States," and sent to Corps of Engineers, U. S. Army, Office of the District Engineer, Buffalo District.

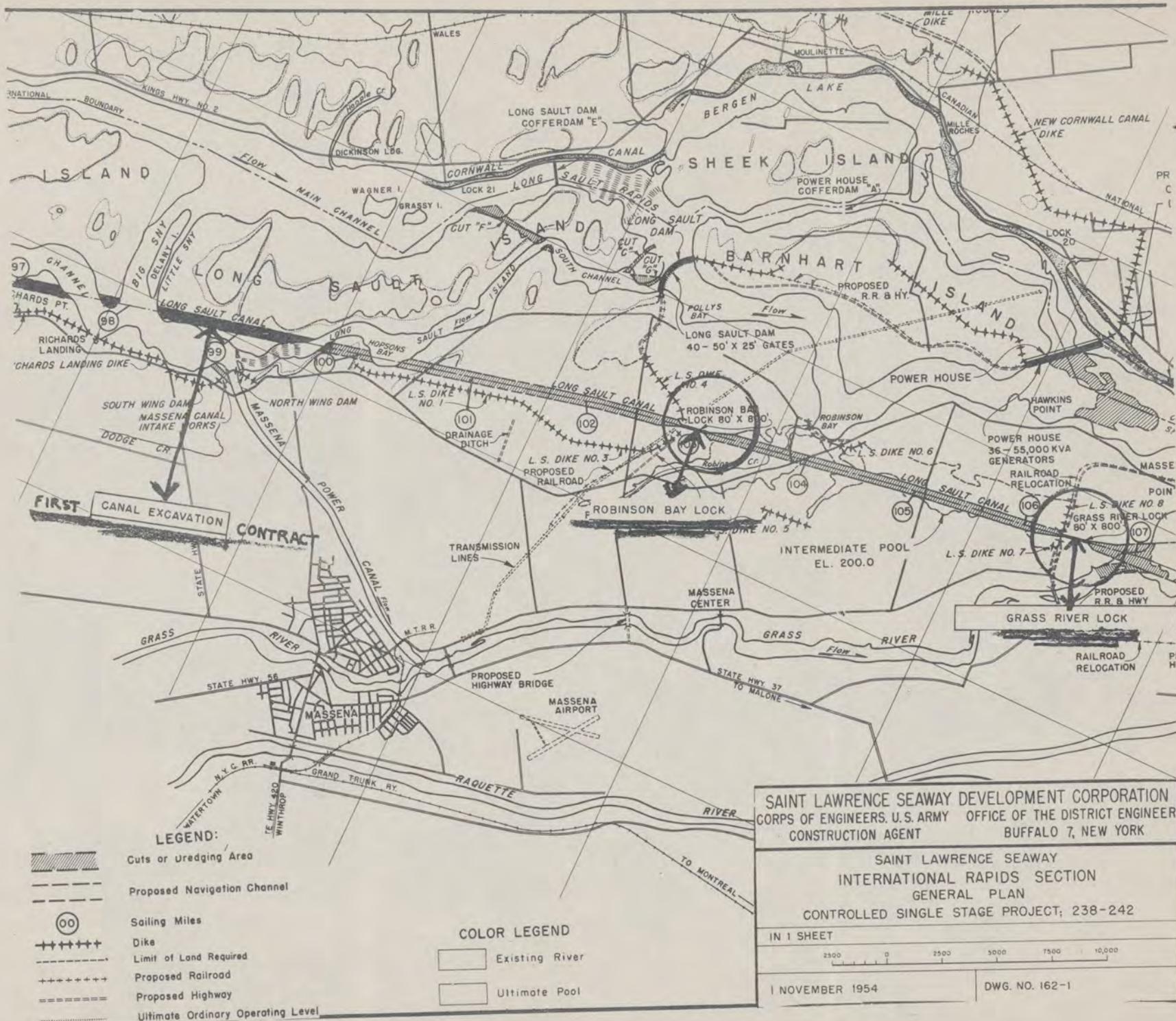
Commencement of work will be required within 20 calendar days after receipt of Notice to Proceed (issued after execution of the contract and bonds), and completion is required by January 1, 1956. In case of failure by the contractor to complete the work within the time fixed in the contract or any extensions thereof, the contractor will pay to the Government as liquidated damages, \$500 for each calendar day of delay until the work is completed or accepted.

Payment and performance bonds will be required to support the contract. The penal sum of the payment bond will be as follows:

(1) When the contract price is \$1,000,000., or less, 50 percent of the contract price.

(2) When the contract price is in excess of \$1,000,000., but no more than \$5,000,000., 40 percent of the contract price.

The penal sum of the performance bond will be 50 percent of the contract price. A bid bond in the penal sum of 20 percent of the bid price will also be required in support of the quotations received. Any bid proposing that the Government agree to the use of a price adjustment clause, cost-plus-a-fixed-fee, or comparable pricing arrangement will be rejected.



St. Lawrence Seaway

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION



Address by Raymond F. Stellar, Engineer  
Saint Lawrence Seaway Development Corporation  
Before Syracuse Society of Architects  
Fine Arts Museum Auditorium  
Syracuse, New York, January 17, 1955

PM Release

January 17 PM's

SAINT LAWRENCE SEAWAY PROJECT PROGRESS REPORT AND OUTLOOK

Engineers Move In

Engineers both here and in Canada have moved into the Saint Lawrence Seaway job with sleeves rolled up. Their entry into the scene is taking place without fanfare, and without wide publicity. That's traditional with the engineering profession generally.

A job has to be done. In this case a major marine job on one of the world's greatest rivers. It is challenging. The best that modern engineering design can bring forth is going to be incorporated into the plans and specifications.

Construction of navigation locks and related marine work is a speciality even within the engineering fraternity. Essentially all of this type of public works both in the United States and Canada has been engineered by the Government, primarily the Federal Government. Construction generally has been by private contractors with their operations supervised by the Government.

For that reason the present design effort now picking up momentum weekly is being accomplished by Federal engineers schooled in this particular speciality; structural design engineers; hydraulic engineers; electricals; mechanicals; soils and foundations specialists; hydraulic model-testing specialists; and a number of others.

Similarly, certain contractors specialize in this field of construction. A blown out cofferdam and other vagaries on this type of work are not for inexperienced hands.

Division of Work and Cost

The two agencies charged by law with the joint accomplishment of the Lake Erie to Montreal Seaway are the Saint Lawrence Seaway Development Corporation in the United States and the St. Lawrence Seaway Authority in Canada. They are bending every effort to discharge their responsibilities with competence and integrity.

Under this joint construction, pursuant to the Wiley-Dondero Bill, the United States will build in our territory the Long Sault Canal with 2 locks near Massena, New York, to by-pass the powerhouse and spillway dam being built near the foot of the International Rapids Section; the Point Rockway Canal with one lock below Ogdensburg, New York, to by-pass the power project's control dam; and lower rock shoals to provide a more commodious channel in the Thousand Islands Section, chiefly in the Alexandria Bay area.

Canada will construct new deep-water facilities including four locks between Montreal and Cornwall, Ontario, together with deepening the channel between the locks in the Welland Canal. Costs are estimated to aggregate about 300 million dollars, 100 million to the United States and 200 million to Canada.

With these modernization improvements completed, a controlling channel depth of 27 feet will prevail, as compared to 14 feet now between Montreal and Ogdensburg. And the 22 locks in that reach, 50 to 75 years old, each 252 feet long, 44 feet wide, and 14 feet deep, will give way to 7 new locks 800 feet long, 80 feet wide, and 30 feet deep over the sills.

When the United States Government in 1952 agreed to permit the power development in the International Rapids Section go forward as a separate undertaking, it did so with two conditions. First, commitment was received from Canada that it would provide the Lake Erie to Montreal Seaway project concurrently at its expense. Second, action by Congress to enact legislation for construction of navigational facilities on our side of the river in the International Section was not precluded. Congress exercised that option in the Wiley-Dondero Bill. The President strongly supported the legislation which became law last May 13th. The key consideration there, in my opinion, was the desire of the United States to become a co-partner in this great development in order that we could have a voice in the construction, management, and operation of this waterway, both with respect to our national security and peacetime economy. The latter includes voice in the shipping tolls to be established.

In the exchange of notes of last August 17th Canada among other things indicated its intention of proceeding with the building of a canal and lock at Iroquois, opposite our authorized facility at Point Rockway. Construction of paralleling and duplicating facilities is unnecessary immediately for accommodation of shipping. Further study is now being given the aforementioned notes with a view to their appropriate clarification.

#### Progress Report

Organizationally, the Seaway Corporation has its headquarters office in Washington with Mr. Lewis G. Castle, Administrator, in charge; a Buffalo office with Mr. M. W. Oettershagen, Deputy Administrator, in charge; and a field engineer at Massena, New York. We are a small organization along executive-management lines. We are functioning in a manner similar to that of the New York State Power Authority. Our Advisory Board parallels the Power Authority's Board of Trustees.

As announced last September, the Corps of Engineers, U. S. Army, is serving as our designing and contracting agent. A few words on the reason for the selection and our operating procedures may be of interest.

The Corps of Engineers was selected because of its familiarity with the background of this river development, its long experience in the specialized field of design and construction of lock and canal work, and its having a going organization prepared to take on the job without loss of time for personnel build-up.

All of the step-by-step planning operations by the Corps of Engineers are subject to the review, modification and approval by the Corporation, including design criteria, general layout plans, and contract plans and specifications. Advance notices to bidders, advertisements for bids, and awards of contracts are not made without prior clearance by the Corporation. Similarly, negotiations for acquisition of necessary lands are not initiated without prior screening and concurrence by the Corporation.

Costs of all seaway activities by the Corps are reimbursed from proceeds of revenue bonds issued by the Corporation which has established desired accounting procedures and audits all expenditures. The Corporation examines all financial transactions and performs all other managerial duties including reporting to Congress through the President and will be the chief source of information for the public concerning the Seaway.

Design work is being accomplished basically by the Corps at its Buffalo office, with some support particularly on lock gate design by Nashville. This planning is screened at the Chicago and Washington offices of the Corps, as necessary, depending upon the complexity of the situation at hand. The Corporation receives copies of all design reports and proposed plans and specifications as developed at Buffalo and is thus able to act with maximum dispatch when the full chain-of-command planning process by the Corps of Engineers is accomplished.

Actually, a high degree of coordination and consultation takes place continually. Policy and knotty technical problems are recognized early and dealt with as quickly as practicable.

A Board of four Engineering Consultants has been selected to advise the Corporation on important and unusual matters. For example, in December the Board was asked to examine the basic plans which go back to 1941 and 1942 for the chief segment of the United States Seaway program - namely the 10-mile Long Sault Canal including the 2 locks near Massena. The Board confirmed the soundness of the location and general design. Recommendations of the Board on points meriting further study are now being carefully examined. Advisory service by this Board is also available to the Corps of Engineers.

Our first major contract, covering excavation of some 4,000,000 cubic yards of material for the upper 3-mile section of the Long Sault Canal, will soon be awarded. Colonel L. W. Olmstead, the Corps' District Engineer at Buffalo, is the contracting officer. There was lively bidding on that job; 27 bids were received. The lowest bid and several others were in a very favorable price range from the Government's standpoint.

Bids for excavation of about 2,000,000 yards of excavation at the Robinson Bay Lock site, Long Sault Canal, will be opened at Buffalo on February 2nd. Bids are scheduled to be advertised for excavation of 2,500,000 yards of material at the Grass River lock site February 15th and for the Long Sault Canal proper, involving 12,000,000 yards, March 15th.

Meanwhile design is being pushed on the various locks in the United States Seaway program, which are the most important individual elements. The same may be said on other items such as highway and railroad relocation including the highway tunnel under the Robinson Bay Lock northeast of Massena. All of this design is, of course, based on the detailed borings

and other field surveys recently developed. Bids for the general construction contract for Robinson Bay Lock will probably be advertised about September 15th and for Grass River Lock about October 15th.

All Seaway construction by the United States will be by contract, after competitive bidding. Contracts will be awarded to the lowest responsible bidder.

A high degree of mechanization on this canal and lock construction may well result. Generally this permits the contractor to hold his costs down. Naturally we in the Corporation are anxious to see spirited bidding on the various elements of our project. We are anxious to accomplish our project within the 105 million dollar money limitation contained in the Seaway Act, and preferably well below it. Lower costs mean more rapid self-liquidation or lower tolls for the same pay out period.

These U. S. Seaway facilities are scheduled to be ready for operation on a 27-foot channel depth basis, with the opening of navigation at the beginning of the 1959 shipping season. They are also scheduled to be ready for operation for 14-foot traffic in September 1958. Even that date may be advanced.

Accordingly, this job is on a tight schedule and time will be of the essence from here on out. Construction will commence this year and will be intense in 1956, 1957 and early 1958.

Nevertheless, no rash decisions will be made. To overcome the present bind of time on design, top specialists in the various fields are being pulled in to advise and assist, and to speed up the design process. But this is no push-button affair. While many locks have been built by the Federal Government heretofore each new one is tailor-made to fit the peculiar local conditions and these new locks and their attendant work are no exceptions.

#### Canadian Counterpart

Our counterpart across the border, the Canadian Seaway Authority, is likewise gearing itself to meet this corresponding schedule.

We are in frequent consultation with the Canadian Seaway officials on design matters and work scheduling generally. Obviously the accommodations to be afforded the ship operators at the various locks and approaches thereto should be as uniform as practicable throughout the new facilities now to be built. Our association with the Canadians is on the friendliest terms.

Presently the Seaway Authority is headquartered in Ottawa. Design work is being accomplished by the Government's forces at Montreal.

#### Coordination With Power Building Agencies

Similarly we are working closely and cordially with the Power Authority of the State of New York and the Hydroelectric Power Commission of Ontario. Naturally we have more dealings with the Power Authority since our facilities and theirs are on the same side of the river.

Concurrent construction of the 600 million dollar power development in the International Rapids Section is essential to the most economic development of the 27-foot Seaway in that reach. The Seaway there will be geared into the new pool level created by the power project. A number of power project features directly assist the Seaway, such as extensive dredging and excavation in the Galop Rapids Section below Ogdensburg to constitute a combined Seaway-power channel in that 8-mile area.

A few examples will illustrate the coordination between ourselves and the Power Authority:

(1) The Power Agencies plan to begin raising the pool level in September 1958 or before and we are gearing our operations to have the Long Sault Canal ready for 14-foot traffic then. This reduces cost otherwise necessary on the part of the Power Authority and Ontario Hydro to accommodate navigation on an interim basis during the pool raising period.

(2) To avoid the contemporaneous acquisition of land by a state agency and a Federal agency and the confusion resulting therefrom in the minds of the landowners, an arrangement has been developed whereby the Power Authority acquires all of the lands needed for the two projects. Our requirements are presented to the Power Authority in appropriate form in cooperation with the Corps of Engineers. The Power Authority in turn operates through the Bureau of Rights of Way and Claims of the New York State Department of Public Works. We reimburse the Power Authority for Seaway lands and the acquisition cost.

(3) Our first excavation contract includes provision for construction of a section earth dike, a part of the power project to assist in retaining the new pool level. By combining the two into one, savings accrue to both agencies.

(4) Highway access to Barnhart Island. The Power Authority was very anxious that we provide a high fixed bridge above or a tunnel under the Long Sault Canal on a new highway from Route 37 east of Massena to extend northward to the river. After study of the entire highway relocation problem facing the Corporation an understanding has been arrived at whereby we will build the highway tunnel under the Robinson Bay lock on an alignment that will suit the Power Authority and it will assume the responsibility for the construction of the remainder of this  $2\frac{1}{2}$  mile road, including the cost of a new bridge across the Grass River at the southerly end which otherwise would have been a cost in whole or in part to Seaway funds. This road will be on the future main highway artery on our side of the river to Cornwall. Additionally it will undoubtedly also carry much tourist traffic to the State Park on Barnhart Island. To tie in with this highway net, the Seaway Corporation will assume the responsibility of reconstructing the east-west section of this road leading to Cornwall Island and Cornwall.

#### Economic Outlook

The Seaway project has captured the imagination of the American people, as evidenced by widespread press coverage.

Various Great Lakes ports are studying ways and means of obtaining their respective shares of increased business. Industrial, commercial, and agricultural interests in the Midwest area and along the St. Lawrence frontier are sharpening their pencils to determine the best methods for using the seaway profitably.

The railroads, too, are not sitting idly by. They have long been owners of large blocks of harbor frontage and they will make the most of new traffic patterns.

Also our own salt-water shipping companies are taking a good square look at the situation. Specific inquiries have been made by them of the actual navigation conditions to be made available. One such salt water official was recently quoted as saying "Operators must decide soon whether they will shape their policies to provide for special services to call directly into the Great Lakes."

Transportation at low cost remains an essential ingredient in our economy. The Seaway will provide such transit for many commodities. In the forefront will be bulk items such as grain, iron ore, coal and petroleum. Also favorably affected, however, will be a considerable block of general cargo ranging from dairy products to automobiles and agricultural machinery.

We have eight States fronting on the Great Lakes with a population of 58,000,000 which have immediate access to this new shipping potential. In addition there are nine States - Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming and Colorado - with a combined population exceeding 13 million that are tributary in an economic sense. This is the immediate and adjacent hinterland which has so long sought an improved direct outlet to the ocean. Shippers in this area have contended that construction of the Panama Canal with other factors placed this Mid-continent region at a competitive disadvantage with our Atlantic, Gulf and Pacific Seaboards. Now that disadvantage is about to be partially corrected.

In Canada too the project is being hailed with enthusiasm. Government officials have termed it the greatest water resource development in the country's history.

Since my paper tonight deals with the Seaway only, I shall not allude to the power development except to say this in passing. New York State, and especially the "North Country" and central New York point to being the chief power project beneficiaries including (1) increased business during construction, (2) luring of industries requiring ample water supply and large blocks of low cost power, including electro-metallurgical industries, (3) increased tourist trade because of the "second Niagara," and (4) a better balanced economy between agriculture and industry.

Replacement of the 14-foot system by a 27-foot channel system above Montreal will mean that larger ships carrying heavier loads will be able to navigate with decreased shipping cost - decreased unit cost. That is the simple and cardinal point.

An example or two will illustrate the difference in cargo tonnage.

Just a month ago I rode through the Welland Canal on a "laker" to observe the facility or difficulty of the Captain in his navigation. That ship was the "John E. F. Misener" 654 feet long and 68 feet beam. She was loaded down to 23½ feet with grain, 644,000 bushels, equivalent to about 19,000 short tons. She was headed for Prescott, Ontario. Now, in comparison, the "canalers" plying the present 14-foot system are about 250 feet long and 40 foot beam and they can handle only about 1/7th as much.

Again, consider iron ore. Last year a number of transits were made by "canalers" carrying iron ore. However, their loads averaged about 2600 short tons or about 1/8th the loading in the modern lakers, which can accommodate about 22,000 tons or more of ore. Because of the difference in economy of operation, shipment of ore after the Seaway is opened will be almost exclusively by lake ships and essentially by the largest and most modern type. The old canalers appear to be seeing their last days.

The old adage of "Go west, young man, go west" might now for the lake skippers at least be changed to "Go east, skipper, go east." Because the range for lake shipping, presently of the order of 25 feet controlling depth over the 1200 mile sweep from Duluth to Ogdensburg, is now being extended eastward to Seven Islands, another 600 miles. Our lake shippers and their crews might do well during the winter off-season to study a little French which could prove helpful in going ashore at Seven Islands or at other points in Quebec.

Indeed about 3/4 of the Seaway traffic is now expected to be moved by lake-type ships, as distinguished from ocean-going carriers. This is due chiefly to the Labrador ore discovery and the demand for such additional supply of high grade open pit ore for the furnaces in our Midwest arsenal. This shift of traffic composition to a heavy accent on what may be termed "interlake" or "inter-system" carriage is a significant departure from the climate of the 1920's and the 1930's when the dominant portion of the prospective tonnage was general cargo in the overseas trade.

This is not to say that the general cargo tonnage now anticipated is unimportant. It remains vitally important to the particular businesses concerned and high transport charges generally apply to it. Such goods will be moved in ocean-going freighters. The 27-foot channel will accommodate the vast majority of the world's ocean-going dry cargo ships with profitable pay loads. This was demonstrated by a check study of foreign traffic at New York harbor for 1952. Recently a group of our Mariner ships, our largest and fastest dry cargo freighters have been leaving our shores with full cargo loads producing average drafts of only 22½ feet. These ships have crossed the Atlantic at average speeds of 20 to 21 knots, which is fast travel.

As to actual traffic statistics, the 14-foot canal system now handles about 10 million tons a year and the Welland 18 million. In comparison, Buffalo 23 million, New York 152 million, Duluth-Superior 73 million, Toledo 31 million and Baltimore 43 million.

A 1951 report of the Canadian Trade and Commerce Department indicated a prospective upbound iron ore movement of 20,000,000 which is entirely new traffic. That increases the prospective St. Lawrence traffic immediately to 30,000,000. With certain other increases a total of 44½ million tons was reached as the Seaway's traffic prospect for the near future.

Last summer an independent study was made by the Seaway Corporation which came up with an estimated Saint Lawrence River traffic total of 36½ million tons for 1959 and 52 million tons for 1965.

From the foregoing I am led to the following observations concerning the economic impact of the Seaway:

(1) It will stabilize the great steel industry and allied businesses in the Midwest area and permit future growth, as contrasted with a shift to seaboard areas.

(2) It will spur further industrialization in the Lakes area, which has the basic advantages of ample water supply, low cost transportation for basic raw materials, and other inviting essentials.

(3) It will improve the general economy of that wide area, including shipping advantages to the huge grain belt.

(4) It will augment integration of our economy with that of Canada. Our population and Canada's are continuing to grow. Now we exceed Canada's population 10 times. Correspondingly our production capacity is greater but our consumptive requirements as well. Canada's huge mineral resources in the vast St. Lawrence Gulf region will find increasing market in our country. Both countries will be mutually benefited.

(5) It will produce some unavoidable impacts mostly of short-term effect. The same may be said of the progression of events here in New York State, when a railroad was built paralleling the Barge Canal System, and now the Thruway parallels both.

(6) Generally, widespread opportunity will be created by the coming transformation of the Great Lakes into a virtual second Mediterranean. However, every port on the Great Lakes will not face the need for transformation. The lakes' harbors now range from 25 feet depth downward to 10 feet and less. Each local situation should be analyzed realistically. Generally some substantial hinterland support is essential for new major harbor developments. Local interests should avoid the extremes of wild enthusiasm on the one hand and pessimistic, overly conservative or unimaginative outlook on the other.

(7) The connecting channels on the Lakes at and above Detroit are now of 25-foot controlling depth downbound and 21-foot upbound. A survey is under way by the Army Engineers to determine the advisability of deepening to 27 feet, presently indicated to cost \$109,000,000. If the current favorable finding by the Corps' field officers is concurred in by reviewing authorities in Washington, and if in due course the Congress should see fit to authorize such further improvement and appropriate funds for its prosecution, the original concept for the overall seaway will be restored. Wide areas in the United States and Canada west of Lake Erie will receive a further lift to their economic opportunities.

In conclusion, the Lake Erie to Montreal Seaway project in my opinion is a wise and economically sound public development. Our Seaway Act is unique in that it requires imposition of tolls to make the project self-liquidating in 50 years or less. Canada's Seaway Act is permissive with regard to charging tolls. Administratively, however, that Government has determined that it also will charge tolls. Thus this project, like many recent turnpikes, will be paid off by the users of the facility. The Panama Canal, another international waterway, is in the same category.

In fact, we may have to consider installing twin locks within 10 to 15 years to handle traffic growth. Be assured that the engineers and officials concerned with this construction effort are taking cognizance of that possibility as far as practicable in present designing.

*St. Lawrence Seaway*

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
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January 18, 1955

EX. 3-3111 EXT. 568-69

BADGETT MINE STRIPPING CORPORATION WINS CONTRACT

Administrator Lewis G. Castle of the St. Lawrence Seaway Development Corporation announced today that the Badgett Mine Stripping Corporation, Madisonville, Ky., has been awarded the first excavation contract on the Seaway.

Mr. Castle said: "The Badgett Mine Stripping Corporation was selected as a consequence of its low bid of \$1,372,800 and its ability to excavate 3.8 million cubic yards of earth and other materials on the upstream end of the Long Sault Canal, near Massena, New York."

The company that was the successful bidder has a record of a rapid performance of both private and governmental contracts, and finished one of its last jobs four months ahead of schedule.

Three brothers, J. Rodgers Badgett, Thomas Brown Badgett, and Russell Badgett, Jr., operate and control the Badgett Mine Stripping Corporation. While the Badgett Mine Stripping Corporation was organized under Kentucky law in 1943, the brothers have been in business for about 20 years, and have done prior satisfactory work for the government in dredging on the Ohio River channels.

Also, the company has done extensive work on highways and canals, and in coal and bauxite mining. At present, the Kentucky company is employed in other excavation works on the Ohio and Pennsylvania Turnpikes.

The first Long Sault contract will require the services of about 80-100 men for about two years. Fewer men will be required than might be expected because the company owns one piece of equipment that is rather unique, a 15 cubic yard dragline. This huge excavator weighs 650 tons, and has a bucket weighing 14 tons when empty, and capable of carrying a load of 20 tons at one scoop.

The Badgett Mine Stripping Corporation's bid was more than \$27,000 lower than that of its nearest competitor, and the company was awarded the contract by producing a lower estimate than those of 26 other concerns.

As agent for the St. Lawrence Seaway Development Corporation, the Buffalo District Office Corps of Engineers, U. S. Army, gave the company notice of its selection to perform the contract.

vt St. Lawrence Seaway  
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
DIVISION OF INFORMATION  
609 LAFAYETTE BUILDING  
WASHINGTON, D. C.



SLSDC-8

IMMEDIATE  
RELEASE

February 2, 1955

EX 3-3111

Ext. 568-569

Jack and Jim Maser, Inc., of Brownstown, Pa., was the apparent low bidder in the opening of bids today on the second large Long Sault Canal contract on the Saint Lawrence Seaway.

The figure submitted by the Brownstown Company was \$990,900 to excavate 2.6 million cubic yards of material and the construction of two dike embankments. The work, preparatory to construction of Robinson Bay Lock on the Long Sault Canal, is near Massena, New York. The government estimate was \$1,377,120.

The bid opening was conducted at Buffalo by Colonel Loren W. Olmstead, District Engineer, Corps of Engineers, U. S. Army, Buffalo, New York, before a gathering of about 75 contractors and other interested parties.

Award of the contract will occur in a few weeks. The successful bidder on the lock excavation will have 320 calendar days to complete work after notice to proceed, which will mean completion early in 1956. A total of 14 bids were received, ranging as high as \$2,977,210.

Other bids in the low range were as follows:

Dutcher Construction Corporation, Queenstown, Md.	- \$1,115,560
S. J. Groves and Sons Co., Syracuse, New York	- \$1,215,065
Charles H. Tompkins Co., Washington, D. C.	- \$1,281,025
Morrison-Knudsen Co., New York, New York	- \$1,307,717.50

The dikes to be constructed will be 1800 feet and 1000 feet long respectively, and will be used to maintain water level for both navigational and power purposes.

The Corps of Engineers is the contracting agent for the Saint Lawrence Seaway Development Corporation.

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SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Address by Lewis G. Castle, Administrator  
St. Lawrence Seaway Development Corporation  
Before the Executives' Club of Chicago  
Chicago, Illinois, February 4, 1955



For release, February 4 PM's

February 4, 1955

CHICAGO, ONE OF AMERICA'S HEARTLAND GATEWAYS

In 1893, shortly before the turn of the century, Chicago was beginning to show promise of the great industrial center it was to become. That year your city was the site of the World's Fair. Many thousands of Americans came to marvel at the fabulous accomplishments created by the inventive genius of our growing country--evidences of the new mechanical inventions and industrial progress.

There was exhibited the latest in railroad equipment. The new-fangled contraption, the automobile, was a novel and popular exhibit. Crowds were thrilled by their first sight of electric lights and the efficiency of the box that talked, the telephone.

By that time, Edison was exhibiting the moving picture machine and his famous phonograph.

The typewriter and telegraph speeded communications.

The steel industry, then a lusty infant, was beginning its job of transforming America from the age of wood and stone into the age of steel. The mechanization of farms had begun with the manufacture of new disk cultivators and harvesting machines.

Needless to say, the Chicago Fair provided great stimulus to the Nation, but at the same time, it led to great complacency. So great was the feeling of satisfaction among ourselves that, when the nineteenth century was finished, there were few prophecies of what could happen in the twentieth century in the way of expansion and progress.

The opinion that America had reached the zenith of her advancement was shared generally by statesmen, economists, and many scientists. In retrospect, that early self-satisfaction seems absurd.

Today, some feel that we are in the same sort of a mood, and like Voltaire's *Candide* we seem to agree, "This is the best of all possible worlds."

The end of our advance is not apparent to most, but strangely increasing numbers of people think we are approaching the end of progress. We seem to have reached a period of dangerous complacency once again, just as we did in 1900. On the other hand, many believe that America is reaching for unprecedented heights of fulfillment. The Atomic Age is approaching, and new advances in many other fields of science and business are knocking at our doors.

Some municipal and industrial leaders in this community have an intense awareness of the requirements and opportunities of future times. It is they who have planned your magnificent port development in this area including that at Calumet Harbor and at Lake Calumet, which will eventually have 14 miles of docks for the accommodation of 25 ships at dockside.

Even now, your city planners, including such Seaway pioneers as Max M. Cohen, the Manager of the Chicago Regional Port District, and Bill Huggett, President of North Pier Company, together with many others, are leading this enterprising venture with characteristic foresight.

I could mention the names of other Seaway pioneers up and down the Lakes who supplied the faith over the last two or three decades that was responsible for the enactment of the law that makes the Saint Lawrence Seaway possible. There is Julius H. Barnes, a Duluth shipping man, who is unquestionably one of the earliest fathers of thought concerning Lake Superior navigation developments. There is Harry Brockel, Director of the Milwaukee Port Authority, who has rendered yeoman service to his city's waterway progress, and he, I am pleased to mention, is a member of the Advisory Board of the St. Lawrence Seaway Development Corporation.

These men are joined with many others as stalwart members of those early groups that sponsored the utilization of water transportation.

Last, but not least of these men who have labored long to make the Seaway dream a reality, is a former colleague of yours, who is Deputy Administrator of our Corporation, Martin W. Oettershagen. Martin is head of the Seaway Corporation's office in Buffalo, and as most of you know, he was long associated with the city as your Harbor Engineer and contributed significantly to the establishment of the Chicago Regional Port District. Indeed he was last serving as Consulting Engineer for the Port District. He has not only proved to be an able administrator, a competent engineer, but an exceedingly companionable associate. His contribution to our work on the St. Lawrence River which lies ahead will be highly constructive.

I wish that everyone within the sound of my voice could share the visions of these men as to the value, necessity, and opportunity of the great waterway which is now in the process of becoming a reality.

More and more, the upper mid-continental area of the United States is increasing in economic significance and importance. It is assuming an increasing stature in the foreign commerce of our country.

It seems appropriate to refer to fears frequently expressed that the construction of the Saint Lawrence Seaway will seriously disrupt or destroy existing land transportation facilities. However, we anticipate no such disturbance. Admittedly, in all major public improvements, whether they be in the field of transportation or in other changes of the status quo, there is temporary adjustment. Every great public improvement, however, whether it be in transportation or other economic endeavor, has been followed by an advance in the general prosperity and welfare of the region or whole country.

It is not enough to know that Chicago sits astride two waterways, one leading to the North Atlantic, and one leading through the Gulf of Mexico to the South Atlantic.

It is not enough to back the new development of Lake Calumet Harbor, the improvements to the Calumet-Sag Channel, and the Illinois Waterway for which the Administration has requested an appropriation of \$4 million.

It is not enough to realize the industrial and commercial greatness of Chicago.

What is needed is imagination and leadership to make maximum use of both waterways with respect to your own personal, corporate and civic interests. There are many good reasons for American businessmen to join the ranks of Seaway enthusiasts and prosper from its benefits.

By the time the Seaway is completed in four years, there will remain a need for producing a continued and improved standard of living and more prosperity for all Americans.

Chicago can serve, if it adequately prepares itself, as a gateway to a heartland area of agriculture and industry that is unparalleled by any other similar area in the world. To this natural wealth has been added the unprecedented railway and highway system of which the City of Chicago is the center hub.

Chicago, itself, not including the industrial might of the State of Illinois, ranks number one in the Nation in many lines of endeavor, and number two in many others.

Chicago's preeminence as a meat processing and food center is acknowledged by the world. It is a leader in steel production, and a most important financial center. Chicagoans can indeed be proud of the fact that their city is a number one producer of railroad equipment and electronics--first in refrigerated warehousing, and the home of the country's leading grain exchange.

The President of the United States has recognized the importance of waterways to Chicago in his Budget Message, in which he said: "Appropriations are recommended to widen the Calumet-Sag Waterway in Illinois to make this vital channel adequate to handle present and steadily increasing

traffic needs." Here we have the connection between the vast 9-foot Mississippi River barge system and masted traffic on the Great Lakes, both interlake and ocean-going.

Chicago area now ranks third among other ports in the Nation and second on the Great Lakes. The prediction has been made that the new port facilities when completed, will service many more ships of foreign flags a year, several times the present number of over 200 sailings annually. It is expected that within ten years the volume of foreign trade will grow to ten million tons at Chicago if you carry through successfully with present plans.

One of the Seaway's greatest boons will be to the Heartland's agricultural surpluses. Farmers can expect substantial savings per bushel when their produce goes to market by the Seaway route.

The development of Chicago's harbor and waterways will include three waves of economic stimulus:

1. Construction of additional harbor facilities.
2. Building of utility and manufacturing plants adjacent to the Seaway.
3. Export and import business.

Aside from the local dollars it will cost to build the initial stages of Lake Calumet harbor, there will be the additional funds available for the Cal-Sag Channel modernization when appropriated by Congress. Potential traffic on the Cal-Sag Channel may be expected to more than double present tonnage to 9 million tons per annum. Eventually, it is estimated traffic will amount to 18 million tons.

To point up how the new Seaway will provide better navigation facilities, it should be noted that:

The present 14-foot canal system in the St. Lawrence above Montreal carries about 10 million tons of traffic annually. Navigation is hampered and restricted in a number of ways, including the necessity for transiting locks of small dimension. Under the Seaway project, future navigation from Montreal to Lake Erie will have to transit only 15 locks as compared to the present 30 locks. These locks will correspond in dimensions to the Welland Canal, and the controlling channel depth will be increased to 27 feet.

An independent study made by our Corporation last summer came up with a prospective St. Lawrence River movement of  $36\frac{1}{2}$  million tons in 1959 as compared to the present 10 million ton movement. Aside from upbound iron ore, a comparison of these two totals indicates that the movement of grain will be increased 6 times, and petroleum, coal, and general cargo about double in volume. Our study also indicated, however,

that by 1965 the available traffic would rise to 52 million tons, an advance of 72% over that expected for 1959. This would greatly increase the individual commodity movements just mentioned. I am convinced that traffic in future years will far exceed the estimated potential of 52 million tons for 1965.

This, then, spotlights the waterborne traffic opportunities facing the Great Lakes ports. Chicago can obtain its own share if it stimulates direction of new traffic through its port.

The connecting channels on the Lakes at and above Detroit are now of 25-foot controlling depth downbound and 21-foot upbound. A survey is under way by the Army Engineers to determine the advisability of deepening the connecting channels to 27 feet, presently indicated to cost \$109 million. If the current favorable finding by the Corps' field officers is approved by the Congress, and approval is followed by appropriation of funds, the original concept for the over-all Seaway will be restored. Wide areas in the United States and Canada west of Lake Erie will receive a further lift to their economic opportunities.

The benefits to be derived from the Seaway will not occur without the surmounting of a number of problems. These problems pertain to port organization, the financing of surveys and port administration, and the actual building of port facilities, including breakwaters, docks, railroad spurs, warehouses, grain elevators, and truck concourses.

Other problems involve finding of markets and dealing with the complexity of Federal laws and shipping regulations.

Foreign trade and tariffs is a question about which almost every businessman has an opinion, but I would like to ask you to consider the following:

Although the United States is an exporting nation, it does not export as much per capita as eight other countries. United States exports amount to about \$96 per person per year. This compares with Denmark, \$196 per person; United Kingdom, \$150 per person; and Canada, \$308 on the same basis.

Foreign trade experts say that one reason the United States does not export more goods is that domestic companies for the most part are mainly interested in domestic markets; they are somewhat provincial concerning foreign trade, and consequently do not make an effort to stimulate foreign markets and buyers.

No discussion in Chicago of foreign trade can be made without taking notice of the Reciprocal Trade Program now before Congress. Chicago has foreign trade and will have more; Chicago is the home of Clarence Randall, President of the Inland Steel Corporation, and author of a Reciprocal Trade Study. The proposed measure known as H. R. 1 of this Congress embodies the principal recommendations of the Randall Commission which

handed in its report on the question some time ago.

Clarence Randall is one of Chicago's foremost citizens. He is likewise a great American, and generously responded to the call of President Eisenhower for a study of reciprocal trade. He preaches the gospel that if we do not purchase some foreign products from our friendly world allies in trade, they will have no American dollars with which to buy our surplus production. World trade can never be a one-way street. The Seaway project will give you a modernized ocean highway connection to exploit.

A survey recently made public by the Congressional Library Legislative Reference Service on the Port of Milwaukee is now available. One of the conclusions in this report is that metal based industries will be particularly benefited by water transportation. Obviously, the Milwaukee study is not strictly applicable to Chicago, but its authors believe that much of the report could be generally applied to the industries of Chicago. This same Congressional Library Reference Service has begun a similar study of Rochester, New York, and is about to complete an export trade study of Buffalo.

Time may well prove that the development of the St. Lawrence River for modern navigation will parallel such great economic movements as the initial construction of the Erie and other canals, the era of railroad expansion, the construction of the Panama Canal, and the modernization and extension of our inland waterway systems in recent years.

For those of you who are not too familiar with the authority granted under the St. Lawrence Seaway Act, I might briefly describe how we operate.

In the first place, we are granted the authority to borrow as much as \$105 million from the Treasury Department, and repay that sum from toll revenues after the completion of the St. Lawrence project. Consequently, this program is not deficit spending or public aid. Our estimates are such as to assure fairly conservatively that we can retire the moneys which we will spend in this work within a 50-year period and possibly much less, including interest accruing during the construction period.

The Corporation is operated by a small staff of competent persons. We have employed the Army Corps of Engineers to do the designing and planning of our engineering work, and they in turn, under our direction and approval, will award contracts to private contractors under competitive bidding.

We have a Board of Engineering Consultants who are called in from time to time on a per diem basis to review engineering design plans of special importance. We have an Advisory Board consisting of five members who are from the following states: New York, Ohio, Michigan, Pennsylvania, and Wisconsin. They advise particularly on policy matters.

On January 18, we awarded the first contract of excavation covering approximately four million yards of earth in the vicinity of Massena,

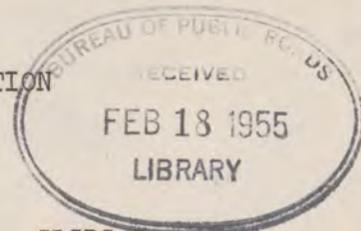
New York. Bids on the second contract involving earth excavation were received last Wednesday. Construction on these and other contracts will be in operation this Spring.

It is quite interesting to observe that this is a most unique project in that not only is the St. Lawrence Seaway Authority of Canada performing work on the St. Lawrence River similar to ours, but the New York State Power Authority and the Ontario Hydro-Electric Commission are expending \$600 million developing power. When these four governmental units complete their work in the fall of 1958, there will have been spent close to \$1 billion, all of it returnable to the public in the form of revenues received from the sale of power or revenue received from shipping tolls.

In conclusion, let me say that the ultimate value and success of this vast Seaway enterprise will depend upon the uses to be made of these navigation facilities.

Such success lies in great measure in the need for port development activity throughout the Great Lakes and the St. Lawrence River valley. Specifically, the City of Chicago can and should play a major role in the success of the St. Lawrence Seaway. May I ask you to appraise your present status in the light of these new horizons. Improve your rivers, your harbors, and your port facilities. Make plans to generate the full amount of traffic which can profitably use the Seaway, for by so doing, the future of not only the Seaway will be assured, but the economic structure of the Heartland of America will be greatly strengthened.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
DIVISION OF INFORMATION  
609 LAFAYETTE BUILDING  
WASHINGTON, D. C.



SLSDC-9

RELEASE TIME  
1:00 P. M.

February 17, 1955

EX 3-3111

Ext. 568-569

BIDS ARE INVITED ON  
GRASS RIVER LOCK EXCAVATION

Administrator Lewis G. Castle of the St. Lawrence Seaway Development Corporation announced today that plans and specifications are available to bidders on overburden excavation for the Grass River Lock, and construction of two large dikes, principal units of the St. Lawrence Seaway near Massena, New York.

The Grass River Lock excavation agreement, when signed, will be the third major Seaway contract.

Colonel Loren W. Olmstead, Buffalo District Engineer, said that bids will be opened at 3:00 p.m. on or about March 15 at Room 410, Post Office Building, Buffalo, New York.

Plans and specifications, for which a deposit of \$25 is required, may be obtained from the Corps of Engineers' Office, Niagara and Bridge Streets, Buffalo 7, New York. Bidders on this work will be required to complete the work within 305 calendar days after notice to proceed is received. The Corps of Engineers is construction agent for the Seaway Corporation.

Approximately 2.5 million cubic yards of overburden material will be removed in the lock excavation, of which about 610 thousand cubic yards will be used for the construction of the two dikes.

The straight 2700 foot dike, at right-angle to the center line of the Long Sault Canal, in conjunction with the lock when completed, will create about three miles of intermediate pool after St. Lawrence River water is admitted at Robinson Bay Lock. This pool will contain part of the channel of the Long Sault Canal, which will have a surface width of 550 feet, a bottom width of 442 feet, and a depth of 27 feet. The pool itself will vary in width from about 550 feet to one half a mile.

The second dike is "L" shaped, and 4800 feet long, running westerly and northerly of the straight dike. The purpose of the second dike is solely to retain waste material that is excavated from the lock area.

*St. Lawrence Seaway*



SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
DIVISION OF INFORMATION  
609 LAFAYETTE BUILDING  
WASHINGTON, D. C.

SLSDC-10

RELEASE TIME  
1:00 P. M.

March 4, 1955

EX 3-3111 Ext. 568-569

JACK AND JIM MASER, INC. WINS CONTRACT

Administrator Lewis G. Castle of the St. Lawrence Seaway Development Corporation announced today that the Jack and Jim Maser Corporation of Brownstown (Lancaster), Pennsylvania, has been awarded the second excavation contract on the Seaway.

The Jack and Jim Maser Corporation was selected as a consequence of its low bid of \$990,900 and its ability to construct two dike embankments and excavate 2.6 million cubic yards of earth at the future location of the Robinson Bay Lock, Long Sault Canal, near Massena, New York.

Two brothers, Jack and Jim Maser, operate and control the Jack and Jim Maser Corporation. The Corporation was organized under the laws of the State of Pennsylvania. The brothers have been in business for about seven years, and have done work for the State of Pennsylvania in the construction of highways and bridges.

At present the Brownstown Corporation is employed by the Bethlehem Steel Corporation in Bethlehem, Pennsylvania, on an excavation, grading, and paving contract.

As agent for the St. Lawrence Seaway Development Corporation, the Buffalo District Office, Corps of Engineers, U.S. Army, headed by Colonel Loren W. Olmstead, gave the company notice of its selection to perform the contract.

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SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
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WASHINGTON, D. C.



IMMEDIATE RELEASE

March 25, 1955

EX 3-3111 Ext. 568 569

JOINT SEAWAY MEETING DEALS WITH  
TOLLS AND GROUNDBREAKING CEREMONIES

Honorable Lionel Chevrier, President of the St. Lawrence Seaway Authority of Canada, and Lewis G. Castle, Administrator of the St. Lawrence Seaway Development Corporation, today jointly announced membership of committees to study tolls and make plans for groundbreaking ceremonies.

The joint statement came after the two Chiefs of the American and Canadian governmental units had met together with their staffs at the Pentagon. Engineering subjects were discussed at this meeting, and it is contemplated that both organizations will meet from time to time to exchange ideas concerning construction programs and engineering problems.

The groundbreaking ceremonies to be held sometime after the middle of June will celebrate the beginning of the St. Lawrence Seaway construction by Canada and the United States. The ceremonies will be held at Massena, New York, and Cornwall, Ontario.

The Canadian delegation accompanying Mr. Chevrier included the following Seaway Authority officials:

Mr. Charles Gavsie, Vice-President  
Mr. A. G. Murphy, Chief Engineer  
Mr. L. H. Burpee, Deputy Chief Engineer  
Mr. G. A. Scott, Director, Economic Policy, Department of Transport

Mr. Castle said that both Seaway Authorities would soon commence exploratory studies on the subject of tolls to be applied to shipping upon completion of the Seaway.

The Seaway Corporation's Committee on Tolls comprise the following persons named by Mr. Castle:

Mr. E. Reece Harrill, Comptroller of the Seaway Corporation, Chairman;  
Dr. Charles A. Taff, Consultant to the Department of Defense on Transportation Matters, and Associate Professor in Transportation, College of Business and Public Administration, Maryland University;  
Mr. H. M. Hochfeld, Chief of Office of Government Aid, Maritime Administration, Commerce Department

Biographical sketches of U. S. Toll Committee members:

Mr. E. Reece Harrill, born Bostic, North Carolina, 1906; educated George Washington and Southeastern Universities, Master of Commercial Science Degree; Experience: A Certified Public Accountant, Mr. Harrill has had 25 years experience in private industry, civilian agencies of Government, and in the Army. He has a Commission in the Reserves as a Lt. Colonel, the rank from which he was honorably discharged at the termination of World War II.

Dr. Charles A. Taff, born Hoisington, Kansas, 1916; educated Iowa and Maryland State Universities, PHD in Economics; Experience: Dr. Taff who is author of three college texts in transportation economics, has had a number of years experience in public utilities and transportation, and also taught at Virginia Polytechnical Institute; he was an officer in the United States Navy in World War II.

Mr. H. M. Hochfeld, born Philadelphia, Pa., 1915; educated Temple and Columbia Universities, B. S. Degree in Mathematics; Experience: Mr. Hochfeld has served with the Maritime Administration and other governmental agencies including the Panama Canal for the past 15 years.

Mr. Chevrier named the following individuals to the Seaway Authority's Committee on Tolls:

- Mr. Charles Gavsie, Q. C., Ottawa, Vice-President, St. Lawrence Seaway Authority, Chairman
- Mr. J-C. Lessard, Montreal, former Deputy Minister of Transport
- Mr. G. A. Scott, Ottawa, Director, Economic Policy, Department of Transport

Biographical material on Canadian Toll Committee members:

Mr. Charles Gavsie, educated Dalhousie University, Halifax, Nova Scotia, and Harvard University Law School; Experience: Mr. Gavsie practiced law for 10 years in Montreal, and before his appointment as Vice-President of the St. Lawrence Seaway Authority on its establishment last July was Deputy Minister of National Revenue (Taxation). During World War II, he served as General Counsel of the Department of Munitions and Supply.

Mr. J-C. Lessard, educated Montreal and Harvard Universities; Experience: Mr. Lessard joined government service in 1938 as Transportation Economist with the Board of Transport Commissioners. In 1946, he was Director, Bureau of Transportation Economics. He became Deputy Minister of Transport in 1948, and now is Vice-President of the Standard Railway Equipment Company.

Mr. G. A. Scott, educated Alberta, Toronto, and Pennsylvania Universities; Experience: Mr. Scott joined the government in 1945 as Economist, Air Transport Board, and became Director of the Bureau of Transportation Economics in 1948, and at present is Director of Economic Policy, Department of Transport.

The Seaway Corporation's Groundbreaking Committee appointed by Mr. Castle:

Mr. Paul A. Crouch, Director of Public Relations, Aluminum Company of America, Massena, New York, Chairman

Mr. J. Donald Browne, Director of SLSDC Office of Information, Co-Chairman

Mr. L. M. Hale, SLSDC Resident Engineer, Massena, New York

Mr. Thomas Airis, Area Engineer, Corps of Engineers, United States Army

Mr. Castle said that both United States Toll and Groundbreaking Committees would be enlarged by additional names as the studies and plans proceeded.

Mr. Chevrier named his national and local members of the Groundbreaking Committees for Canada:

(1) National:

Mr. John R. Baldwin, Deputy Minister, Department of Transport

Mr. Paul Pelletier, Assistant Secretary, Privy Council

Mr. S. A. Freifeld, Department of External Affairs

(2) Local (Cornwall):

Mr. Drummond Giles, President and General Manager, Courtaulds (Canada) Ltd.

Dr. Laurier Carriere, Inspector of Schools

Lt. Col. J. P. Donihee, Officer Commanding, Stormont, Dundas and Glengarry Highlanders

Mr. Neil Moore, Division Administration Officer, St. Lawrence Seaway Authority

It is contemplated that after both ceremonies are concluded, a luncheon will be held in the Armory at Cornwall attended by delegations representing both the United States and Canadian Governments.

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SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Address by Raymond F. Stellar, Engineer  
St. Lawrence Seaway Development Corporation  
Before the Water Resources Session  
17th Annual American Power Conference  
Sponsored by The Illinois Institute of Technology  
Sherman Hotel, Chicago, Illinois, March 30, 1955



For release, March 30 PM's

March 30, 1955

ST. LAWRENCE SEAWAY - - PROGRESS REPORT AND ECONOMIC  
OUTLOOK

Stress on Efficiency

The constant American drive to improve industrial and agricultural production, including transportation, makes perceptible headway each year. Back of the urge to improve the standard of living is a threefold desire to cut costs, improve products, and reach the limits of an ever-expanding market.

In the field of transportation, continued effort and investment both private and public are being applied year by year to achieve the same general objectives: improved efficiency, modernization, and expansion of facilities to meet the Nation's changing and growing shipping needs. These factors, coupled with national security, are the basis for undertaking at long last the St. Lawrence Seaway Project -- Lake Erie to Montreal.

The electric power industry also has been in the forefront of this drive for increased efficiency. Far less coal is consumed today in generating a kilowatt hour than a few years ago. It seems fair to say that consumers pay relatively less for electricity today than they do for many other commodities.

Pursuant to your Committee Chairman's request, this paper will be along broad general lines rather than being devoted to a strictly technical discussion. Some aspects of development on and along the Great Lakes - St. Lawrence River system go beyond the physical confines of the Lake Erie to Montreal Seaway Project, but they are generally related to it in an economic sense.

General Statement: Great Lakes-St. Lawrence Basin

Briefly, it may be stated:

(1) The 95 thousand square miles of water area in the Great Lakes offer an abundant supply of fresh water for domestic, industrial, and other purposes, unmatched elsewhere on the face of the globe.

(2) This water highway, extending some 23 hundred miles from the Atlantic to the heart of the mid-continent area, already provides low-cost inter-lake water transportation of iron ore, limestone, coal, grain, and other commodities, and is certain to reduce current shipping costs sharply on St. Lawrence commerce when the Seaway is completed.

(3) The hydro-electric power resources on this waterway system are great, being about 11 million horsepower, of which one-third has been developed. Hydro plants exist at Sault Ste. Marie, Niagara, Massena, and Beauharnois, Quebec.

(4) The Great Lakes-St. Lawrence basin is favored with good climate, adequate rainfall, and a hinterland rich in agriculture and mineral resources.

(5) All of these factors, combined with human skills, have created the great mid-continent economy, including the steel, automotive, and other industrial giants.

Lake Superior has an average water elevation of 602 feet above sea level and the St. Lawrence elevation at Montreal averages about 20 feet. There is a total drop of 582 ft., distributed as follows:

(1) St. Mary's River, connecting Lakes Superior and Huron, descends 22 ft.

(2) St. Clair River -- Lake St. Clair and Detroit River -- joining Lakes Huron and Erie, descends 9 ft.

(3) The big jump--above and below Niagara Falls, Lakes Erie and Ontario -- is 326 ft, of which 167 ft. is at the Falls.

(4) From Lake Ontario to Montreal, the river falls another 225 ft.

The term "Great Lakes' Connecting Channels" applies to the St. Mary's, the St. Clair, and Detroit Rivers, plus Lake St. Clair. The river from Lake Ontario to Montreal consists of:

(1) The THOUSAND ISLANDS SECTION, from the Lake downstream to Ogdensburg, New York--68 miles. The gradient here is flat inasmuch as this reach is essentially an arm of Lake Ontario.

(2) The INTERNATIONAL RAPIDS SECTION, from Chimney Point near Ogdensburg, to St. Regis near Cornwall--46 miles with a 92 ft. descent.

(3) The CANADIAN SECTION, from Cornwall to Montreal--68 miles with a drop of about 133 ft.

Some additional hydrological statistics are contained in Table I following:

ITEM	SUPERIOR	MICHIGAN	HURON	ERIE	ONTARIO
Water Levels (ft. above M. S. L)					
Maximum Monthly	604.05	583.68	583.68	574.70	249.29
Minimum Monthly	599.98	577.35	577.35	569.43	242.68
Mean	602.22	580.58	580.58	572.34	246.03
Maximum Recorded Depth (ft.)	1302	923	750	210	778
Longitudinal Sailing Distance (mi.)	383	321	247	241	193
Av. Depth over Longitudinal Sailing Distance (ft.)	600	300	200	75	200
Water Surface (sq. mi.)	31820	22400	23010	9930	7520
Lake Outflows (c. f. s.)					
Mean Monthly	73000	--	176,600	195,000	237,000
Maximum Monthly	127,100	--	242,000	254,000	323,000
Minimum Monthly	42,200	--	99,000	117,000	154,000
Ratio. Max to Min.	3:1	--	2.45:1	2.18:1	2.1:1

A look at present navigation conditions reveals:

A 35-foot channel from the sea to Montreal (1,000 miles).

From the head of the Great Lakes to Ogdensburg, New York, 1,200 miles, natural depths in the open lakes average from 75 ft. in Lake Erie to 600 ft. in Superior, and only in the Connecting Channels do controlling depths of 25 ft. for downbound traffic and 21 ft. for upbound traffic prevail.

The 27-mile Welland Canal carries navigation around Niagara Falls with a present controlling channel depth of 25 ft. and 8 locks 800 x 80 x 30 ft. over the sills.

In the 114 miles between Ogdensburg and Montreal, Canadian canals are a bottleneck to shipping. Illustrating what a choke-point the half-century old canals are is the fact that Great Lakes ships can carry six to ten times

more freight than the carriers adapted to the 14 ft. system. Here navigation is limited by a canal system of 22 locks, with dimensions of 252 ft. in length, 44 ft. in width, and 14 ft. in depth.

Ship design has not been static. Here are the facts on size increases and improved speeds of leading Great Lakes ore carriers:

Table II

<u>Ship Characteristics</u>	<u>1900</u>	<u>1930</u>	<u>Today</u>
Length (ft.).....	500	630	710
Beam (ft.).....	52	65	75
Depth (ft.).....	30	33	37.5
Operating draft, loaded (ft.).....	18	19.8	24.6
Open lake operating speed, loaded (knots)	10	11	16
Iron ore cargo tonnage, loaded (short tons)	8,294	16,586	25,318

Seaway Historical Resume

Intermittently since the early 1920's, the United States and Canadian governments have given consideration to modernization of the Great Lakes-St. Lawrence navigation system. The planned improvement also has contemplated power development at Barnhart Island near the foot of the International Rapids Section.

Since the Great Lakes and the St. Lawrence River are international waters, joint approval by the United States and Canada was necessary to authorize any development for the St. Lawrence.

Modernization of existing navigation facilities from the head of the Great Lakes to Montreal, together with the Barnhart Island Power Development, was provided for initially in two documents -- The Treaty of 1932 and the Executive Agreement of 1941. Both of these measures for single-package development failed to receive necessary legislative ratification.

Following World War II, three new factors of special importance developed.

Greater emphasis on development of the hydro-power potential on the St. Lawrence resulted from a finding by Canadian engineers that steam-generated power now is more expensive than such hydro-power.

The second factor was the iron ore situation. Because of the consumption of great tonnages of the high-grade open-pit ore in the Mesabi range by two World Wars, and to check the indicated rising costs by going to alternative mining measures, the steel companies were seeking development of foreign sources.

One high-grade open-pit ore strike of great size was made on the Labrador-Quebec border some 700 miles northeast of Montreal. This field now is being developed by a group of U. S. steel companies in partnership with Canadian interests at a reported initial cost of \$250 million. A 365-mile railroad was pushed through the northern wilderness from Seven Islands on the St. Lawrence Gulf. Initial shipments of ore were made during 1954.

Third, national defense became an important consideration.

Meanwhile, Ontario pressed for power development in the International Rapids Section to meet its growing loads.

In December of 1951, the Canadian government passed legislation to construct unilaterally or bilaterally with the United States, the Lake Erie to Montreal Seaway to 27 ft. depth.

Economic construction of the Seaway called for concurrent building of the power development because the Seaway in the International Rapids Section utilizes the pool and other features created by the Power Project.

In October 1952, the International Joint Commission ( a body created by the Boundary Waters Treaty of 1909 to pass upon engineering works involving changes in international water levels) approved power development in the International Rapids Section by the two governments. The action by the International Joint Commission followed recommittal by the U. S. Senate of a proposed bill which would have given the green light to building of the St. Lawrence Project, Duluth to Montreal.

Thus, in 1953 - 54, our Government was faced with this question: Should it permit Canada to proceed alone in the construction and control of the Lake Erie to Montreal Seaway or should it participate in the construction to have a voice in the control of the waterway project?

Among other benefits, the Seaway will afford a means for cheaper bulk shipments of Labrador ore directly to Lake Erie ports to augment the Lake Superior District supply to the steel industry in the Ohio-Pennsylvania area.

For national security and economic reasons, the United States chose to participate. The bill passed the Senate and House by substantial margins and was signed by the President May 13, 1954, Public Law 358, 83rd Congress. Thus, the United States exercised an option that it retained in the negotiations and documents of 1952 concerning the navigation and power development.

Therefore, we now have a three-package proposition:

1. The St. Lawrence Seaway from Lake Erie-to-Montreal is being designed and constructed by the two federal governments at a combined cost of about \$300 million. This will afford a controlling channel depth of 27 ft. in contrast to the 14-ft. bottleneck now prevailing in the 114-mile section above Montreal.

2. Power development at Barnhart Island in the International Rapids Section, near Massena, New York, is being designed and constructed jointly at the State level, i. e., by the Hydro-Electric Power Commission of Ontario (HEPCO) and the Power Authority of the State of New York (PASNY). Thus, HEPCO adds to its huge electrical system, and New York State through PASNY enters the public power business for the first time, but with fulfillment of State legislation dating back to 1931.

3. Modernization of the Great Lakes Connecting Channels to provide a 27-ft. accommodation is in the study and evaluation stage. A favorable report has been made by the District Engineer, Division Engineer, and the Board of Engineers for Rivers and Harbors for such further improvement at an indicated cost of \$109 million.

If the Chief of Engineers concurs in a favorable project recommendation, and, in the event that the Congress authorizes it and appropriates funds for its accomplishment, the original concept of the comprehensive navigation development, head of the lakes to Montreal, will be restored.

#### Barnhart Island Power, International Rapids Section:

The power development includes a semi-outdoor type powerhouse 3230 ft. long, to extend from the lower end of Barnhart Island to the Canadian mainland, and a spillway dam 1800 ft. long connecting the upper end of the island with the U. S. mainland.

Other features: (1) Extensive dikes extending back to high ground; (2) a control dam near Ogdensburg; (3) channel enlargement to obtain reduced velocities for ice cover formation in the winter season, for acceptable navigation velocities in the shipping season, and to reduce tailwater elevation; (4) railroad and highway relocation and other items; (5) an extensive State Park at and above Barnhart Island.

Average ultimate head at the powerhouse will be about 85 ft. Average flow is about 240,000 cubic feet per second ranging from a maximum of 323,000 CFS to a minimum of 154,000 CFS. The powerhouse will have 32 electric generators with an aggregated installed capacity of 1,880,000 KW. Annual generation will average 13 billion KWH, to be divided equally by HEPCO and PASNY. At-site generation cost is indicated by the power entities to average about 4 mills per KWH or less.

PASNY is utilizing the services of Uhl, Hall and Rich, an affiliate of Chas. T. Main Co., for design and field superintendence. HEPCO is accomplishing these operations essentially with its own forces.

Construction is by contract after competitive bidding. Work has already commenced on the initial contracts for the powerhouse and spillway dam, as well as on a number of other items. Initial power generation is scheduled for September 1958, with full installation of all units in the powerhouse by about June 1959.

The power agencies are obliged to fulfill the requirements of the IJC Order of Approval of 1952. The method of hydraulic operation stipulated therein is now under further study by the IJC and its International Lake Ontario Board of Engineers. Provisions of the FPC license to PASNY must also be observed. Plans, specifications, and construction schedules are subject to the prior approval of the St. Lawrence Joint Board of Engineers.

#### Interpolation:

The Niagara Water Treaty of 1950 recognized the obligation of the two Governments to preserve and enhance the scenic beauty of the Falls. That Treaty stipulated the minimum flows to pass over the Falls during the daylight and night hours of the tourist season and during the winter, and authorized studies for a program of remedial works to maintain a satisfactory scenic spectacle. The remaining flow permits major additional power generation.

Construction of the remedial works program to produce an unbroken crest line is in progress under the general supervision of the International Joint Commission. The Hydro-Electric Power Commission of Ontario is completing construction of the Sir Adam Beck No. 2 Station to have an installed capacity of 1,200,000 KW and an operating head exceeding 300 feet. On our side of the Niagara Gorge, use of our 1/2 share of the total flow now available for power indicates an initial installation of about 1,700,000 KW as being feasible, according to a pending report by the Army Engineers. Unresolved to date is the question of whether this should be accomplished by a private or public agency.

#### Lake Erie to Montreal Seaway; Present Status and Bond Retirement Prospects:

The two agencies charged by law with the joint accomplishment of the Lake Erie to Montreal Seaway are the St. Lawrence Seaway Development Corporation in the United States and the St. Lawrence Seaway Authority in Canada. The Seaway Corporation, which is supervising the activities of the Corps of Engineers, U. S. Army, in design work and field superintendence delegated to it, is operated by a small executive staff. Canada's Seaway Authority is accomplishing most of its engineering and field operations with its own force. Actual construction in either case is by the contract method after competitive bidding.

The Wiley-Dondero Seaway bill of last May contemplated the following division of work between the two countries:

By the U. S. :

Construction in our territory in the International Rapids Section of the 10-mile Long Sault Canal with two locks near Massena, New York, to by-pass the powerhouse and spillway dam; the 3-mile Point Rockway Canal, with one lock below Ogdensburg to by-pass the power project's control dam; and channel enlargement in the vicinity of Cornwall Island below Massena; together with lowering of rock shoals in the Thousand Island Section, particularly in the Alexandria Bay area.

By Canada:

Construction of new deep water facilities, including four locks in the Canadian Section between Montreal and Cornwall, Ontario, together with construction of a new 10-mile canal along the south shore opposite Montreal, further dredging to utilize the 16-mile Beauharnois Power Canal, and the deepening of the channel between the existing locks in the 27-mile Welland Canal.

All new locks were (and are) to be at least 800 ft. long by 80 ft. wide and 30 ft. over the sills. Costs were estimated to aggregate about \$300 million--\$200 million to Canada and \$100 million to the U. S.

Accordingly, negotiations were necessary to agree upon a division of work. As contemplated by the exchange of letters of February 28, 1955:

(1) Canada will provide all of the facilities previously described, and in addition, will build a 1-mile canal with one lock at Iroquois, Ontario, opposite our planned facility at Point Rockway.

(2) The United States will construct all of its facilities previously enumerated except that it will defer construction, if Congress concurs, of the authorized facility at Point Rockway, thus retaining control of two instead of three of the seven new locks below Lake Ontario. This reduces the present U. S. investment by about \$17 million, but the combined cost of about \$300 million remains essentially intact.

Under these arrangements, the Canadian canal and lock at Iroquois will be the exclusive means for navigation to by-pass the power project control dam at that point. Similarly, the Long Sault Canal, with two locks near Massena, New York, to be constructed by the U. S., will be the exclusive means for navigation to by-pass the dams in the Cornwall-Barnhart Island area.

This eliminates uneconomical duplication of navigation facilities for 27-ft. or lesser draft on opposite sides of the St. Lawrence River to by-pass the power and control dams in the International Rapids Section, and

retains the development on a joint basis of this common undertaking of the two countries, consistent with the principles of St. Lawrence Seaway legislation of both countries.

Construction operations by both countries have already been started. Operation of this new Seaway on a 27-ft. channel depth basis is scheduled for no later than the opening of navigation in the 1959 season. Use of the Long Sault Canal on a 14-ft. depth basis is indicated for the summer of 1958.

There are two waterways in which the United States has complete or partial jurisdiction that are on a self-liquidating basis; the Panama Canal and the Lake Erie to Montreal Seaway. The Seaway's investment cost, together with all other charges, including interest, maintenance, operation, and repairs, is to be recovered from shipping tolls just as the power project costs are to be met from power revenues.

Traffic over the present 14-ft. canal system now averages about 10 million tons a year, and the Welland carries about 18 million tons. Waterborne commerce over the upper lakes has been greater for years primarily because of the iron ore movement. In 1953, Detroit River commerce totaled about 141 million tons, and that through the St. Marys Falls Canal about 129 million.

Commerce in 1953 at a few selected ports:

	<u>Tons</u>
Duluth-Superior . . . . .	77, 000, 000
Chicago . . . . .	38, 000, 000
Toledo . . . . .	32, 000, 000
Buffalo . . . . .	22, 000, 000
Detroit . . . . .	25, 000, 000
Cleveland . . . . .	23, 000, 000
Ashtabula . . . . .	15, 000, 000
Milwaukee . . . . .	8, 000, 000
New Orleans . . . . .	40, 000, 000
Baltimore . . . . .	42, 000, 000
New York . . . . .	139, 000, 000

A 1951 report of the Canadian Trade and Commerce Department indicated a potential Seaway traffic of 44-1/2 million tons for the near future.

Last summer, an independent study was made by the Seaway Corporation which estimated St. Lawrence River potential traffic total in 1959 at 36-1/2 million tons, composed of:

	<u>Tons</u>
United States and Canadian grain . . . . .	12,100,000
Iron ore . . . . .	10,500,000
Petroleum . . . . .	2,300,000
Coal . . . . .	3,700,000
Woodpulp . . . . .	700,000
Nonferrous ores . . . . .	800,000
General cargo . . . . .	<u>6,400,000</u>

Total tonnage..... 36,500,000

That same study indicated potential traffic for 1965 at 52 million tons.

The prospect is, the project ought to be paid out in 50 years and possibly in much less time. Actually, a sliding scale tolls schedule will be developed in order to meet the provisions of Public Law 358. During the construction period, the two Seaway agencies will pursue necessary tolls studies to arrive at fair and equitable tolls, high enough to retire bonded indebtedness and low enough to attract traffic.

Primarily because of the Labrador ore movement, it is anticipated that about three-fourths of the coming traffic will be handled in Great Lake type ships and the remainder in ocean-going carriers. This is a departure from the outlook of the 1920s and 1930s when the dominant position of the prospective tonnage was general cargo in the overseas trade.

When and if traffic over the St. Lawrence River and Welland Canal exceeds about 50 million tons, it appears that duplication of the single locks between Lake Erie and Montreal - five in the Welland Canal and seven in the St. Lawrence River - will have to be considered. It would seem that this duplication should be accomplished by the two countries with provision made for the continuance of proper joint control.

### Coordination

From the various government agencies and private engineering firms already mentioned, participating in Seaway and power design, and supervision it is evident that an unusual amount of contact and coordination is necessary. Thus far, all activities have been accomplished in a spirit of understanding and cooperation.

### Great Lakes Water Levels Study

The Army Engineers have been asked by the House and Senate Public Works Committee to make a comprehensive survey to determine the property damage resulting from changes in levels of the Great Lakes and the

feasibility of measures to prevent recurrence of damage, in coordination with the affected States and other affected agencies. Severe damages to shore-line property resulted from recent high lake levels augmented by winds and seiches (lake surface oscillation). This study estimated to cost more than a million dollars. It involves consideration of a massive and complex hydraulic problem and the study is now in progress.

### Economic Outlook

Setting National Security considerations entirely aside, I close with the following views and observations concerning the Economic Outlook and Impact of the St. Lawrence Project, both in the United States and in Canada.

(1) The Seaway Project is unique in that its final indebtedness will be recovered from shipping tolls rather than being supported by general taxation.

(2) It will stabilize the great steel industry and allied businesses in the Midwest area and permit future growth, as contrasted with a shift to seaboard areas.

(3) It will spur further industrialization in the Lakes area, which has the basic advantages of ample water supply, low cost transportation for basic raw materials, and other inviting essentials.

(4) It will improve the general economy of the mid-continent area, including increased foreign trade by direct water delivery to Great Lakes ports and with shipping advantages to the huge grain belt.

(5) It will augment integration of our economy with that of Canada. Our population and Canada's are continuing to grow. Now we exceed Canada's population more than 10 times. Correspondingly, our production capacity is greater and our consumptive requirements as well.

Canada's huge mineral resources in the vast St. Lawrence Gulf region will find increasing market in our country. Both countries will be mutually benefited. Canadian officials estimate that the Seaway will produce annual shipping savings of \$30 million dollars per year. They also consider that the St. Lawrence Seaway and Power Project will benefit the Canadian economy by \$100 million annually.

(6) The Seaway will produce some unavoidable impacts, mostly of short-term effect. The same may be said of the progression of events heretofore with the coming of canals, railroads, highways, pipelines, and aeroplanes. In every case, after a period of adjustment, further gains have accrued to all elements of the economy. It may be pointed out that Seaboard harbors, led by New York harbor with a main channel depth of 45 ft., will continue to retain many advantages.

(7) Widespread opportunity will be created by the coming transformation of the Great Lakes area into a virtual Second Mediterranean. However, every port on the Great Lakes will not face the need for transformation. The lakes' harbors now range from 25 ft. depth downward to 10 ft. and less.

Each local situation should be analyzed realistically. Generally some substantial hinterland support is essential for new major harbor developments. Local interests should avoid the extremes of wild enthusiasm on the one hand and pessimistic, overly conservative or unimaginative outlook on the other.

(8) These opportunities will be augmented by the Power Development in the St. Lawrence River, the further power development at Niagara Falls, and the anticipated modernization of the Great Lakes Connecting Channels at and above Detroit.

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SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Address by Lewis G. Castle, Administrator  
Saint Lawrence Seaway Development Corporation  
Before the Northwest World Trade Council  
Minnesota Economics Club, International Trade Association  
Minneapolis, Minnesota, April 13, 1955



FOR PM RELEASE

April 13, 1955

BEYOND THE HEARTLAND -- THE TREASURELAND

With the advent of the St. Lawrence navigational project, the American public has shown a marked interest in the potentials of this vast enterprise. Nothing has captured the imagination of the average American citizen as has the announcement of the program of development on the St. Lawrence River. Every mail in our Washington office contains inquiries from shippers, students, college professors, ship lines and many others whose activities bear a relation to this new artery of transportation.

It appears that the general public is quite unaware of the volume of shipping that at this time carries on through the 14-foot canal of Canada and the Welland canal locks at Buffalo.

Over 215 sailings of foreign flag ships were recorded at Milwaukee and Chicago ports in 1954.

At the port of Milwaukee one can see a variety of U. S. products being loaded into ship holds: honey from Idaho, caterpillar tractors from Peoria, four-wheel drive tractors from Clintonville, Wisconsin, Milwaukee beer, Carnation milk, tools, farm equipment and many other manufactured goods produced in the middle west.

A large bank in this same city has recently created a new department of service -- a foreign trade division. I quote from the President of that bank: "More and more of Wisconsin's products from its farms and factories are sought by other nations, and in the year ahead Wisconsin should receive an increasingly larger share of the world's trade. The opening of the St. Lawrence Seaway will make Wisconsin directly accessible by water from any part of the world, and this should greatly accelerate the volume of foreign trade in our state."

This indicates that import and export trade is now strongly evidenced on the Great Lakes. Foreign ship lines are designing new ships to augment their fleets by the time the 27-foot navigation is to be made available by our project in 1959.

Out of the port of Detroit, alone, this coming spring the published sailings inform us that ships destined for overseas are scheduled to depart in April and May for the following ports: Algiers; Antwerp; Bergen, Norway; Bremen; Casablanca; Copenhagen; Glasgow; Gothenburg; Hamburg; Helsinki; Le Havre; Liverpool, London and Naples.

Those of you present here tonight have a vital interest in the benefits which should accrue from the construction of more rapid and deeper navigation facilities planned in the development program which the St. Lawrence Seaway Corporation has been delegated to perform.

A review, perhaps, of the possibilities of your fabulous area as it relates to shipping may be of value to discuss at this time.

A Treasureland empire, the northern tier of states, lies west of the Great Lakes Heartland. This empire is directly in the line of westward movement of industry and population that is so evident today in the United States.

It is a huge six-state region whose development naturally will make the twin cities more important as shipping and commercial centers when the St. Lawrence Seaway becomes a reality some four years hence.

Minneapolis and St. Paul, because of their strategic location, can look forward to a key leadership role in the development of the Treasureland's economic horizons, that are bound to become brighter and brighter.

These cities, close to the head of Mississippi River traffic, are the largest and most important rail and truck centers east of Oregon, west of Chicago, and north of Omaha.

Duluth, Milwaukee and Chicago, all three being important ports on the Great Lakes, are within short distances from this large metropolitan area of the twin cities.

Naturally, the twin cities will become the seaway conduit for the northern tier states which occupy an area that is twice as large as Texas, and almost as big as Alaska. These Treasureland states: Minnesota, North and South Dakota, Montana, Wyoming and Idaho, have plenty of room for greater population saturation because their average density of population is only about 11 persons per square mile.

Minnesota, alone, contains 200 thousand more people than the other five states put together.

Some idea of the vastness of this northern tier of states can be obtained by imagining their superimposition on a map of the Eastern Seaboard. Their more than 560 thousand square miles would cover all of the space occupied by the District of Columbia and 21 sister Eastern states.

The northern tier area contains almost every kind of land, fertile prairies and plateaus, high mountains, waving fields of golden grain and pasture grass, and verdant slopes covered with valuable timber.

There are thousands of placid lakes, mighty rivers, and turbulent streams that flow to all points of the compass.

Iron and copper ore, gold and silver, coal and petroleum and other minerals make these Treasureland states one of the richest mining sections in the world. At the same time, these states produce cattle, sheep, grain and dairy products that conservatively are worth several billions of dollars.

This area contains about 20 percent of all of the land under cultivation in the United States, produces one-fourth of the wheat, and collects more than 10 percent of the farm income in the nation.

The scenic wonders contained in the area, such as Yellowstone National Park in Wyoming; Mt. Rushmore in South Dakota, Glacier National Park in Montana, and the Great Minnesota Wilderness areas make these states number one on millions of Americans' vacation itineraries.

Current trends give answer to those skeptics who are familiar with the great open spaces of this region but cannot imagine that great industries and populations will expand them reasonably soon.

It is true that the development of a great industrial complex does not come over-night. Even the most zealous believer in the future benefits to be derived from the Seaway does not expect a magical transformation of America will take place in the twinkling of an eye.

However, it is well to remember that America's world supremacy in industry had its vestigial beginning a short half century ago, and factories and great cities were carved out of wilderness areas.

In 1900, the population of the United States was a little more than 75 million people. By 1950, the country's population had doubled, and

in the states west of the Mississippi population grew from about 20 million to approximately 48 million people, an increase of over 100 percent.

During the same years, the population of the states east of the Mississippi grew from about 56 million to nearly 103 million. The west coast showed the most dramatic growth, from about two and one-half million to 14 and one-half million individuals, a rise of about 600 percent. The east coast population jumped from 24 million to 48 million.

In every area of the United States, the growth of industrial towns was amazing. Where there was nothing but sand dunes 50 years ago, now stands the city of Gary, Indiana, with a population of 130 thousand.

Tulsa, Oklahoma, with a present population of about 200 thousand, was a sleepy little crossroads town of less than 2000 souls in 1900. Flint, Michigan; Fort Worth, Texas; Baton Rouge, Louisiana, and Long Beach, California, are of the class of towns and villages that have seen themselves grow ten times larger in the same period.

The economic impact of bringing deep water transportation of the St. Lawrence Seaway within reach of industry and agriculture of the northern tier of states promises to provide equal stimulus that railroads and highways brought in the past half century.

The twin cities cannot fail to profit from the coming industrialization of the Treasureland states for the following reasons:

1. U. S. population is expanding, and the natural movement is westward.
2. The twin cities are a natural gateway to the Great Lakes for movement east and south of the tremendous agricultural and industrial production of the region.

More should be said about the mineral resources of the Treasureland states. The Mesabi Range in Minnesota has supplied, and will continue to supply, great tonnages of iron ore needed by the nation's steel mills for many years. Wyoming also has large deposits of iron ore near Laramie, and is a leading oil producer. South Dakota has its gold deposits and grains.

Montana, famous for its copper deposits, has coal deposits of 222 billion tons, which, with other huge reserves in Wyoming and North Dakota, could be converted into thousands of years' supply of gasoline and oil.

Idaho has cadmium, antimony, tungsten and mercury mines, in addition to the lead, zinc, silver and gold mines which are perhaps more noted.

Beginning now, business and industrial loaders of Minneapolis and St. Paul and other cities in the Northern tier of states, can start making their plans for cheaper distribution of their bulk products, domestically, and to participate in foreign trade.

Government officials, already are exploring the effect of St. Lawrence Seaway transportation costs on European trade.

There is a good market in Europe at present for frozen beef carcasses. American edible by-products most in demand by European countries, are as cheap or cheaper than those of foreign competitors. Spain is providing a new and greater market for American meat products.

Sales of wheat, and other grain, most dairy and milk products, and beet sugar, all important to Treasureland states, are covered by foreign trade agreements, and are subject to inescapable vagaries of U. S. and foreign international policies. The Agriculture Department has pioneered in finding markets for new dairy products, and one of them is Ghee, which is sold in India and other Asiatic countries. Ghee is made from butter or cream.

American agricultural markets, mainly in government supported products, are being expanded abroad through the agricultural trade development act, which permits the sale of surplus farm products in exchange for foreign currencies and provides additional outlets through donations for relief and famine aid.

The United States has concluded, or is in the process of negotiating sales, principally wheat and cotton, of surplus commodities worth about \$500 billion.

Increased U. S. import trade provides foreign countries with U. S. dollars with which to buy American goods, and has been said to be one of the foundations upon which peaceful relations with other nations is maintained. Exports to the U. S. help reduce the need of foreign countries for direct financial assistance from us, and the Department of Commerce has pointed out that perhaps as many as four million Americans are now employed as a result of this stimulation of our country's foreign trade.

While the fears of some American industries of foreign competition are very real, and there is little question that import competition does create problems just as domestic competition does, American industry has

grown strong under competitive conditions. The increasing productivity of American labor in the past, usually has been sufficient to offset lower wage standards in other countries.

American agricultural labor because of mechanization has been particularly efficient when compared to the agricultural labor of other countries. It takes only 16 percent of America's population to produce more agricultural products than the domestic market consumes, whereas other countries which are importers of foodstuffs employ a much higher percentage of their populations for domestic consumption.

China, India and the Soviet Union, employ in agriculture respectively 75, 65 and 60 percent of their population in agriculture, and still cannot meet their own food needs.

Quite apart from other considerations for conducting foreign trade, the United States should begin to get back some of the money she has spent in Europe in the past seven or eight years. Under the stimulus of foreign aid programs, the European economy has more than regained the losses occasioned by World War II. So European countries should be better customers of the U. S. than ever before.

Since 1947, the United States has spent more than \$55 billion to support European economies, and the resulting benefits from this substantial investment are in evidence now.

In 1946, European railway freight traffic was 100 billion ton miles. In 1953, it has climbed to 174 billion ton miles. In 1946, Europe loaded 67 millions tons of goods for export shipping, and in 1953, she loaded 189 million tons.

Now turning to the Seaway Corporation briefly, here is how the project will provide better navigational services.

The present 14-foot canal system in the St. Lawrence River above Cornwall carries annually about 10 million tons of traffic. Navigation is restricted by the necessity for transiting locks of small dimension. Under the new Seaway project, future navigation from Montreal to Lake Erie will have to transit only 15 locks as compared to the present 30 locks. These locks will correspond in dimensions to the Welland canal, and the controlling channel depth will be increased to 27 feet.

An independent study made last summer discloses a prospective St. Lawrence River movement of 36-1/2 million tons of cargo in 1959, as compared to the present 10 million ton movement. Aside from up-bound iron ore, a comparison of these two totals indicates that the movement of grain, petroleum, coal, and general cargo will be greatly increased.

The study also indicated, however, that by 1965 the available traffic would rise to 52 million tons, an advance of 42% over that expected for 1959. This would greatly increase the individual commodity movements just mentioned.

I am inclined to believe that traffic in future years will far exceed the estimate potential of 52 million tons for 1965. This belief is shared by foreign shipping lines and others in the field of water transportation.

Under the leadership of President Eisenhower, the St. Lawrence Seaway became a reality in 1954. Deputy Secretary of Defense, Robert B. Anderson, who is responsible for supervision and direction of the Corporation on behalf of the President, should be credited with the smoothness of our Corporate operations and the friendly relations that exist between the United States and Canada.

For the benefit of those who are not too familiar with the St. Lawrence Seaway Act, I might briefly describe how we operate.

In the first place, we are granted the authority to borrow as much as \$105 million from the Treasury Department for construction purposes, and repay that sum from toll revenues to be collected after the completion of the St. Lawrence project. This program, therefore, is not deficit spending or public aid. Our estimates are such as to assure fairly conservatively that we can retire the moneys which we will spend in this work within a 50-year period and possibly much less time, including interest accruing during the construction period.

The Corporation is operated by a small staff of competent persons. We have employed the Army Corps of Engineers to serve as our Agent on engineering design, and they, in turn, under our direction and step-by-step approval, will award contracts to private contractors under competitive bidding.

We have a Board of Engineering Consultants who are called in from time to time on a per diem basis to review engineering design plans of special importance. We have an Advisory Board consisting of five members who are from the following states: New York, Ohio, Michigan, Pennsylvania and Wisconsin. They are a policy council cooperating with the Administrator.

On January 18, we awarded the first contract of excavation covering approximately four million cubic yards of earth in the vicinity of Massena, and on March 4, we awarded the second major contract involving earth excavation of 2-1/2 million cubic yards of earth. Construction on these and other contracts will be under way this spring. Plans and specifications for the biggest part of the U. S. Seaway excavation, some 12 million cubic

yards of earth in the Long Sault Canal, also near Massena, were made available on April 1. Work on the two large locks will come later.

The St. Lawrence Seaway is a most unique project in that the St. Lawrence Seaway Authority of Canada is performing work similar to ours, but at other points along the river, and the Power Authority of the State of New York, and the Ontario Hydro-Electric Power Commission are expending \$600 million developing power. When these four governmental units complete their work in the fall of 1958, there will have been spent close to \$1 billion, all returnable to the public in revenues to be received from the sale of power or receipts from shipping tolls.

The ultimate value and success of this vast Seaway enterprise, of course, will depend upon the uses to be made of these navigational facilities, but these uses in turn will reach their potentials only if the many ports take sound action to capitalize on the opportunities.

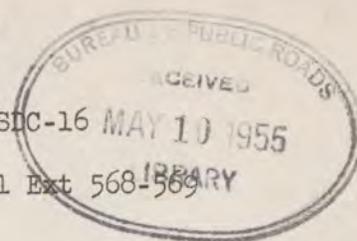
Most ports on the Great Lakes are developing port facilities and also generating possible traffic from their hinterlands. A great movement is on foot in the Great Lakes basin to develop import and export trade.

You importers and exporters in the twin cities area have at your back door a vast reservoir of cargo tonnage that has a potential overseas market. The consuming population in your trade area can absorb substantial tonnages of foreign-made goods. The midwestern railroads enjoy the prospect of moving new cargo volume to and from the Lake ports adjacent to the Great Lakes. All in all, the future seems to hold forth greater opportunities for increased traffic of a highly beneficial character. I am sure you are equal to the challenge of a greater Treasureland.

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V.F. - St. Lawrence waterway project.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
WASHINGTON 25, D. C.



IMMEDIATE RELEASE

May 3, 1955

EX 3-3111 Ext 568-569

A joint venture, Morrison-Knudsen Co., Inc., of New York, New York, and Peter Kiewit Sons' Co. of Omaha, Nebraska, was the apparent low bidder in the opening of bids today on the largest Long Sault Canal excavation contract on the St. Lawrence Seaway.

The figure submitted by the Morrison-Knudsen Co. and Peter Kiewit Sons' Co. was \$6,452,459 to excavate approximately 12 million cubic yards of earth in the central portion of the Long Sault Canal near Massena, New York. Specifications also call for the construction of approximately 20,000 linear feet of dikes which consist of some 3 million cubic yards of embankments. Material for the dikes will be obtained from the canal excavation. According to the specifications, about 100,000 cubic yards of stone will be used as riprap surfacing along the dikes west of the Robinson Bay Lock site.

The 12 million cubic yards will be excavated to construct a canal section approximately 6 miles long extending overland, and eastward, from a point just west of Hopsons Bay in the south channel of the river. Hopsons Bay is about 3 miles north of Massena, New York. The Government estimate was \$6,276,535.

Under this proposed contract, a canal section will be provided having a bottom width of 442 feet and side slopes varying from 1 on 2 to 1 on 10. Depth of cut will range up to about 50 feet. This canal will afford a controlling depth of 27 feet for shipping. Dike embankments will vary up to about 40 feet in height with variable side slopes.

The bid opening was conducted at Buffalo, New York, before a gathering of about 60 contractors and other interested parties. The Corps of Engineers is the construction agent for the St. Lawrence Seaway Development Corporation.

Award of the contract will occur in a few weeks. The successful bidder on the canal excavation will have 930 calendar days to complete the work after Notice to Proceed, which will mean completion about January 1, 1958. A total of 7 bids were received, ranging as high as \$10,545,300.

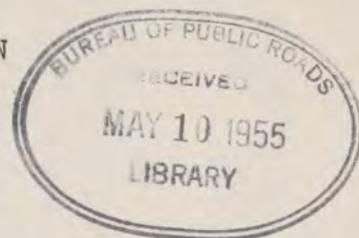
Other bids in the low range: Tecon Corp. - \$6,782,000; (joint venture) J. A. Jones Construction Co. and H. N. Rogers and Clark Farrell - \$6,681,300; Chas. H. Tompkins Co. - \$6,985,163.

This work will supplement prior excavation contracts awarded by the Corps of Engineers for the Seaway Corporation on Long Sault Canal construction work to: Badgett Mine Stripping Corporation, Massena, New York (Madisonville, Kentucky); Jack and Jim Maser, Inc., Massena, New York (Brownstown (Lancaster) Pennsylvania); and Dutcher Construction Corporation, Massena, New York (Queenstown, Maryland).

V.F. - St. Lawrence waterway project

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Address by Lewis G. Castle, Administrator  
Saint Lawrence Seaway Development Corporation  
At the Meeting of St. Lawrence Valley Association  
of Chambers of Commerce  
Watertown, New York, May 5, 1955



FOR PM RELEASE

May 5, 1955

THE SEAWAY AND THE NORTH COUNTRY

It is a delight to be here as a representative of the St. Lawrence Seaway Development Corporation. No group of people anywhere in America has worked harder to bring the Corporation and the Seaway into existence than have you people of the North Country. You supported it with unwavering faith and determination all through the years when the Seaway seemed to be a dream that was far away indeed. And it is heartening to see the enthusiasm with which your Chambers of Commerce, your newspapers, and your communities are organizing the energies of the region to take advantage of the potential opportunities the Seaway should develop in the years to come.

In all this, you are being true to the 200-year-old tradition of the North Country--the tradition that started when Father Francois Picquet founded Fort La Presentation on the site of Ogdensburg as a refuge for Christian Indians, and which was staunchly upheld through the historic campaigns of Lord Jeffrey Amherst, of Gates and Burgoyne, and of Ethan Allen, and has never flagged to the present day.

You have been waterway enthusiasts at least since 1825, when, I am told, the people of Canton elected a delegate to the assembly on the strength of a plan to build a canal from Lake Champlain to the St. Lawrence across the Adirondacks. True or not, this story does justice to the imagination and enterprise of the people of the North Country.

All that we expect from the Seaway, you people have already experienced and proven in the histories of your own communities. The first railroad line in this region, completed in 1850 between Lake Champlain and Ogdensburg, was built by Boston capital to help link the Eastern Seaboard with the Great Lakes--precisely the purpose that is now being accomplished more than 100 years later by the Seaway.

The flourishing industrial community of Massena at the beginning of this century was a rural village with less than 1,000 people; but Henry H. Warren dug a 3-mile canal with a 45-foot drop between the Grass River and the St. Lawrence and created the 200,000 horsepower of

continuous energy about which the city grew. And this was another local forerunner of the type of improvement that is now being carried out on a much larger scale on the St. Lawrence. The Long Sault development, with its 12½ billion kilowatt-hours a year of new power, will vitalize the St. Lawrence River Valley just as Warren's canal vitalized Massena.

Watertown, and Malone too, to a strong degree owe their existence and prosperity to waterpower; Ogdensburg, to its position as a port of entry. Those communities are living examples of the creative force of electric power and of water-borne commerce--the two benefits which the St. Lawrence development will provide in expanded volume.

In our free American economy, any productive improvement spreads a circle of benefits beyond its immediate locality. In the case of a small improvement, the ripples of added business may soon be lost sight of in the great sea of the Nation's commerce. But in the case of an improvement like the St. Lawrence Seaway and its associated hydroelectric development, new wealth and opportunity should pour forth in such a tide as to sweep beyond the bounds of riverbank and lakeshore and flow over the entire supporting region.

I recognize that many of you in this area are endeavoring to pin down the actual potential development that could take place along the south shore of the St. Lawrence River between Ogdensburg and Massena. One does not like to pose as a forecaster, but let us generalize and say that, when you combine abundant power and water transportation, the effect of those two influences cannot help but generate industrial location, so for the future I think we can look with some measure of confidence concerning increased commercial development in your area.

We hear a great deal about the effect of the Seaway upon the iron industry, the big lakeport cities, and enterprises connected with foreign trade. But its effects will also reach inland cities like Watertown, Canton, Potsdam, Carthage, Malone, Gouverneur, and Lowville. They will be seen in the form of new secondary enterprises serving and deriving from industries directly developed by the Seaway. They will be felt in the form of lower costs of power, transportation, raw materials and consumer goods, and in the form of cheaper, more convenient access to markets. The surrounding farms, too, will benefit in substantial though indirect ways--through cheaper haulage of grain, feed, and fertilizer, through the expanded local markets provided by the growing towns, through better roads and facilities made possible by a more prosperous tax base, and in many cases through increased value of land and real estate.

In short, the Seaway deserves to be thought of as one of the great comprehensive developments which, like the transcontinental railroads and the Panama Canal, have launched new eras in commercial history.

It opens new horizons all along its length. To the Middle West, the Seaway means a long-sought avenue to the open seas and the markets

of the world. But the North Country may well find itself looking not only east but west along the Seaway route. For in my opinion the Central States of America, and particularly the Great Lakes States, are on the verge of a period in their development which may be of great significance to the trade and commerce of our Nation.

While we build the Seaway here on the St. Lawrence, down at the foot of Lake Michigan, the Army Engineers have an authorized project known as the Calumet-Sag Channel, for which the President has requested an appropriation to begin construction next year. This 16-mile channel will link the Great Lakes waterway with the Illinois River Waterway, and thence with the entire Mississippi Valley system--which in turn is connected with the 1,100-mile-long Gulf Intracoastal Waterway. Thus a great trunk line of water navigation, starting at the Mexican border on the West and Florida on the East, will reach up through the center of the continent. Major branches now being improved will extend up the Ohio as far as the Appalachians and up the Missouri almost to the Rockies. At the head of this grand trunk system will be our Great Lakes, their traffic and commerce newly energized by the St. Lawrence Seaway.

The results of this series of developments are literally incalculable. Basic materials like petroleum from Texas and sulfur from Louisiana will be able to come directly to the North Country by the cheapest means without transshipment. Cars and appliances and paper and aluminum can go from this region to markets throughout the West and South by the same advantageous means.

And in time, I believe we can expect to see, as a result of these developments, a major reorientation of the Nation's business geography. Hitherto the main currents of commerce, established before the beginning of the century, have run east and west along the transcontinental rail lines, by-passing rich areas that lie both north and south of the railroad belt. But since World War II we have seen a great and growing increase in the use of water transportation. Whereas in 1942 the water carriers hauled only 2 percent of the Nation's ton-mileage of traffic, in 1953 they carried 17 percent, and the trend is still accelerating. Once the booming Gulf region is linked with the Lakes and the forthcoming Seaway area, we may well see our commerce shift substantially to the north-south water route. And your North Country and my own home country in upper Minnesota and many other regions hitherto left in the backwaters of trade will find themselves located squarely in the main current--the opportunity for a great future theirs for the taking.

You men are aware, I know, that the Seaway's benefits will not drop like manna from the skies. I know that already you are taking realistic stock of your mineral assets and their new potentialities, that you have begun to plan for the conservation and use of your timber resources, that you are preparing to advertise and exploit your tourist and recreational opportunities.

Joining with the New York State Power Authority, we plan to erect look-out stations near the lock operations and power and control dams for the benefit of the traveling public. There we will have literature available, explaining the navigation and power works.

Perhaps at some future time a museum might be established at a convenient and desirable location for the purpose of housing many of the documents that during the past many years have been a part of the long debate of this St. Lawrence River development. With this could be combined the many important historical references to the great past of the North Country.

As you go deeper into this work of exploration and preparation, as you take the steps and make the investments needed to capitalize on the new facilities, I know that you will find more opportunities constantly presenting themselves before you. I believe in the North Country. I know that it has valuable resources hitherto locked up because the right processes have not been developed or the right commercial climate has not yet been found to accelerate those resources. But the Seaway with its low-cost transportation and low-cost power may well prove all that you need to raise many of your mineral and other resources out of the sub-marginal category into the list of profitable assets.

Take titanium as an example. This is a metal with a future. It is used in making paint and also as an alloy of steel. Hitherto the titaniferous iron ores of this region have not been economic because they could not be beneficiated by existing mechanical processes. But abundant power can make possible smelting operations through which your ores can be brought into use; and both the U. S. Bureau of Mines and certain Canadian interests have already started experiments looking to the development of just such ores as are found in Essex County and other parts of this region.

Sulfur, sand, dolomite, timber, lead, zinc, and talc are other expandable North Country assets which soon must be re-appraised in the light of Seaway opportunities.

In short, I think that this region can look forward to substantial changes in the next decade or two. But even though the net effect of those changes will be vastly beneficial, we must recognize the fact that no change is ever made without some discomfort.

During the construction period some 900 million dollars worth of public work is going to be performed here in the St. Lawrence Valley. A good deal of that money will go out in the form of payrolls, much of it doubtless to local people or to people who will take up at least temporary residence here. The investment of money in such quantities is bound to cause some kind of a business boom and distortion. And unless, at the end of the construction period, newly established or expanded industries are ready to take up payrolls in equivalent amount, the construction boom may be followed by a business let-down.

Some of your local governments are likely to face tough problems. They may be called upon to expand public services. If they don't, they may have to go through a period of sub-standard roads, schools, sanitary facilities, and so forth as construction workers crowd to the riverbanks in certain areas. Farmers may face labor problems, for it happens that the height of the farm-labor season coincides with the height of the construction season, and many a young man who otherwise would be driving a farm tractor may be lured into driving a bulldozer instead. There may be a sudden spurt in the local demand for dairy products--particularly fluid milk--truck vegetables, and poultry which will slacken off just about the time the farmer finishes shifting his operation to supply it. There may be a temptation to over-cut timber--to destroy, during the construction period, stands which if properly conserved and harvested could form part of the permanent assets of the region.

The thing to bear in mind is that these adjustments will be short-range. I have not the slightest doubt that in the long run the permanent build-up of this region will far out-reach the temporary boom of the construction period. Many of the facilities you may have to provide for that period will remain to serve, and even to help create, the permanent expansion of your area economy. The years just ahead will call for the sober, clear-headed exercise of good judgment and foresight; but these are qualities which I know exist in abundance in the North Country.

I am confident that many of you are somewhat disturbed over the adjustment that will take place when we relocate the railroad and highway from Roosevelt Town to Cornwall. The additional distance that will have to be traversed to go from the present highway to the Polly's Gut Bridge will be approximately twelve miles.

There will be no delay in such travel because the route will be directed through a tunnel under the Robinson Bay lock. Were we to place this new highway over the Grass River lock, the delays to automobile transportation would be intolerable due to the heavy traffic of ships during the shipping season.

It is essential that we abandon and dismantle the present bridge crossing the south channel connecting the present highway. This is a matter of safety and convenience to the public. Delays would be exceedingly irritating to have a swing bridge or a lift bridge at that point, and furthermore, the cost of building a high overhead bridge is out of the question.

We have explored the engineering aspects of this from every angle--its cost elements and the convenience to the general public. When this new relocation of highway and railroad is complete, I am sure that all of you will concur in our opinion that it is the best solution of the entire problem.

Now let us turn momentarily to the Seaway project itself.

Under the leadership of President Eisenhower, the St. Lawrence Seaway became a reality in 1954. Deputy Secretary of Defense Robert B. Anderson, who is responsible for supervision and direction of the Corporation on behalf of the President, should be credited with the smoothness of our corporate operations and the friendly relations that have been maintained between the United States and Canada throughout our early negotiations.

Last February the United States concluded conversations with Canada looking to the deferment and possible elimination of the  $1\frac{1}{2}$ -mile Point Rockway Canal opposite Iroquois, Ontario. Canada made a similar concession with respect to facilities it had scheduled for construction at Cornwall, Ontario.

The U. S. Government will effect a saving of approximately 18 million dollars in the next four years by this change in construction plans. While the number of U. S. Seaway locks is reduced from three to two, the agreement does not detract from America's partnership with Canada in building and controlling the international navigation facility on the St. Lawrence River. If the Point Rockway Canal is never built, the saving will be a permanent one, reducing expenditures by the Seaway Development Corporation from the 105 million dollars authorized by Congress down to about 85 million dollars.

Under the present arrangement, the financial soundness of our Seaway investment becomes even more assured. If traffic volume should warrant, both countries may in the future construct additional canal and lock facilities. Our relations with our Canadian allies in this vast enterprise have been most amicable. It is a great example to the world of two countries working on an unmanned peaceful boundary--separated only by a ribbon of water.

For the benefit of those who are not too familiar with the St. Lawrence Seaway Act, I might briefly describe how we operate.

In the first place, we have been authorized to borrow up to 105 million dollars from the Treasury Department for construction purposes. We will repay the debt from toll revenues to be collected after the completion of the project. Estimating conservatively, we believe that we can retire the construction debt with interest within 50 years and possibly much sooner.

The Corporation is operated by a small and competent staff. We have employed the Army Corps of Engineers as our agent on engineering design, and they in turn, under our direction and step-by-step approval, award contracts to private contractors under competitive bidding.

We have a Board of Engineering Consultants who are called in from time to time on a per diem basis to review engineering design plans of special importance. We also have a 5-man Advisory Board whose members are appointed from the five States of New York, Ohio, Michigan,

Pennsylvania, and Wisconsin. They are a policy council cooperating with the Administrator.

On January 18 we awarded the first construction contract. It called for the excavation of approximately four million cubic yards of earth in the vicinity of Massena. On March 4 we awarded our second major contract which involved the excavation of another 2-1/2 million cubic yards of earth. Construction on these and other contracts will be under way this Spring. Plans and specifications for the biggest part of the U. S. share of the excavation work, some 12 million cubic yards of earth in the Long Sault Canal near Massena, were made available on April 1, and the contract was awarded on April 12. Work on the two large locks will come later.

As you know, the St. Lawrence Seaway Authority of Canada is performing work similar to ours but at other points along the river. Meanwhile, the Power Authority of the State of New York and the Ontario Hydro-Electric Commission are spending 600 million dollars in developing power. When these four governmental units complete their work in the fall of 1958, there will have been spent close to a billion dollars, all returnable to the public in revenues to be received from the sale of power or receipts from shipping tolls. Thus, this project is not deficit spending or a construction under a subsidy.

Meanwhile, the Army Corps of Engineers has completed a study of the feasibility of deepening the connecting channels between the Great Lakes to match the Seaway depths. This undertaking has been recommended by the Corps' field offices, the Rivers and Harbors Board, and the Chief of Engineers, and is now being scrutinized by the various states involved.

The ultimate value and success of this vast Seaway enterprise, of course, will depend upon the uses to be made of these navigational facilities, but these uses in turn will reach their potentials only if the communities take sound action to capitalize on their opportunities.

Your faith and your years of support have helped to win the project's construction. Now your continued faith, determination, and energy will win the economic rewards of its operation. This region has never been lacking in enterprise. It was here that the first sleeping cars in America were built in the late 1850's by Theodore Woodruff of Watertown. It was here in Watertown that Frank W. Woolworth originated the 5-and-10¢ store, back in 1878 when he was a clerk in Moore and Smith's General Store. And I know that the imaginative and enterprising spirit of this region today is as bright as ever.

We can look forward to the time when the products of Massena, New York, will go in ships directly to old Messina in Sicily; when Potsdam, New York, will trade directly through the St. Lawrence canals with Potsdam, Germany, via the canals on the Spee; when Carthage, New York, will consign goods to Tunis near the site of ancient Carthage in Africa; when Watertown, New York, will exchange cheeses with Watertown,

Wisconsin, just outside of Milwaukee; when Ogdensburg, New York, will use the Lake route to trade with Ogden, Utah. Perhaps in happier times Canton, New York, will also be able to trade in peaceful and amicable commerce with its namesake city in the Orient; and Antwerp, **New York**, with Antwerp, Belgium. The Seaway is opening the trade routes of the world to your enterprise, eastward, westward, and southward; and in each direction lie opportunities such as the North Country has not known for many generations. I have full confidence that you will use those opportunities not only for your own profit, but in ways that will help to build a stronger, more prosperous America.

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SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION  
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WASHINGTON 25, D. C.



SLSDC-18

PM RELEASE

May 21, 1955

Ext 3-3111 Ext 568-569

MORRISON-KNUDSEN AND PETER KIEWIT SONS  
AWARDED CONTRACT

Administrator Lewis G. Castle of the St. Lawrence Seaway Development Corporation announced today that the two construction companies of Morrison-Knudsen and Peter Kiewit Sons of New York, New York, and Omaha, Nebraska, respectively, have been awarded the fourth and largest excavation contract on the Seaway.

This joint venture of Morrison-Knudsen and Peter Kiewit Sons was selected as a consequence of submitting the low bid of \$6,452,450 for the excavation of approximately 12½ million cubic yards of earth and the construction of about 20,000 linear feet of dikes consisting of some 3 million cubic yards of embankments in the Long Sault Canal near Massena, New York.

The Morrison-Knudsen and Peter Kiewit Sons' Companies have had wide experience in this type of work.

The multimillion dollar contract is scheduled for completion around January 1, 1958, according to the Army Corps of Engineers, who is the construction agent for the St. Lawrence Seaway Development Corporation.

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WASHINGTON 25, D. C.



SLSDC-19

PM RELEASE

May 26, 1955

EX 3-3111 Ext 568-569

Administrator Lewis G. Castle of the St. Lawrence Seaway Development Corporation today announced the appointment of Edward R. Place, of Washington, D. C., as Director of Information.

Mr. Place came to Washington in 1942 as an information specialist with the War Production Board after operating the public relations firm of Edward R. Place Associates in Boston, Massachusetts, since 1936.

He later was associated with the Radio Corporation of America and National Association of Manufacturers in New York City. He resumed public relations work in Washington in 1946, and since 1951 has specialized in trade association representation with his previous firm.

Born in Fall River, Massachusetts, Mr. Place was graduated from Colby Academy, New London, New Hampshire, in 1920, and from Brown University, Providence, Rhode Island, in 1924. He joined the Providence Journal as a news reporter in 1924 and left the Journal to become Director of Publicity at Northeastern University in Boston in 1926. He later worked 5 years on the Boston Evening Transcript prior to joining N. W. Ayer and Son, Inc., Advertising Agency as New England Publicity Director. While with Ayer, he was in charge of the State of Maine's recreational and agricultural promotion campaigns.

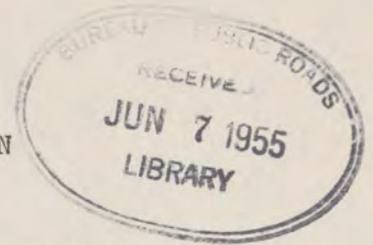
Active in civic affairs in Washington, D. C., Mr. Place is Charter President of the Sertoma Club and President-elect of the Phi Beta Kappa Association of the District of Columbia.

He belongs to the National Press Club, American Public Relations Association, Outdoor Writers Association of America, Washington Trade Association Executives, Washington Board of Trade, Brown Club of Washington, and Phi Gamma Delta fraternity.

He is married and has two daughters.

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SLSDC-20

PM RELEASE

June 6, 1955

EX 3-3111 Ext 568-569

George J. Haering, United States Consul General in Toronto for the past three years, today retired from the American Foreign Service to join the St. Lawrence Seaway Development Corporation as Special Assistant to Administrator Lewis G. Castle.

In his new post, Mr. Haering's headquarters will be in Washington. His duties will consist largely of administrative, conference, and liaison work.

Entering the Foreign Service in 1924 as a career officer, Mr. Haering served during the past 31 years in consular and diplomatic capacities at posts in various parts of the world, including Japan, Burma, Scotland, Brazil, Poland, Germany, Spain, England, and The Netherlands.

He served as Chief of the Visa Division in Washington and as Foreign Service Inspector of posts in Latin America prior to taking up his last assignment as Consul General in Toronto in November, 1951.

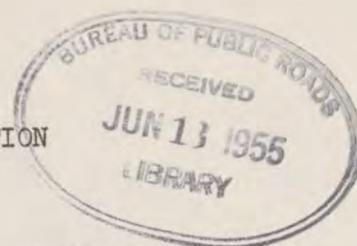
Born in New York, New York, on August 13, 1895, he attended public schools in that city. He majored in Economics, Transportation, and Naval Architecture courses at the University of Michigan, graduating in 1918. During summer vacations, he was a cadet at sea on ships of various American steamship lines, and was also employed by the Newport News Shipyard.

In World War I, he was with the American Expeditionary Forces in France, and then joined the United States Shipping Board. Later he was employed by Moore-McCormack Steamship Company of New York as Special Representative, chiefly in Ireland and on the U. S. West Coast, and was also an Assistant Marine Superintendent of that Company. He has been a member of the Society of Naval Architects and Marine Engineers since 1922.

He is married and has one son.

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WASHINGTON 25, D. C.



SLSDC-21

PM RELEASE

June 8, 1955

EX 3-3111 Ext 568-569

Pat Kenney, 13, of Bronson, Iowa, has been assured by Administrator Lewis G. Castle of the St. Lawrence Seaway Development Corporation that the Great Lakes will not be contaminated and fish life endangered as a result of the Seaway construction.

Pat, an eighth-grader, wrote President Eisenhower to see what he and Congress could do to prevent salt-water from the ocean coming down the Seaway and into the fresh waters of the Great Lakes and killing the fish.

"I think there should be something done about it for the sake of our fresh-water fish," young Kenney advised the President. The President referred the matter to Seaway Administrator Castle.

Thanking young Kenney for his interest in the preservation of natural resources, Mr. Castle allayed his fears.

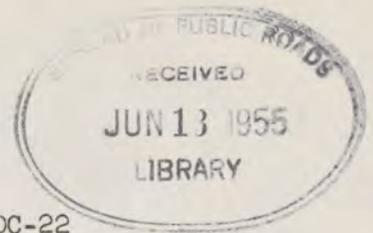
He informed the Iowa boy, "Perhaps, you are not familiar with the fact that Lake Superior, which is at the headwaters of our Great Lakes basin, is 600 feet above the Atlantic Ocean. Consequently, the water runs eastward from the Great Lakes area into the mouth of the St. Lawrence River, and there is no prospect of the salt-water contaminating the fresh waters of the Great Lakes in any manner whatsoever."

Mr. Castle also pointed out to Pat that the water is so fresh in the St. Lawrence River in the Thousand Islands Section that many of the residents on the Islands in that area drink the water directly from the river.

He expressed the hope that someday Pat could see the St. Lawrence River after the Seaway project is completed because "it will be developed into a very lovely lake basin after the power dams are constructed to back up the water into a large pool--thus providing ideal water for game and fish breeding."

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SLSDC-22

PM RELEASE

June 9, 1955

EX 3-3111 Ext 568-569

A giant earth-moving machine weighing 650 tons, capable of scooping 20 tons of earth in one bite, is on the home-stretch of an unusual 2000-mile journey from the Kentucky mine fields to the Massena, New York, area to be used on the initially-awarded excavation project on the United States phase of the St. Lawrence Seaway navigation works.

This "walking dragline," owned by the Badgett Mine Stripping Corporation of Madisonville, Kentucky, arrived in Ogdensburg, New York, harbor on June 6, lashed to the decks of two big steel barges, and has attracted widespread attention.

In the final leg of its nautical journey down the St. Lawrence, below Ogdensburg, including the Galop Rapids, to its Seaway location, the big barge-supported rig will be piloted by Captain George A. Wood of Ogdensburg.

This big dragline named "The Gentleman" will excavate a three-mile-long channel up to 42 feet total depth as part of the 27-foot Seaway development. The 15-cubic-yard bucket weighs 14 tons empty, and operates from a 165-foot boom.

The Badgett firm, which will operate the walking dragline, was awarded the first earth-moving contract for the St. Lawrence Seaway Development Corporation for an amount of \$1,372,800. This contract is for the excavation of 3,900,000 cubic yards of earth and rock on the upper section of the Long Sault Canal and dike embankments near Massena.

Most of the U. S. part of the Seaway construction will take place in the International Rapids Section, a 46-mile stretch of river on the New York - Ontario border. Here the U. S. will build the 10-mile Long Sault Canal to bypass power project dams.

Altogether four excavation contracts have been awarded for the Corporation since last December. Totaling more than \$11 million, they call for the moving of 22 million cubic yards of earth and boulders, and extensive dike construction. Sight-seers in the Massena area will see the most modern mechanical equipment in operation, including "The Gentleman."

The Corps of Engineers, construction agent for the Corporation, has reported that it took 68 days to move the dragline 18 miles overland

from near Madisonville, Kentucky, to the Green River, thence to the Ohio River. It was floated down the Green and Ohio Rivers, up the Mississippi and Illinois Rivers to Chicago. The barge-supported drag-line had to pass through a total of 16 locks between Grafton, Illinois, and Lake Ontario. These locks included 8 from Grafton to Lake Michigan and 8 in the 28-mile Welland Canal.

To navigate the Green River, it was necessary to remove temporarily one highway bridge to permit the tow to pass. In another place, the tow passed over a dam with only three inches of water under the barge.

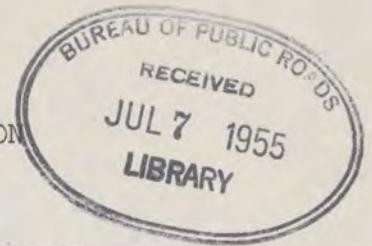
Also, more than 100 bridges across the Illinois Waterway, some with small clearances, had to be navigated, 16 of which had to be opened by especially assigned electricians and mechanics.

Through the river system, the Great Lakes, and down the St. Lawrence River, the lashed barges were first towed by two river towboats and later by one or more Great Lakes tugs.

The voyage of this heavy equipment from Madisonville, Kentucky, to Massena, New York, has involved extensive planning and considerable expense. However, the contractor expects it to "earn its salt" in the months ahead on the Long Sault Canal job.

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SLSDC-23

FM RELEASE

June 22, 1955

EX 3-3111 Ext 568-569

Administrator Lewis G. Castle of the St. Lawrence Seaway Development Corporation and members of his staff and Advisory Board will join tomorrow at Massena, New York, with the trustees and staff of the Power Authority of the State of New York headed by Chairman Robert Moses for an inspection tour of construction progress on the American portion of the Seaway and Power projects in the International Rapids section of the St. Lawrence River.

Following luncheon at the Village Inn tendered by the Power Authority at Massena, the Seaway Corporation party will then proceed along the Canadian shore paralleling the existing 14-foot canal system to inspect lock operations, the Long Sault Rapids, and the construction work at Iroquois Point enroute to the Thousand Islands Club at Alexandria Bay, New York.

From Thursday evening through Saturday, discussions on construction progress and other policy matters will take place at the Thousand Islands Club, highlighted by Administrator Castle's general progress report to the Advisory Board.

Mr. Castle and his staff, including Deputy Administrator M. W. Oettershagen, Engineer Raymond F. Stellar, Comptroller E. Reece Harrill, and Miss Hilma Linden, Secretary to the Board, will return to Washington on Sunday afternoon.

Members of the Advisory Board are John C. Beukema, of Muskegon, Michigan, Secretary of the Michigan Great Lakes Tidewater Commission; Harry C. Brockel, Municipal Port Director and Chief Executive Officer, Milwaukee Board of Harbor Commissioners; Kenneth M. Lloyd of Youngstown, Ohio, Legal Counsel and Secretary of the Mahoning Valley Industrial Association; Hugh Moore of Easton, Pennsylvania, Chairman of the Board of Dixie Cup Company; and Edward J. Noble of New York, New York, Chairman of the Finance Committee of the American Broadcasting-Paramount Theatres, Inc.

As to Seaway construction operations, four excavation contracts have been awarded on behalf of the Corporation to date, totaling \$11 million and calling for the removal of 22 million cubic yards of earth and rock.

The Corps of Engineers, United States Army, construction agent for the Corporation, reports that the Robinson Bay Lock excavation

contract is approximately 12 percent complete and the excavation on the Grass River Lock about 11 percent complete.

The Robinson Bay Lock contract was awarded last April to Jack and Jim Maser, Inc., of Brownstown, Pennsylvania. This \$990,900 contract requires the contractor to excavate approximately 2.6 million cubic yards of earth at the future location of the Robinson Bay Lock, Long Sault Canal, near Massena, as well as two dike embankments. Some 420,000 cubic yards of this material have been placed for dike construction. The scheduled completion date is January 1956

Dutcher Construction Corporation of Queenstown, Maryland, was awarded the \$2,197,843 contract last April for the excavation on the Grass River Lock, calling for the removal of about 3.1 million cubic yards of earth and the construction of one dike embankment near the site of the Grass River Lock, Long Sault Canal, Massena, New York.

Clearing of the lock area is essentially complete, and clearing of the spoil area well under way. Construction of the retaining dike began last May, and 99,000 cubic yards of material have been placed. Road construction has commenced, and the material for the dike and roads was excavated from the borrow area. From the eastern portion of the lock area, 310,000 cubic yards of material have been removed. Completion date is scheduled for February of 1956.

Equipment is being mobilized by the Badgett Mine Stripping Corporation of Madisonville, Kentucky, for excavating the westerly 3-mile portion of the Long Sault Canal. This contract awarded in January 1955 is for the sum of \$1,372,800. Equipment includes two large draglines transported to the site via the Great Lakes Waterway. The larger of the two draglines named "The Gentleman" has a 15-cubic-yard bucket operating from a 165-foot boom. The draglines are being counted upon to remove the bulk of approximately 3.8 million cubic yards of earth and rock on this job.

Largest excavation contract in the amount of \$6,452,450 was awarded on May 21, 1955, to the joint venture of Peter Kiewit Sons' Co. of Omaha, Nebraska, and Morrison-Knudsen Co., Inc., of New York, New York. The contractors are required to excavate about 12½ million cubic yards of earth, and construct approximately 20,000 linear feet of dikes consisting of some 3 million cubic yards of embankment to provide a 6-mile central section of the Long Sault Canal, near Massena, New York. At present, the contractor is assembling equipment and building field offices and shop buildings in the vicinity of the Robinson Bay Lock.

Unusually favorable weather conditions this month have substantially enhanced the Seaway excavation progress.

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