

as a reserve and certainly is sufficient for many years. This Province is simply not interested in the production of any more power. To take any part in any negotiations which may lead to this end would be unwise and misleading. The only market for Canada's share of the power developed on the St. Lawrence is within the Provinces of Québec and Ontario or in the United States. Québec and Ontario are suffering from a surplus of power which will continue for many years to come. It seems clear to me that the effect of the proposed Treaty is to prepare a reserve of power on Canada's side which can quickly be brought into production when the need arises for sale to the United States. I do not think that this Province wishes this ultimate power resource to be made available in advance of Ontario's needs or that it should be disposed of in this way. Moreover, I think it is extremely doubtful as a constitutional issue that the Dominion has the right to use Ontario waters in a project which, from the wording of the Treaty and the accompanying documents, the great delay in the completion of the canals, the whole character of the work, is in reality a power project first and not a waterway.

May I draw your attention to the fact that the whole matter of power development from its engineering standpoint was fully investigated with the aid of the Hydro engineers of this Province during the negotiation of the terms of the Treaty prepared by Right Honourable R. B. Bennett and rejected by the United States Senate. Your own engineers have all the records. There is no necessity to incur further expense of doing this work over again in order to delay the embarrassing necessity of stating your policy towards this Province.

Perhaps I might also make clear that I wish to be entirely untrammelled in my discussion of any proposal which may come from your Government, when and if you decide to announce a policy on the St. Lawrence development.

There are, however, other problems related to the Great Lakes which have to do with a proposed development above Niagara and separate entirely from the St. Lawrence scheme. The proposed diversion of waters into Lake Superior would be of great value in raising lake levels and eliminating annual dredging costs. The water courses developed under such a scheme would open up areas of timber now inaccessible and subject each year to the usual fire hazards, and provide power sites where there is an increasing demand in Northern Ontario for electricity, as the result of new mining development, which development in areas where there are great deposits of low grade ore depend upon cheap power for their future success.

Expenditures on such projects could at this moment, unlike the proposed St. Lawrence waterway, be justified on economic grounds.