

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 17, 1944

To Mr. Eccles

Subject Minutes of the eleventh meeting

From Mr. Thorne *J.E.T.*

of Joint Economic Committees

A copy of the minutes of the eleventh meeting of the Joint Economic Committees of Canada and the United States, held at the Hotel Pennsylvania in New York City, November 5 and 6, 1943, is attached.

The main purpose of this meeting was to discuss the North Pacific Planning Project. Because of a crowded agenda, the time allotted each speaker was, in many cases, insufficient to adequately cover his particular subject. I have, therefore, attached an appendix to the minutes which gives in full, where available, the reports covering technical information prepared by members of various field parties. These reports are based on surveys made in areas adjacent to the Alaska Highway during the summer of 1943.

November 18, 1943

JOINT ECONOMIC COMMITTEES
Canada - United States

Minutes of the Eleventh Joint Meeting held at the Hotel Pennsylvania, New York City, November 5 and 6, 1943.

The first session on November 5 was called to order at 10:15 a.m., with Mr. Alvin H. Hansen presiding. Those present:

Canadian Committee

Mr. W. A. Mackintosh, Chairman
Mr. J. G. Bouchard, member
Mr. Alex Skelton, member
Mr. H. L. Keenleyside, occasional member
Mr. H. F. Angus, liaison officer

also

Mr. Charles Camsell, Canadian Director, North Pacific Planning Project
Mr. Russell K. Odell, Assistant Canadian Director, North Pacific Planning Project
Mr. J. M. Wardle, Director, Surveys and Engineering Branch, Department of Mines and Resources
Mr. A. Leahey, Division of Field Husbandry, Department of Agriculture
Mr. Eric Adams, Foreign Exchange Control Board
Mr. John J. Deutsch, Secretary to the Committee

United States Committee

Mr. Alvin H. Hansen, Chairman
Mr. Eric Englund, member
Mr. Leroy D. Stinebower, liaison officer

also

Mr. James C. Rettle, United States Director, North Pacific Planning Project
Mr. George Sundborg, Assistant United States Director, North Pacific Planning Project
Mr. Benjamin W. Thoron, Director, Division of Territories and Island Possessions, United States Department of the Interior
Mr. Joel D. Wolfsohn, Assistant Commissioner, United States General Land Office

Mr. Glenn L. Parker, Chief Hydraulic Engineer,
United States Geological Survey
Mr. Conrad L. Wirth, Chief, Branch of Lands,
United States Park Service
Mr. C. D. Curtiss, Deputy Commissioner, United States
Public Roads Administration
Mr. Elmer Higgins, Chief, Division of Fishery Biology,
Fish and Wildlife Service, United States Department
of the Interior
Mr. John C. Reed, Geologist, United States Geological Survey
Mr. Robert K. Coote, Chief, Land Classification, United
States General Land Office
Mr. Gordon Reckord, Board on Geographical Names, United
States Department of the Interior
Mr. John Evans, Division of Territories and Island Possessions,
United States Department of the Interior
Major J. M. deBardleben, United States Army Engineers Corps
Mr. Hugh M. Raup, Assistant Plant Ecologist, Harvard University
Mr. Wendell E. Thorne, Secretary to the Committee

Minutes

Minutes of the previous meeting were approved.

A. Progress reports

1. Canada - Mr. Charles Camsell reported that following his appointment as Canadian Director of the North Pacific Planning Project in January 1943, arrangements were made for the complete cooperation of all government organizations in Ottawa. The Departments of Agriculture, Mines and Resources, Fisheries, Transport, and Trade and Commerce have all lent their aid and assistance to the Project to date. The Governments of the Provinces of Alberta and of British Columbia have appointed liaison officers and have already been of considerable assistance. Several non-governmental agencies have also been of considerable assistance to the Project, such as the Hudson's Bay Company, the British Columbia and Yukon Chamber of Mines, the Alberta and North West Chamber of Mines and Resources, and the Canadian National and Canadian Pacific Railways.

Mr. Camsell pointed out that numerous survey parties have been in the field covering the area adjacent to the highway during the past summer. From the Department of Mines and Resources: Geological - four parties on the highway and five parties in the neighborhood of the southern end of the highway; Topographical - six parties; Forestry - highway and Mackenzie district; Scenic and Recreational - proposed park and highway.

There were also surveys by the National Museum and the Parks Branch covering wild life, a boundary survey to fix points on 60th parallel, a triangulation net in Yukon and a water resources reconnaissance to establish stream gauging stations. Under the Department of Agriculture, soil surveys along the highway and in the Yukon and central British Columbia were conducted. The government of British Columbia carried on a reconnaissance minerals survey of the northern part of the Province.

For use at the April meetings of the Directors and their staffs at Portland, Mr. Camsell said that data available in Ottawa and Victoria, covering the natural resources and the development of the North Pacific area, had been gathered together. It was agreed at that time that all United States material should be collected, and analyzed by the United States Director and all Canadian data by the Canadian Director. All studies were to be prepared in draft form and submitted to the other Director for review, amendment or expansion. A work program was prepared and the contemplated studies apportioned between the two Directors.

Work now in progress covering the area includes the following reports: geology and minerals, water resources, forest resources, agricultural possibilities, map of population - white and native, production statistics, the place of the fishing industry in the economy of the region, tourist possibilities and requirements, and settlement in Northern Regions.

2. United States - Mr. Rottle explained the liaison which was established a year ago with the Department of Interior, Department of War, and Department of Agriculture. In the early stages of the Project a good part of the time of the Portland office staff was given to the preparation of material requested by the Corps of Engineers, United States Army, in connection with the railroad location survey then in progress. These data were included or attached to the Engineers' report which, presumably, will become available when the war is over.

The following reports have been prepared by the Portland office and distributed to members of the committees: External Trade of Alaska, 1931-1940; Bibliography and Abstracts on the Subject of Agriculture in Alaska, 1867-1942; International Fisheries Cooperation between Canada and the United States in the North Pacific; Preliminary Memorandum on the Peacetime Use and Maintenance of the Alaska Military Highway. A shipping study is nearly completed. Various maps are in preparation. Considerable study has been given to the matter of civil air transport, handled by special committees established by each government. The Portland staff will submit suggestions and comment through Mr. Hansen to the Civil Aeronautics Board.

B. Field surveys

1. In Canada

a. Botanical and Geological Survey - Mr. Hugh M. Raup, Assistant Plant Ecologist of Harvard University, reported on a plant and geology survey he, Dr. Charles S. Denny and party had made at various locations adjacent to the Highway from Dawson Creek to Whitehorse and return. Because of a very crowded program Mr. Raup only hurriedly sketched the highlights of their survey indicating the type of vegetation and the indicated geology of the area. The probable agricultural areas as well as commercial forest prospects were briefly discussed. A copy of Mr. Raup's report is attached. (See Appendix A.)

b. Agriculture - Mr. A. Leahey, Soils Specialist of the Experimental Farms Service of the Canadian Department of Agriculture, pointed out that from the Canadian point of view the North Pacific area was highly important because of its being such a large portion of the country and because of the large potential agricultural area it contains. Mr. Leahey indicated that the agricultural possibilities of portions of the area had been explored but that other parts were as yet relatively unknown. A brief discussion of the agriculture field surveys conducted this past summer was given by Mr. Leahey but the more detailed report is attached. (See Appendix B.)

c. Geological - Mr. Camsell discussed at length the mineral resources of the area. He said that the mineral most likely to lead to the economic development of the eastern part of the area was oil. The geological formations indicate the prevalence of oil throughout. This is in addition to the oil sands of the McMurray District which have been known for years. An estimate of the oil reserves contained in these sands is most difficult. In addition to oil, other minerals such as coal, lead, copper, gold, platinum, quick silver, etc. are known to exist in the area.

Mr. Camsell discussed at some length the Fort Norman oil fields. He said that progress to date was entirely satisfactory and that the oil flow was better than had been expected. He said that oil reserves at the Norman Wells are sufficient to supply the pipe line which is estimated to have a carrying capacity of 3,000 barrels per day. In addition to the Fort Norman area, oil reserves in the nearby areas are thought to be large and much additional exploration is expected immediately following the war. The original work done in the Norman Wells field was in 1921, 1922 and 1923.

d. Forestry - Mr. Odell reported on the forest resources of the area and read papers, which are attached to these minutes, prepared

by the Dominion Forest Service and the Forest Service personnel of the Provinces of Alberta and British Columbia. (See Appendix C.)

c. Scenic, recreational and wildlife - During the past summer Mr. James Smart, Comptroller of the Canadian National Parks Bureau, made a survey of the scenic and recreational attractions along the Alaska Highway. Wildlife surveys along the highway and in the southern Yukon were also made during the past summer by Dr. C. H. D. Clarke, Mammalogist of the Lands, Parks and Forest Branch of the Department of Mines and Resources, and by Dr. A. L. Rand, Zoologist of the National Museum. These reports were read by Mr. Odell and are attached to the minutes. (See Appendix D.)

2. In Alaska

a. Scenic, recreational and tourist problems - Mr. Conrad L. Wirth, Chief of Lands of the National Park Service, United States Department of the Interior, said that they had received an allotment of \$50,000 from the Highway fund to make a land planning survey of the lands adjacent to the Highway in Alaska. A preliminary report of the summer's activities is now being prepared by Mr. A. P. Bursley, head of the field party, and will be ready in the late spring of 1944. The findings of this survey will be checked during the summer of 1944 and final recommendations will be made by the National Park Service to the Secretary of the Interior by December 31, 1944. The preliminary report of this survey will be available for use of the Joint Economic Committees in the preparation of their North Pacific Planning Project report.

Mr. Wirth believes that there are definite recreational possibilities in the area being opened up by the Highway in Canada and in Alaska. He believes that we must plan now to (1) preserve the natural beauty, (2) protect the wildlife, (3) provide accommodations and facilities for vacation visitors, and (4) establish the necessary controls so as to prevent haphazard development and undesirable uses along the Highway.

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The Meeting reconvened at 2:25 p.m., November 5 with Mr. Hansen presiding. Mr. L. M. Gould, Chief of the Arctic Section of the United States Army Air Forces Arctic, Desert and Tropic Information Center and Mr. Louis H. Bean of the United States Bureau of the Budget were present in addition to those who had attended the morning session.

b. Land Classification - Mr. Robert K. Coote, Chief of the Land Classification Division of the United States General Land Office, discussed the problems of land classification in Alaska and the particularly timely opportunity for employing land classification as an aid in the settlement of the Territory. He reviewed some of the work already initiated and the objectives to which it is directed. Mr. Coote presented a summary of a reconnaissance survey made during the past summer of lands along recently constructed highways in the Territory. His complete paper is attached. (See Appendix E.)

c. Mineral Resources - Mr. John C. Reed, Geologist of the Alaskan Branch of the United States Geological Survey, said that investigations of the mineral resources of Alaska had gone ahead for at least fifty years and for forty years of this period had been under the Alaskan Branch of the Survey. He discussed various phases of the Survey's activities with respect to the mineral resources of Alaska. A copy of Mr. Reed's remarks is attached. (See Appendix F.)

C. Water resources

1. Canada - Mr. J. M. Wardle, Director of the Surveys and Engineering Branch of the Department of Mines and Resources, mentioned the particular problems that exist in regard to the study and development of the water resources of the North Pacific area. He pointed out that the hydro-electric possibilities of this area were great, and in many cases would not be difficult to develop. He said that a reconnaissance water resources survey had been made late in the summer but the report was not yet complete. He stressed the need for information covering the water resources of this area. A copy of his report is attached. (See Appendix G.)

2. United States - Mr. Glenn L. Parker, Chief Hydraulic Engineer of the United States Geological Survey, said that when a water resources survey of the North Pacific area was first proposed he was not particularly enthused. He said, however, that the more he thought the matter over and discussed it with other people in the Survey, particularly Dr. Philip Smith, he realized that a complete survey of water resources in Alaska was overdue. An abstract of Mr. Parker's remarks is attached. (See Appendix H.)

D. Alaska Highway

1. United States

a. Mr. Benjamin W. Thoron, Director of the Division of Territories and Island Possessions of the United States Department of the Interior, discussed briefly his visit to Alaska during the past summer. He believes that the highway, if considered as a continuous transportation medium between its terminus, cannot compete economically with water transportation. The Glenn, Steese, and Richardson Highways, the Haines cut-off,

and the various feeder roads branching off the Alaska Highway, will contribute very largely to the economics of the highway system. The Haines link will, in Mr. Thoron's estimation, be economically valuable in the distribution of freight destined not only for Alaska points, but for freight consigned to Canadian destinations south and east of the cut-off's junction with the Alaska Highway. Mr. Thoron felt that a discussion of the over-all transportation aspects and needs of the area would be valuable.

b. Mr. C. D. Curtiss, Deputy Commissioner of the United States Public Roads Administration, discussed at some length various phases of the construction of the Alaska Highway and gave his impressions resulting from a trip over the highway in August. On being questioned regarding the permanent bridges he stated that it is expected that all of these bridges will be completed before spring thaws take out any of the temporary bridges now serving traffic. On being questioned regarding the road itself Mr. Curtiss said reports just received indicated that the last section was completed and that the road was carrying traffic over its entire length. In the discussion, Mr. Keenleyside emphasized that it should be remembered that the road was conceived originally as a military highway only. A copy of Mr. Curtiss' paper is attached. (See Appendix I.)

c. Mr. Rettle discussed briefly the transportation memorandum which had been prepared by the Portland office and distributed to several United States Government agencies. A copy was also sent to the Canadian Director of the Project. After this preliminary report has been examined and corrections and additions included, the Portland office expects to be able to prepare a final report which will cover recommendations for the post-war use of the highway as well as other recommendations regarding the future of transportation in the area.

2. Canada - Mr. Wardle discussed at some length his impressions during a trip over the Alaska Highway during the past summer and described the type of road that was being constructed. In answer to previous questions regarding the highway Mr. Wardle, who had very recently returned from the area, indicated that the greater part of the highway was now completed. He discussed the difficulties encountered by the United States Army Engineers and Public Roads Administration in building portions of the highway and answered numerous questions. The economic importance of the highway to Canada and its post-war use was discussed briefly. A copy of this material is attached. (See Appendix J.)

E. Studies

1. Fisheries - Mr. Rettle discussed briefly Mr. Sundborg's study "International Fisheries Cooperation between Canada and the United States in the North Pacific". He pointed out that this study had been sent to various interested agencies as well as to the Committees but as yet no comments or suggestions have been received by the Portland office.

Mr. Rettie said that the report contained several recommendations which appeared to be advantageous to both countries with respect to both the present and future operation of their fishing waters.

Mr. Keenleyside pointed out that fisheries is an important field in which close collaboration has been established and joint consultation is a regular procedure.

Mr. Elmer Higgins, Chief of the Division of Fishery Biology of the United States Fish and Wildlife Service, discussed briefly the importance of the fishing industry in both countries. He mentioned the recent rapid development of commercial exploitation of the so-called "ground fish" (sole, flounder, etc.) and suggested that this fishery might soon approach the size of the major halibut fishery. He said that in the building and operation of hydro-electric power projects we should be extremely careful to plan ahead in order to insure complete protection of the fish so that they might be assured of reaching their spawning grounds.

2. Trade and commerce - Mr. Rettie summarized the main features of the trade of the area: In 1939 Alaska shipped to the United States about 60 million dollars worth of commodities and received about 40 million dollars worth from the United States. British Columbia shipped to and received from the Yukon a total of about 5 million dollars worth, United States goods sold in Alaska to purchasers in the Yukon amounted to about 500 thousand dollars per year, Alaska bought from the Yukon about 150 thousand dollars worth, of which raw fur was the important item. Alaska bought from British Columbia about 70 thousand dollars worth, of which coal was the chief commodity, and sold about 150 thousand dollars worth with fresh fish as the leading item. Some 800 thousand dollars worth of United States fishery products, chiefly halibut, were landed at Prince Rupert and shipped "in bond" via the Canadian National Railway to eastern points in the United States. British Columbia sold to the United States about 35 million dollars worth of commodities and received about 35 million dollars worth of commodities from the United States. The comparative small volume of trade between Alaska and Canada is due, of course, to tariffs and other barriers.

Mr. Rettie mentioned the possibility of some arrangement which would permit the free movement of locally produced food stuffs and animal feeds between Alaska and northwestern Canada. This would be confined to specific commodities produced locally and moving in the so-called "border trade".

Mr. Stinebower pointed out that in existing commercial agreements the United States had limited its acceptance of special arrangements for border trade to the more or less internationally accepted standard of a limited strip of approximately ten miles on either side of a boundary and that this would be of little help in this area.

Mr. Deutsch suggested that there is no necessity for a ten-mile zone limitation in this area. He indicated that he believed the proposal to be worthy of study.

3. North Pacific - U. S. S. R. relations - Mr. Rettie said that there may be some substantial trade possibilities in the future if present developments in northwest North America and eastern Siberia continue. Similarity of climatic and other conditions make it desirable that there be a greater interchange of many types of technical information. Techniques for dealing with permanently frozen ground is just one example of the many problems on which exchanges of technical information would be mutually beneficial.

Mr. Camsell reported that he had corresponded with the Canadian Minister to the U. S. S. R. on this matter of exchanging information on northern developmental problems. Mr. Willgress has reported that the Soviet Government is favorably disposed and has offered to provide information on a list of specific questions which might be suggested. Such a list is now being prepared in Ottawa.

4. North Pacific Shipping - Mr. Rettie explained that the Portland office is now working on a shipping study which was nearing completion.

5. Geology and Minerals - Mr. Camsell reported that arrangements had been made with Dr. J. F. Walker, Deputy Minister of Mines of the Government of British Columbia, and Mr. W. B. Tim, Director of Mines and Geology Branch of the Department of Mines and Resources at Ottawa, to prepare reports on the geology of the region and on the mineral resources and the possibility of their development. Dr. Walker and Mr. Tim met in Ottawa and agreed that the Dominion Geological Survey would prepare the geology report and that the Provincial Department of Mines should prepare the report on the mineral resources of British Columbia and the possibility of their development. A report on the geology of the Yukon Territory was prepared by the Geological Survey last winter. The Department of Mines of British Columbia is preparing a report on the minerals of British Columbia. Certain other statistical statements have also been prepared and reports on the field reconnaissance trips carried out during the past summer will be reported on, and the general outline for a report covering the whole area has already been discussed with Dominion and Provincial officials.

6. Agriculture - Mr. Leahey said that the Dominion Department of Agriculture in cooperation with the provinces of Alberta and British Columbia and with the Dominion Department of Mines and Resources, plans to continue studies on agricultural possibilities and problems in North-western Canada. These studies will be pursued as actively as available funds, trained men, and other commitments will permit.

In addition to the work under way at the two Experimental Stations located at Prince George and Beaverlodge, and the two Experimental Sub-Stations located at Smithers and Fort Vermillion, a further program of work is being considered. This includes a definite program to be undertaken in 1944, and a program of desirable work to be done in the future as circumstances permit.

The immediate program of studies for 1944 includes:

- (a) The establishment of an experimental sub-station in the Yukon, probably west of Whitehorse.
- (b) Cooperative experiments with farmers and gardeners in the Yukon.
- (c) Exploratory soil surveys along the Haines cut-off and such other roads that were not traversed in 1943.
- (d) An exploratory soil survey of the Mackenzie Basin.

An exact outline of future desirable work cannot be given as in part such work will depend on the development of other natural resources than agriculture. However, such a program will include:

- (a) Reconnaissance soil surveys of the Upper Peace River area in Alberta and British Columbia.
- (b) Exploratory soil surveys of the region occupying north-western Alberta, Northeastern British Columbia and the southwestern part of the Northwest Territories.
- (c) Exploratory soil surveys of the valleys in northern British Columbia and in the Yukon Territory.
- (d) The establishment of an experimental sub-station in the Mackenzie basin.
- (e) Aid and advice to mining companies and others who wish to grow vegetables by the hydroponics method in areas where suitable soil cannot be found.

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The Meeting reconvened at 10:15 a.m., November 6, with Mr. Hansen presiding.

F. Staff and organization

1. Canada - Mr. Camsell said that the Federal government in Ottawa and the Provincial governments of Alberta and British Columbia were organized to administer and develop the resources of the North Pacific region. The policy, therefore, had been to secure the cooperation and participation of these organizations in the North Pacific Project rather than attempt to build up a new organization. Those undertaking work for the Project were to do so as part of their regular functions and to provide the necessary funds and staff. All have offered the

heartiest cooperation and many are actively participating. Several non-governmental organizations have also offered to cooperate in any way they can and their facilities are being used.

It was also decided that attention should be devoted first to the gathering of factual data pertaining to subjects included in the preliminary outline. This material should include a statement covering published material, field investigations, and special reports to be prepared by competent authorities.

The second stage of the Project will be the analysis of the factual material assembled, its correlation and study, and the preparation of reports embodying recommendations for the consideration of the Joint Economic Committees. To undertake this work, it is proposed that a few economic geographers of experience in this type of work and recognized standing should be engaged, and action is now being taken in this connection. Due to the demands of war, some difficulty is being experienced in securing assistance of the type required, but progress is being made and a few names are now being considered. Stenographic and clerical assistance and office facilities are being provided through the courtesy of the Director of Lands, Parks and Forest Branch of the Department of Mines and Resources.

2. United States - Mr. Rettie said that budgetary and other reasons make it necessary that an acceptable report be completed by June of 1944. He suggested that in order to complete the report by June it would be necessary to have the various reports of collaborating agencies by the end of January. He said that a considerable amount of work had heretofore been done on the general subject of economic development of Alaska. Some fresh appraisal is now desirable, but it will not be necessary to place a major emphasis on this phase of the study so far as Alaska is concerned. He suggested that the chief effort of the Portland staff should be devoted to at least six matters upon which the two governments should reach definite decisions. These are:

- (1) Use and Maintenance of the Alaska Highway
- (2) Use and Maintenance of the Pipeline Facilities
- (3) Civil Air Transport
- (4) Possibilities for Cooperation in Coastal Shipping Services
- (5) Special Tariff Problems, e.g., petroleum products available as a result of operation of Canol Project, ship repair at Prince Rupert, "border trade" in locally produced food-stuffs and animal feeds, etc.

- (6) Joint fishery problems not as yet included within the jurisdiction of the international fishery commissions.

It was agreed that the report dealing with these matters (other than civil air transport) should be a joint product to be worked out by the efforts of the staff of both directors.

Mr. Rettle said that he believed this to be quite feasible. The memoranda on fishery cooperation and on the highway are already in process of review. The analysis of the shipping problem will be ready shortly.

G. General discussion of Project - Mr. Hansen, the Chairman, summarized briefly the main points brought out in the various sessions of the meetings. He indicated that most of the problems of the Project grew out of transportation. He felt that the meetings had been successful and expressed the Committees' appreciation for the assistance of all who had taken part on the program.

Mr. Mackintosh, Chairman of the Canadian Committee, said that Mr. Camshell had suggested that the report might follow two different lines, first the presentation of the material on the basis of the economic development likely to follow in each country and second, a joint report covering the various problems of international collaboration with recommendations as to how these problems might be met.

Considerable discussion covering various phases of the Project ensued. Mr. Bouchard said that it appeared to him that little consideration had been given to the human side of the problem. The type of settler likely to stay in this area should, he felt, be given very close consideration. Mr. Englund expressed the opinion that the Committees had definitely brought out the fact that agriculture must be an adjunct to other economic developments. Mr. Leahy said that this statement did not apply to the entire area as in many of the areas adjacent to the railways agriculture is already a primary industry. Probably the areas adjacent to the railways should not be considered since they are already areas of fairly large settlement. Mr. Angus indicated that the main problem seemed to be to locate and develop the natural resources of the area and it would then be possible to plan for agricultural settlement. Mr. Wolfsohn called attention to the administrative problems confronting the General Land Office with respect to Alaskan settlement, noting that practically all of Alaska is public domain and therefore subject to entry and settlement. He stated that there was no legal provision for directing public land settlement in Alaska, as there is in the United States and Canada but the legislation has been introduced providing for classification of Alaska lands in advance of settlement. Mr. Wolfsohn also pointed out the immediacy of the administrative problems, citing the increasing number of homestead and other applications now being received at the District Land Offices as indicative of the current need for factual information. Mr. Bean said that basic

resources possibilities will have to be checked and possibilities for settlement will have to be looked into before other problems become important. Mr. Mackintosh, however, felt that there were resources and people in the area which already created some economic problems. Mr. Wardle suggested the appointment of a joint committee to prepare an integrated transportation report. Mr. Skelton wondered if the development of pastoral pursuits and associated handicrafts had been studied in connection with the Project. Mr. Leahey indicated that some ranching might be developed but it would be difficult.

After considerable discussion it was agreed that the Canadians should prepare their material for use in Canada and that Mr. Rettie should work up all available material on Alaska and that a joint report on joint collaboration should be prepared and presented to the Joint Economic Committees.

General Business of Committees
(Members of Joint Committees only)

A. North Pacific Planning Project - Considerable discussion covering every phase of the North Pacific Planning Project took place. The need of the various scientific investigations, which have been carried on to date, was fully appreciated. It was felt, however, that the value of this material, from an economic point of view, had not been clearly outlined. It was agreed that more economic analysis was necessary and that the material would need to be synthesized in order to be useful for the immediate purposes of the Committees.

B. Integration of Canadian and American Automobile Production - Mr. Thorne said that after the publication of "The Midcontinent and the Peace", prepared under the auspices of the Universities of Manitoba and Minnesota, Mr. Hansen had suggested that he make a preliminary investigation covering the above problem. In discussing the problem with representatives of the automobile industry in Detroit on October 18 and 19, Mr. Thorne said that he had made it very plain that the Joint Economic Committees had not discussed this matter jointly and had prepared no plan for allocating either the markets or the production of automobiles. He said that he received a distinct impression that the small independent companies are very much more interested in the idea than are the big three (General Motors, Ford, and Chrysler). This, of course, is quite understandable since most of the small companies have only assembly plants and sales offices in Canada whereas the big three have investment in plant and equipment and manufacture a considerable portion of their car in Canada. Mr. Thorne said that both he and Mr. Hansen felt that it appeared highly unreasonable to expect that the Canadians should be compelled to continue to pay \$250 to \$450 more for American automobiles than their neighbors south of the border had to pay.

Mr. Hansen felt that if the Canadians could be assured of a continuation of the post-war level of employment in the automobile industry in Canada, it might not be too difficult to eliminate the tariff. There was considerable discussion about the possibility and probable consequences of the complete removal of automobile duties between Canada and the United States. Mr. Mackintosh agreed to look into this matter further. No machinery was, however, set up to continue this investigation.

C. Future of Joint Economic Committees - Mr. Mackintosh said that it was his belief that the Committees should be more solidly based in the Department of State and the Department of External Affairs. They should be headed by a senior officer in these departments who would, at all times, be in close touch with the international affairs of both governments. Mr. Mackintosh made it plain that this was his personal view but said that he had discussed the matter informally with members of the Canadian Committee and felt sure that in most cases they were in agreement. Mr. Hansen said that he would discuss this problem with members of the American Committee and contact Mr. Mackintosh shortly.

Signed:

Wendell E. Thorne, Secretary
United States Committee

J. J. Deutsch, Secretary
Canadian Committee

APPENDIX

- A Botanical and Geological Survey
Hugh M. Raup
- B Soil Surveys in that Part of North
Western Canada Included in the
North Pacific Planning Project
A. Leahey
- C Canadian Forestry Survey
H. L. Helman and others
- D An Outline of the Scenic and
Recreational Attractions and of the
Wildlife along the Alaska Highway
James Smart
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- E Land Classification in Alaska
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- F Alaskan Mineral Resources
John C. Reed
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