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To cite this article: Daniel Macfarlane (2015) Watershed decisions: the St. Lawrence Seaway and sub-national water diplomacy, Canadian Foreign Policy Journal, 21:3, 212-223, DOI: [10.1080/11926422.2015.1051069](https://doi.org/10.1080/11926422.2015.1051069)

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Watershed decisions: the St. Lawrence Seaway and sub-national water diplomacy

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Keywords: St. Lawrence seaway and power project; Canadian–American relations; Ontario; New York; sub-national diplomacy; hydropolitics; water diplomacy

Introduction

The St. Lawrence Seaway and Power Project was built jointly by Canada and the United States between 1954 and 1959. However, this was the culmination of a half century of negotiations – in fact, the seaway was the longest continually running issue up to that point in American congressional history. The seaway is made up of two sets of national locks that together allow passage from Montreal to Lake Erie, and the whole waterway was integrated with a technically separate but connected hydro project. This megaproject would prove to be one of the most monumental engineering achievements of the twentieth century. The resulting hydroelectricity allowed for the industrial and economic expansion of the binational Great Lakes region, while deep-draught inland navigation permitted the import and export of various types of cargo, particularly iron ore and grain. The St. Lawrence dual project is often heralded as a testament to Canadian–American cooperation and integration: the completed seaway was akin to a gigantic “zipper” pulling together Canada and the United States, as it accelerated the economic, trade, energy and defence integration of the two North American countries (Stewart 1989).

Yet the decades of binational Seaway diplomacy, particularly those in the early Cold War period, have been dramatically misunderstood and mischaracterized. Subnational entities, for example, played a much more important role than has been generally recognized. Moreover, the political negotiations that produced the final Seaway agreement were fractious and contentious – at a time when the Korean War was ongoing and Cold War tensions were extremely high, diplomats from both sides stated that the St. Lawrence dispute was the top issue in Canadian–American relations, and an American official disclosed that the St. Lawrence issue contained the potential to “probably injure our relations with Canada more than any other single incident which has occurred during this century” (FRUS Vol. II, 1951, Canada, p. 916). Such a statement demonstrates the importance of the St. Lawrence impasse in Canadian–American relations, for it is arguably the most underappreciated aspect of the bilateral relationship in the mid-twentieth century.

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Despite much scholarly opinion to the contrary, the Canadian government seriously attempted to secure an all-Canadian Seaway, which would work in tandem with a binational power project (Macfarlane 2014). The idea of “going it alone” struck a responsive nationalist chord in Canada, and in the early 1950s the Louis St. Laurent government and the Canadian public seized on the concept of an all-Canadian seaway. However, the United States government, and American railway, coal and east coast/gulf port interests, deemed an all-Canadian route an economic and national security threat, and used various forms of linkage – the diplomatic relations practice of connecting the outcome of a policy issue to a different and unrelated issue – to stop the Canadian plan and secure American participation. To be sure, the St. Lawrence project shows that linkage was frequently employed in early Cold War Canadian–American relations (Holmes 1981, Bow 2009, Macfarlane 2012). Washington essentially held hostage the hydroelectric project that Canada, and Ontario particularly, so desperately desired. Out of concern for the impact on the broader Canadian–American relationship, the St. Laurent government resigned itself to a joint seaway project in 1954.

Despite the failure of the push for an all-Canadian seaway, the process was indicative of a cultural view of the St. Lawrence River as a “Canadian” possession that should be developed solely by Canada. A constructivist approach demonstrates the importance of domestic ideational and cultural variables, pointing to a “hydraulic nationalism” (Macfarlane 2014) composed of various forms of Canadian identity connected to the St. Lawrence River and hydroelectricity. This study combines these cultural considerations with an empirical approach grounded in extensive research in multiple archives in both countries. Since the diplomatic history of the St. Lawrence Seaway and Power Project is complicated and lengthy, this study will consist of a fine-grained but selective narrative that emphasizes the role of the concerned sub-national players over the first half of the twentieth century, leading into the post-Second World War political and diplomatic processes that culminated in a 1954 St. Lawrence agreement (Macfarlane, 2014).¹ Then a concluding analysis is provided, highlighting the St. Lawrence Seaway and Power Project’s significance for the role of sub-national entities; Canadian–American water, environmental and energy diplomacy; and cultural and environmental influences on binational relations.

Sub-national diplomacy is defined here as the involvement of sub-national entities (e.g., governments, actors, bureaucracies) in foreign policy activities, chiefly taking the form of direct and indirect influences on external policy formulation, and/or direct and indirect lobbying, negotiations and institutional arrangements with foreign federal and sub-national governments (for a fuller exposition of the theoretical evolution of the application of the sub-national diplomacy concept to the Great Lakes–St. Lawrence basin, see other contributions to this volume, such as Johns and Thorn).

Seaway diplomacy provides an ideal case study for exploring the roles of sub-national entities in Canadian–American water diplomacy. The many cross-cutting national and multilayered jurisdictions complicated St. Lawrence hydropolitics tremendously. Great Lakes–St. Lawrence policy issues can be distilled into two broad categories: water quantity and water quality. This Seaway case study falls under the former, but as Carolyn Johns and Adam Thorn demonstrate in their contribution to this volume, sub-national diplomacy is also apparent in water quality governance in the Great Lakes–St. Lawrence basin. The key sub-national governmental units under consideration here are the Province of Ontario and the State of New York, and their power utilities, the Hydro-Electric Power Commission of Ontario (HEPCO or Ontario Hydro) and the Power Authority of the State of New York (PASNY), though with more emphasis on Ontario and HEPCO. During the negotiation and development of the St. Lawrence megaproject, Ontario and New York, and HEPCO and PASNY, were direct and indirect shapers of policy at the high diplomatic level, at the local, borderlands and technical levels, and through the binational International Joint Commission (IJC).

St. Lawrence Seaway diplomacy was more a case of “natural resource diplomacy” than “environmental diplomacy,” according to the ways these terms are employed in the relevant political science literature (Carroll 1983, Lemarquand 1986). Environmental diplomacy as a concept involves governmental relations featuring some measure of environmental protection or preservation, which is a post-1950s development in the Great Lakes–St. Lawrence basin. Sub-national environmental diplomacy obviously invokes sub-federal actors, and is commensurate with the “green paradiplomacy” that Annie Chaloux and Stephane Paquin have applied to post-1950s Canadian–American negotiations in the Great Lakes–St. Lawrence basin (VanNijnatten 2006; Chaloux and Paquin 2012, 2013). Both paradiplomacy, which involves direct diplomacy by sub-national actors, and “transgovernmental relations” – cross-border relations between bureaucracies and other government agencies such as crown corporations (Holsti and Levy 1976) – were at play in St. Lawrence Seaway negotiations. Natural resource diplomacy can be defined as diplomatic relations that involve adjudicating and utilizing shared natural resources, and to the extent that there is any underlying environmental ethos it is directed toward the conservation of natural resources for future exploitation rather than the preservation of ecological features. While Seaway diplomacy surely influenced subsequent Canadian–American environmental diplomacy efforts, here it is understood as natural resource diplomacy because the main concern was utilizing, rather than protecting, the resources of the St. Lawrence River.

In the case of the St. Lawrence Seaway and Power Project, the Province of Ontario and HEPCO not only helped shape their federal government’s foreign policy – as did New York State and PASNY within the United States – but directly negotiated with their New York counterparts and lobbied the American federal government. The involvement of non-federal state actors makes Seaway diplomacy an important stage in the evolution and expansion of provincial and state actors in North American relations. Indeed, one of the purposes of this study is to demonstrate that early forms of paradiplomacy by sub-federal actors were already taking place in the middle of the twentieth century. Moreover, the various Canada–Ontario accords and the federal–provincial cooperation connected to the St. Lawrence project represented a positive shift in federal–Ontario relations and established a precedent of sub-state participation in North American environmental relations.

The early foundations of seaway sub-national diplomacy

Serious proposals for a St. Lawrence deep waterway stretched back to the late nineteenth century. In 1906 the Government of Ontario created HEPCO, a publicly owned power utility (a quasi-crown corporation), and it immediately began pushing for hydro development on the St. Lawrence. HEPCO forwarded in the following years a number of different plans for hydroelectric dams on the St. Lawrence, as did various private and public American interests (HEPCO, Memorandum to Howard Ferguson, 9 January 1924). Binational engineering studies in the post-First World War period solidified such schemes, and the idea of a deep waterway and power development became intertwined.

The Province of Quebec, however, opposed large-scale improvement of the St. Lawrence since there were fears that a deep waterway might result in Montreal losing cargo business and American manufacturing investment. Since the British North American Act, the base constitutional document which established Canada, was unclear on the division of jurisdiction in regard to water rights, this opened up the constitutional question of whether the federal government or the provinces had jurisdiction over power development. Ontario and Quebec argued that they did indeed have these rights. Between 1926 and 1931, Ontario signed a series of contracts with different Quebec power companies to furnish Ontario with electricity. As a result, both

the Quebec and Ontario governments were uninterested in developing hydroelectric power from the St. Lawrence as long as these contracts remained in effect.

Just as federal–provincial control over water power had created problems in Canada, so too were there disputes in the United States over which level of government had rights to the electricity harvested from the St. Lawrence. The Governor of New York, Franklin D. Roosevelt, wanted it controlled by the state government, which clashed with President Herbert Hoover's desire to bring hydro power under federal control. At Roosevelt's instigation, the New York legislature created PASNY in 1931 to deal with hydroelectric development on behalf of the public interest. The formation of HEPCO a quarter-century earlier served as a model.

Prime Minister R.B. Bennett was willing to ignore Quebec protestations and forge ahead with a Canadian–American St. Lawrence agreement. Discussions between Ontario and Ottawa accelerated: a division-of-costs agreement was reached in July 1932 under which the province would receive the rights to the Canadian share of the St. Lawrence waters for hydroelectric development. Queen's Park would pay for power development and 70 per cent of the cost of joint power-navigation facilities, while Ottawa was responsible for the navigation elements. This Canada–Ontario agreement paved the way for the Canadian–American Great Lakes Waterway Treaty, signed on 18 July 1932. This was a comprehensive agreement that outlined not only the St. Lawrence project but also a range of other border water issues in the Great Lakes–St. Lawrence basin. The treaty, however, failed to pass the United States Congress due to the range of special interests opposed to the project.

In the meantime, the Bennett government had become less sanguine about the seaway, and resistance returned in the two central Canadian provinces. Mitchell Hepburn, the newly elected Liberal premier of Ontario, quickly repudiated his predecessor's cost-allocation arrangement with the federal government, which would have seen the province pay CAD \$67,202,500 for its share of the seaway costs. The tempestuous Hepburn became a dedicated opponent for a range of reasons: the belief that the seaway would never justify the enormous expenditures it would require, a desire to publicize his province's surplus of power and the wish to protect private railroad or power investors (Pennanen 1997, pp. 5, 16, Nelles 2005, p. 484). There was also speculation that American power companies, which were more interested in hydroelectric development than transportation when it came to the St. Lawrence, had assisted Hepburn's campaign and he was beholden to them as a result (LAC, MG 26 J13, 27 June 1939).

In late 1936, Roosevelt (now president) approached Canada in connection with a new treaty. Prime Minister King was reluctant because of the opposition of Hepburn and Maurice Duplessis, the Union Nationale premier of Quebec. Disputes about water rights remained tied into wider constitutional questions and federal–provincial issues, which were addressed by the creation of the Royal Commission on Dominion–Provincial Relations (the Rowell–Sirois Commission) in 1937. The acrimony between the federal government and Hepburn – HEPCO and the majority of Queen's Park appeared to be in favor of restarting St. Lawrence negotiations – was only exacerbated by Ottawa's unwillingness to allow Ontario to export hydro power to the United States or undertake other water diversion schemes. The Ontario premier showed occasional signs of willingness to cooperate, but his obdurate opposition and epistolary attacks, along with Premier Duplessis's hostile stance, meant that matters remained at an impasse (Government of Canada 1941).

The Second World War changed everything. Duplessis was defeated by Liberal Adélard Godbout, who was more willing to cooperate with Ottawa. Meanwhile, in order to make common cause in the war effort, and convinced by HEPCO that the St. Lawrence project would be necessary to meet the province's power needs in the event of a protracted conflict, Hepburn was amenable to initiating St. Lawrence negotiations under certain conditions (LAC, MG 26 J4, Memorandum for File Re: Meeting of Cabinet with representatives of the Ontario Legislature, 3 October 1939). Because the Supreme Court of Canada had not conclusively decided

jurisdiction over power rights, the federal and provincial governments opted to negotiate the matter. The Ontario premier wanted the cost of the St. Lawrence joint works to be split 50–50, rather than the 70–30 formula contained in the 1932 Canada–Ontario accord. A new federal–provincial agreement was completed along those lines (and an interprovincial Quebec–Ontario agreement in 1943) that deemed Ontario the owner of the Canadian share of water power in the International Rapids section (IRS) of the St. Lawrence (the international stretch of the river shared by Ontario and New York before it entered Quebec). On the same day, 19 March 1941, that the new cost allocation was inked with Ontario, Canada and the United States entered into the Great Lakes–St. Lawrence Basin Agreement. However, this executive agreement befell the same fate as the 1932 accord, blocked by special interests in Congress.

The central role of sub-national governments

The 1941 agreement had not technically been voted down, but put aside, and it remained alive on paper into the post-war period. After the war ended, deep waterway proponents hoped that the discovery of iron ore deposits in the Ungava region of northeastern Canada, coupled with proposals to make a seaway self-liquidating through tolls, would cause the 1941 Great Lakes–St. Lawrence executive agreement to be more attractive to American legislators. Since Congress continued to spurn bills to develop the St. Lawrence, New York State and the Province of Ontario emerged with a proposal that called for a hydroelectric development in the International Rapids section not formally connected to a deep waterway (HEPCO, Thomas Hogg to Francis Wilby, 30 April 1946).

The Ontario–New York proposals required their respective central governments to submit them to the IJC; however, adopting such a procedure would obviate the unratified 1941 St. Lawrence agreement since it was based on the coupling of the power and navigation aspects. Questions of responsibility in regard to forwarding the Ontario–New York applications to the IJC, and, more importantly, the advantages and disadvantages of sponsoring such a plan, preoccupied the two federal governments in the following months. It should be mentioned that the IJC was established by the 1909 Boundary Waters Treaty to provide a transnational forum for the shared governance of border waters (as well as other transborder environmental issues), and this binational commission's role includes approving projects that alter the levels of Canadian–American border waters ([Clamen and Macfarlane, 2015](#)).

On 16 July 1948, Ontario submitted the power priority application to the Canadian federal government. Its New York counterpart soon made the required submission to the Federal Power Commission (FPC), which had to approve such hydroelectric development plans within the United States. The Canadian embassy apprised the Americans of Ottawa's desire to stall until Congress had again considered the 1941 agreement, but departments within the United States government were divided. The issue was resolved, at least for the time being, by President Truman: at a press conference he declared that he would not approve a project that separated navigation and power, although this did not necessarily mean that the American leader would refuse to allow the New York application to go forward. However, Ottawa had begun to seriously consider a unilateral seaway entirely in Canadian territory (which was predicated on the continuation of the New York and Ontario separate power plan). The Truman administration's subsequent stalling tactics and interference with the requisite FPC license helped turned this contemplation into action. A Canada–Ontario agreement was formally signed on 3 December 1951. Under this agreement, the Canadian share of the power produced from the international section of the St. Lawrence River would be managed by Ontario, with the central government responsible for any navigation facilities.

This agreement signaled a Canadian commitment to move forward with a national St. Lawrence seaway. The day after the conclusion of the Canada–Ontario agreement, two acts were introduced into the House of Commons – the first to ratify the just-inked accord with Ontario, the second to create a federal St. Lawrence Seaway Authority – with the expectation that American participation in the waterway would *not* be forthcoming. Within a few weeks both pieces of legislation received the unanimous assent of Parliament, demonstrating the wide-ranging support that had developed in support of Canada going it alone. Newspaper and opinion polls repeatedly revealed the plan's popularity with the public. As a transportation mega-project the all-Canadian seaway offered a state-building parallel to the transcontinental railways, promoting Canadian identity, national unity, progress and prosperity while linking the country in an east–west orientation, in contrast to the north–south pull of the United States.

Opposition to the seaway in Quebec seemed to evaporate, based on the knowledge that Montreal, and the province in general, would benefit from shipping the Ungava ore to the steel factories of the Great Lakes region (Sussman 1978, p. 8). The iron ore reserves had led the American Hollinger–Hanna group, along with the aluminum and automobile industries in the United States, to end their opposition to the seaway. The newly formed Iron Ore Company of Canada signed a development deal in 1951 with Quebec Premier Maurice Duplessis, sufficiently minimizing the political and business opposition to the St. Lawrence project in Quebec.

Over the next 2 years, the Canadian federal government took a number of steps toward a unilateral waterway. Canada's attempt at an all-Canadian seaway, however, was ultimately thwarted (Macfarlane 2014, chap. 3). The Ontario–New York power project did receive the approval of the IJC in 1952, but the United States played linkage politics with the necessary domestic license for New York State from the ostensibly neutral FPC, pressuring the Louis St. Laurent government to accept American seaway involvement in exchange for headway on the power project (Macfarlane 2012). The delay continued until United States legislators finally authorized an American seaway role, motivated in large part by knowledge that the Canadians were going to move ahead alone. Thus, Canada reluctantly consented to a binational seaway in 1954. The St. Laurent government did manage to extract some American concessions through hard bargaining: placement of the Iroquois lock on the Canadian side, and the right to a future all-Canadian waterway and the installation of navigation infrastructure near Cornwall that would help facilitate this. Nonetheless, the financial and sovereignty terms of the joint 1954 seaway agreement were decidedly less attractive for Canada than were those of the 1932 Great Lakes Waterway Treaty and the 1941 Great Lakes–St. Lawrence Basin Agreement.

Formalizing sub-national diplomacy

Construction of the massive dual project immediately got underway. Because of the bilateral and transborder nature of the undertaking, multiple levels of government entities were involved in the project: the IJC, the two federal governments, provincial and state governments (Ontario, Quebec, New York), HEPCO, PASNY, several joint engineering and supervisory boards (St. Lawrence River Joint Board of Engineers, International St. Lawrence River Board of Control, International Lake Ontario Board of Engineers), the United States Army Corps of Engineers and the two federal bodies set up to administer the seaway, the Canadian St. Lawrence Seaway Authority (SLSA) and American Saint Lawrence Seaway Development Corporation (SLSDC).

HEPCO handled the Canadian work on the power aspect of the project, and PASNY was its American counterpart. PASNY and HEPCO experts were represented on the engineering boards that oversaw the construction of the seaway and power project, and through them and Ontario and New York were able to exert influence on other aspects of the combined project. HEPCO and PASNY arrived at a formal agreement on the power project in July 1954, and the

two power entities set a shared US \$70 million cap on rehabilitation costs in the two countries, though expenses ended up totaling closer to US \$90 million (PASNY, Minutes of Trustee Meetings, 7 June 1954). Despite this rise, HEPCO and PASNY managed to remain on budget for the duration, unlike the two national seaway authorities that had been created to handle the navigation aspect. The two power entities later concluded an operating agreement for the power works, though meetings between the two entities continued well into the 1960s to sort out the division of expenses and take care of remaining aspects of the project. The St. Lawrence project cumulatively cost more than US \$1 billion: Canada paid US \$336.5 million and the United States US \$133.8 million for the navigation aspects, with Ontario and New York each spending US \$300 million on the hydro works.

Even though Canada and the United States had agreed on the broad contours of the St. Lawrence Seaway and Power Project in their 1954 agreement, it quickly became apparent that there would be a seemingly endless supply of modifications and additions that necessitated further negotiations at different governmental levels. Finalizing plans for Montreal was one of the first orders of business. Lionel Chevrier, the Canadian Minister of Transport, approached Duplessis about developing hydroelectricity from the Lachine Rapids at Montreal as part of the seaway construction. Since at least the 1920s, plans for the St. Lawrence project had included a power dam at Lachine (LAC, RG 25, vol. 2636. File: 1268-D-40C: St. Lawrence River–Niagara River Treaty Proposals LAC, RG 25, vol. 6344. File 1268-D-40, pt 13.1, St. Lawrence & Niagara River Treaty Proposals – General Correspondence, 4 July 1951–13 October 1951). But Duplessis claimed Quebec did not need Lachine power, knowing that the province had plans to install hydro plants in more remote areas. For political reasons, the Quebec government also declined to play a role in the seaway aspect, and the federal government handled almost all aspects of building the seaway in that province. Duplessis did eventually agree to help finance the highway and train tunnels running under the Beauharnois locks.

There was a protracted dispute, involving HEPCO and PASNY, over the responsibility for excavations downstream from the Moses–Saunders dam (the main hydroelectric station). Other controversial questions to be tackled included a bridge for the New York Central Railroad line across Cornwall Island. The two countries were legally obligated to provide the railway with a replacement for the bridge displaced by the seaway and power project. Initial American plans called for a traffic and rail tunnel that was designed to maximize traffic exposure to the grand new park system that PASNY Chairman Robert Moses had planned for the American side of Lake St. Lawrence. But such plans had severe ramifications for the transborder Akwesasne (St. Regis) reserve, one of two Mohawk communities affected by the St. Lawrence project (the other was the Kahnawake reserve on the south shore opposite Montreal and astride the Lachine Rapids). However, the so-called Polly's Gut bridge problem became moot when the New York Central Railroad was convinced to abandon its line in 1956. Without railway grade to worry about, a high-level traffic bridge could be built directly from Cornwall Island to the American mainland just east of Massena. This led to cost overruns for PASNY because of the planning and preparation that had already gone into the initial Polly's Gut bridge scheme, infuriating the mercurial Moses, and the late start on the new bridge threatened other project schedules and deadlines.

The perceived ability to master nature implicit in reconfiguring the river extended to planning the model "modern" towns that absorbed the communities – the Lost Villages – displaced by Lake St. Lawrence. The task of rehabilitating this area fell to Ontario and New York, which delegated most of the responsibilities to their respective power entities. In Ontario, all of the town of Iroquois and part of the town of Morrisburg were shifted, while the communities farther east were completely submerged: the villages of Aultsville, Farran's Point, Dickinson's Landing, Wales, Moulinette and Mille Roches, along with the hamlets of Woodlands, Santa Cruz and Maple Grove. The denizens of this largely agricultural area were placed in two newly created towns, as well as several subdivisions. In addition, 225 farms, 18 cemeteries, 1000 cottages, 37

miles of Highway No. 2 (the main east–west highway), and over 37 miles of double-track Canadian National Railway railway were moved. On the American side, approximately 18,000 acres were flooded, requiring the clearance of around 1100 people, 225 farms, 500 cottages and 12.5 miles of highway. No entire communities were relocated in New York State, in part because of dikes that protected Massena, though the waterfront area of Waddington was affected, and the town of Louisville lost about a third of its taxable land including Louisville Landing, a historic port on the St. Lawrence (Macfarlane 2014).

Seaway legacy

The completion of the St. Lawrence Seaway and Power Project agreement was a mixed success for the Canadian government. American participation was a definite disappointment, if not a defeat. A strong case can be made that the outcome of the St. Lawrence diplomacy contributed to subsequent anti-Americanism in Canada, since many felt that they had had to bow to American pressure. There are definite links between the seaway outcome and other manifestations of anti-Americanism such as the pipeline debate, Gordon commission, and the election of the Diefenbaker government. It is clear that, because of the enormous influence the United States exerted on the Canadian economy and defence, the ramifications of Canada building alone would have been detrimental. The badly needed hydroelectric development would not have gone ahead if Canada had proceeded independently, as certain American officials and interests would have done what was necessary with the FPC license to forestall the power project. The seaway saga is therefore indicative of the asymmetrical nature of the Canadian–American relationship in the formative years of the Cold War. Both countries pursued their national interests, which often coincided, but which were sometimes in competition. Washington was more than willing to override Ottawa’s desires and sovereignty concerns if these created significant security or economic risks for the United States, though only Canadian nationalists would fault the United States for protecting its own interests. Examining this process strips nonetheless some of the luster from the purported “golden age” of Canadian foreign policy. The United States had indirect structural or soft power that allowed Washington to shape Canadian policy in advance, even if the American government was not fully cognizant of when it was wielding this power.

Control of natural resources, particularly hydroelectricity, has historically exerted a decentralizing effect on federal–provincial relations. The British North America Act was not clear about the federal government’s ability to negotiate and implement international agreements in areas of provincial jurisdiction (though in the 1937 Labour case the courts had ruled that a treaty negotiated by the federal government did not automatically change laws in provincial jurisdiction). In the case of the St. Lawrence, this ambiguity was further exacerbated by a lack of clarity in regard to hydro power on navigable rivers. The various Canada–Ontario accords concerning the St. Lawrence represented a positive shift in federal–provincial cooperation and went a long way toward erasing the acrimony of the pre-1945 years. They also entrenched provincial claims to water rights on navigable streams, as well as a pattern of informal intergovernmentalism that had a salient impact on Canada’s conduct of international relations. Moreover, the noticeable increase since the 1950s in active sub-state participation can be correlated to the outcomes of St. Lawrence negotiations. For example, such efforts created precedents for Quebec to expand its international role in the following decades (Paquin 2010).

Certainly constitutional and judicial – or “institutional” – variables were important, but it is clear that domestic ideational and cultural variables must be considered casual factors in this example of multilayered diplomacy (Hocking 1993, Kukucha 2008). From a constructivist perspective, the cultural perception of the St. Lawrence River as “Canadian” underpinned the push for a national waterway. Various strains of Canadian nationalism – particularly geographic,

environmental and technological – coalesced into “hydraulic nationalism” which framed the St. Lawrence as an exclusively “Canadian” resource and led to Ottawa’s attempt to build an all-Canadian seaway. So too did southern Ontario’s conception of itself as the industrial and manufacturing heartland, the metropolis that developed the staple products of the Canadian hinterlands, drive its desire to acquire St. Lawrence power and keep its leading position.

The St. Lawrence Seaway and Power Project had a profound effect on other contemporary transboundary water issues, such as Ogoki–Long Lac diversions, the Chicago diversion and the Niagara project, as well as subsequent transboundary environmental and energy relations. The Ogoki and Long Lac diversions into Lake Superior, which allowed Ontario to produce more power at Niagara Falls plants, were approved during the Second World War as part of a trade-off linked to the St. Lawrence negotiations. Completed in 1900, the Illinois (or Chicago) diversion diverted water from Lake Michigan through a canal that provided sewage disposal and navigation to the Mississippi watershed (Cain 1974, Larson 1980, Hill 2000). In doing so, it lowered water levels on the downstream Great Lakes and the St. Lawrence River. In addition to Canada, other American states complained about this diversion, and in 1930 the United States Supreme Court capped the amount of water that could be diverted. The Chicago issue was a part of the trade-offs and linkage in the lead-up to the 1932 treaty, which also included stipulations on the Chicago diversion. Moreover, there is evidence that the 1932 St. Lawrence treaty was defeated in Congress because of objections to the Chicago diversion aspect (NARA II, RG 59, 711.42157 SA 29/1288–1/2, Box 4047, Memorandum 23 June 1934). The Chicago issue has continued to simmer to the present, periodically percolating into a domestic inter-state dispute or an international issue concerning Ontario and Quebec.

When the St. Lawrence project was stalled in the immediate post-1945 years, Niagara power offered a possible panacea for Ontario’s needs. Growing out of St. Lawrence negotiations, the 1950 Canada–United States Niagara Diversion Treaty entrenched hydro diversions and authorized transnational remedial works, such as control gates and weirs (Macfarlane 2013a, 2013b). Like the St. Lawrence Seaway and Power Project, the Niagara Falls works required the cooperation of the IJC, Ontario and New York, the federal governments and other entities. As a result of these binational manipulations, the majority of the Niagara River’s water does not go over the falls. More important for the purposes of this article, in connection with the St. Lawrence negotiations, the Chairman of HEPCO, Robert Saunders, went to Washington to lobby for a Niagara treaty. This form of para- or provincial diplomacy came to involve an informal understanding with an American newspaper bureau official who advocated HEPCO’s point of view and provided information about opposition in the United States to the St. Lawrence development (Dack 2011). This is one of the earliest such lobbying forays by a provincial representative, and thus it can be seen as initiating a trend that would accelerate in subsequent decades.

The state handling of both the Niagara Falls and St. Lawrence projects reveals that federal and sub-federal governments had a shared conceptualization of the environment as something to be mastered through technology. It was an age of grandiose hydro and energy projects, and the St. Lawrence project was at the forefront of this movement not only in terms of engineering, technology and scale, but the federal–provincial cooperation opened up the way for other provincial jurisdictions to build other grandiose projects and negotiate agreements with the federal governments concerning energy sources and natural resources. There is a direct link between the all-Canadian schemes for the St. Lawrence Seaway and then the Columbia River: General A.G.L. McNaughton. McNaughton may be the most underappreciated Canadian foreign policy actor in the post-1945 period, for, in addition to his roles at the United Nations and on the Permanent Joint Board on Defence, he was instrumental in shaping Canada’s approach to border waters through his position as Canadian Chairman of the IJC. It appears that his advocacy of an all-

Canadian seaway was a formative influence on his resistance to sharing the benefits of developing the Columbia with the Americans (Macfarlane 2014).

In numerous respects the St. Lawrence Seaway and Power Project established a pattern for subsequent Canadian–American environmental relations, such as the Great Lakes Water Quality Agreements (e.g., Canada–Ontario agreement), which though consummated in the 1970s were negotiated in the previous decades. These water quality agreements, in turn, set the stage for other binational environmental accords such as the 1991 United States–Canada Air Quality Agreement. The impact of the St. Lawrence case can also be seen on oil and gas issues – such as the pipeline debate that helped bring down the Liberals in the 1950s, Canadian–American oil/gas relations during the Diefenbaker era, and even the recent Keystone XL debates. Keystone XL, like the St. Lawrence Seaway, is a transnational energy and transportation conduit whose passage the Canadian federal government had indicated was of great national importance, but which the American government has repeatedly stalled, influenced at least in part by various special interests (including justifiable ecological concerns). In response, Canada has threatened to go its own way and bypass the United States – in the case of the oil pipeline, the Northern Gateway project – and both the St. Lawrence and Keystone XL impasses have had negative repercussions for the tenor of Canadian–American relations.

Conclusion

The genesis and importance of the St. Lawrence Seaway and Power Project, including the attempt for an all-Canadian Seaway, have long been misunderstood. It is clear that sub-federal political units influenced St. Lawrence diplomacy through intergovernmental and intragovernmental channels. Put another way, Ontario and New York's preferences clearly had an important impact, directly and indirectly, on the eventual outcome of the St. Lawrence Seaway and Power Project. Because of Ontario and New York's jurisdiction over the hydroelectric aspects, the federal governments and their external affairs branches were in constant consultation with the power entities and state/provincial governments. These sub-national entities had also been involved in the negotiations that produced the 1932 and 1941 agreements and, in Ontario and Quebec's case, effectively blocked the St. Lawrence project for much of the interwar period. The sub-national units influenced international policy by working with and through their federal governments via federalism and traditional diplomacy.

But even within this traditional diplomatic approach, both provincial/state government representatives, as well as HEPSCO and PASNY, were at times allowed to directly represent their interests with the other country. Without the Ontario–New York push for a separate St. Lawrence power development, it is likely that the seaway would never have come to fruition. Furthermore, during the construction phase of the St. Lawrence Seaway and Power Project, the various sub-national entities discussed in this study were given significantly more latitude to engage in crossborder activity. Ontario and New York officials, including officials from their power utilities, engaged each other through their respective memberships on the tranborder agencies and boards, such as those that fell under the aegis of the IJC, responsible for overseeing the engineering designs for the St. Lawrence project.

The decades of attempts for the seaway were characterized by the institutional fragmentation that has bedeviled subsequent Canadian–American relations in the Great Lakes–St. Lawrence basin, though the end result pointed toward greater institutional integration (Hall 2006, Camacho 2008, Jetoo *et al.* 2015). Technological and engineering choices in turn had important impacts on political and diplomatic relations (e.g., different types of dams would flood very disparate amounts of land), as did cultural perceptions of the relationships between technologies and environments. Though intragovernmentalism was certainly more dominant during the

negotiations that led to the 1954 St. Lawrence agreement, the increase of intergovernmentalism during these negotiations – and even more so during the construction phase – represents an important shift in the evolution of the role of sub-national governments in Canadian–American foreign policy formulation.

This case study demonstrates that sub-national actors played a formative role in North American transborder natural resource relations much earlier than is generally recognized. St. Lawrence water diplomacy also profoundly shaped subsequent patterns of transborder North American environmental and energy interactions and agreements, and thus was a formative process for continental sub-national environmental diplomacy, both in terms of natural resources apportionment and conservation. Though St. Lawrence negotiations were characterized mostly by natural resource diplomacy, they nonetheless serve as a type of transition to the era of environmental diplomacy.

Acknowledgements

This article was workshopped at a 2014 conference and I would like to thank the organizers (Michael Hawes, Christopher Kirkey, and David Carment) for including me, as well as the other participants for their feedback, particularly Carolyn Johns and Adam Thorne for their constructive insights. I would also like to thank the anonymous reviewers and journal editors for their comments. The author would like to acknowledge funding from the Social Sciences and Humanities Research Council of Canada and the Fulbright Foundation.

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Note

1. The following historical material is drawn from Macfarlane (2014), *Negotiating a River*, and interested scholars can consult that source for archival citations.

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