

BASIS FOR DOMINION-PROVINCIAL CONFERENCE  
RE ST. LAWRENCE.

- (1) The broad basic Dominion policy which should form the background of the Dominion position at the conference with the Provinces, to be founded upon the principles set forth in the attached Memorandum entitled, "A National or All-Canadian Policy for the Construction of the St. Lawrence Deep Waterway."
- (2) In view of the unsatisfactory nature of the judgment of the Supreme Court in respect to the reference as to the water power rights of the Dominion and the Provinces, the Dominion to suggest that the question as to ownership of the power as between the Dominion and the Provinces to be left in abeyance for the time being, and the Dominion and the Provinces to attempt to negotiate an understanding as to an apportionment of costs and of responsibility as between the Dominion and the Provinces.
- (3) The Dominion to suggest the following as basic principles of such negotiation:
  - (A) With respect to apportionment of costs:
    - (i) All structures purely for navigation such as lakes, etc., to be charged to navigation;
    - (ii) All structures purely for power purposes such as Power Houses, etc., to be charged to power;
    - (iii) Other structures such as dams, embankments, channel improvements, etc., etc., to be apportioned between navigation and power in accordance with their reasonable utility to each;
    - (iv) The details of the apportionment to be left to a committee of accredited technical representatives of the Dominion on one hand, and of the Provinces of Ontario and Quebec on the other.

**POOR  
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