

ments of Canada and the United States. They are also described in the Agreement of December 3, 1951, between the Government of Canada and the Government of Ontario, forming part of the International Rapids Power Development Act, Chapter 13 of the Statutes of Canada, 1951, (second session), a copy of which is attached hereto. The Canadian Government wishes to make it clear that, even were the seaway not to be constructed, Canada would not give its approval to any power development scheme in the International Rapids Section of the St. Lawrence River which omitted any of the features so described.

The Honourable David Bruce,
Acting Secretary of State of the United States,
Washington, D.C.

5. However, in order to ensure that construction of both the power project and the deep waterway may be commenced without any further delay and notwithstanding—

(a) that the power-developing entities would be required, if power were to be developed alone, to provide for continuance of 14-foot navigation (such provision was indeed made in the 1948 applications by the Province of Ontario and the State of New York), and that the Canadian Government's commitment to provide concurrently a deep waterway between Lake Erie and the Port of Montreal does not alter the basic principle that any entity developing power in boundary waters must make adequate provision for the maintenance of existing navigation facilities, and

(b) that, in view of the clear priority given to navigation over power by Article VIII of the 1909 Boundary Waters Treaty, provision of channeling to the extent specified in the Annex to the 1951 Canada-Ontario Agreement referred to above is reasonable and in conformity with Canadian practice,

the Canadian Government is now prepared to agree—

(a) that the amount to be paid to Canada, as specified in the agreement of December 3, 1951, between Canada and Ontario, in lieu of the construction by the power-developing entities of facilities required for the continuance of 14-foot navigation, be excluded from the total cost of the power project to be divided between the Canadian and the United States power-developing entities, in consideration of the fact that actual replacement of 14-foot navigation facilities will be rendered unnecessary by reason of the concurrent construction of the deep waterway in Canada, and

(b) that the authority to be established pursuant to the provisions of the St. Lawrence Seaway Authority Act, Chapter 24 of the Statutes of Canada, 1951 (Second Session), contribute \$15 million towards the cost of the channel enlargement which the power-developing entities must undertake in the St. Lawrence River, as set out in para 4 of the Annex to the Canada-Ontario Agreement of December 3, 1951, and in Section 8 of the applications to the International Joint Commission, in consideration of the benefits which will accrue to navigation from such channel enlargement.