

For the same reasons which convince us that the development of the national section of the St. Lawrence should be entirely domestic, we feel that the Welland Ship Canal should continue to retain its purely Canadian complexion and be completed to whatever depth may ultimately be agreed upon, at the expense of Canada.

(7) As to the control and supervision of the works during construction, and operation and maintenance on completion, we are of opinion that all dams, embankments, power house substructures, water passages, gates and channel enlargements in the International section should be designed and constructed under the technical supervision of an international commission, which body might also be charged with full power, on completion, to supervise both maintenance and operation and to control and regulate the use of water at the power plants in the International section in order that such use may be prevented from creating conditions harmful to navigation in any part of the St. Lawrence, and in order that the operation of the various power plants be conducted with proper regard to the use of water at power plants in the lower or national section of the river. We feel, however, that locks and other navigation structures lying entirely within one country or the other can, on completion, be most advantageously maintained and operated by the usual Government agencies in the two countries.

(8) The Committee is cognizant of the fact that the plan of procedure herein outlined necessarily involves consideration of the problems of the province of Ontario from the standpoint of power supply during the interval between the development of the national section and of the international. We believe the situation justifies consideration of the present problem from the broad national standpoint by both the provinces concerned, and that in the national interests such arrangements should be made as will enable Ontario to secure her power requirements for eastern territory from the purely Canadian section of the river pending the development of the international reaches. We are of opinion that, in the light of the good understanding presently obtaining between the two provinces, this would not be difficult of arrangement, and that power could be thus secured at rates which will compare most favourably with present cost of Ontario power.

(9) In consideration of the economic aspect, we have given some thought to the question of possible export of power. As to that we would say that we are in complete accord with the feeling throughout Canada that export of power should not be permitted.

(10) We have considered whether the proposed waterway should be regulated and governed by treaties already in existence, or whether a new treaty should be negotiated, but feel that that is a matter which the Government would probably prefer to decide for itself. Therefore, we make no recommendation in that respect other than to express the conviction that in the event of a new treaty being negotiated, the United States should not be given any greater rights than obtain in existing treaties.

In conclusion, we would suggest that early opportunity be taken to reply to the overtures to Canada which the United States has made in regard to the St. Lawrence project, and we are of opinion that Canada's reply should contain the general sense of the views herein expressed. We would add the suggestion that, in view of the delicacy of the international negotiations involved, it would be inadvisable that our report be made public until such time as, in the discretion of the Government, it might be published without prejudice to Canadian interests.

I have the honour to be,

Faithfully yours,

(Sgd.) W. E. FOSTER,
Chairman.