

V.

As regards the federal-provincial aspects, the federal government might agree to recognize the interest of Ontario and Quebec in the development of the water power on an economical basis and in accordance with their respective governmental power policies. The Dominion could

(a) undertake the full Canadian share of the development of the project in Canadian and international waters, in conformity with the technical requirements of the provinces as to power, selling the power resulting to the Hydro Electric Power Commission in Ontario and to such agencies in Quebec as the Government of that province, in consultation with the Dominion, would agree upon:

or

(b) permit the Ontario Hydro-Electric Power Commission and any agency in Quebec agreed upon between the federal and Quebec Governments, to develop power on lines fitting into the scheme agreed upon between Canada and the United States as regards the international sections.

In either case, whether the project is developed (a) from a Dominion-navigation standpoint with provision for power for the provinces, or (b) from a provincial-power standpoint with provision for the navigation interests of the Dominion, the joint costs could be so divided as to give the provinces cheaper power and the Dominion cheaper transportation facilities than if each acted separately. For example, it might be agreed that the provinces would be assessed with the cost of works solely for power, and the Dominion with the cost of works solely for navigation, and that the cost of works jointly for navigation and power should be divided, equally, or, preferably, in accordance with the reasonable utility of each as worked out by a technical committee representing Dominion

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