

and justice, defer the time at which it will call upon the Hydro-Electric Power Commission of Ontario to remit this money until St. Lawrence power can be utilized to advantage.

The draft treaty submitted by United States Secretary of State, Mr. Cordell Hull, in May of 1938, contemplates the development of the St. Lawrence Waterway from Lake Ontario to Montreal, and includes therewith all international questions relating to the Great Lakes-St. Lawrence basin; examination of these will naturally arise out of consideration of this draft treaty.

Owing to the mutual interest in, and the joint nature of the St. Lawrence project as between Canada and Ontario, some of these international questions and certain other questions, such as those relating to finance, must be the subject of preliminary consideration and agreement between Canada and Ontario.

In this connection, I am pleased to note your reference to an examination of the agreement of 1932 between the Province of Ontario and the Dominion of Canada to determine what modifications would now be necessary.

Dr. Hogg informs me that these questions, as well as the engineering features of the developments, are being considered by the Commission's engineers and that he expects to be in a position to discuss them with officials of the Department of Transport as soon as the latter are ready.

Your kind reference to the taking over of two hydro-planes which this Government was glad to make available to the Government of Canada, is appreciated.

Yours sincerely,

M. F. HEPBURN.

Right Hon. W. L. MACKENZIE KING, P.C.,
Prime Minister of Canada,
Ottawa, Ontario.

No. 18

*From The Prime Minister of Canada,
To The Premier of Ontario.*

OTTAWA, October 10, 1940.

My Dear PREMIER,

I enclose a copy of a memorandum from the United States State Department, setting forth the measures which it is proposed to adopt to provide additional water to meet the requirements of the Province of Ontario for hydraulic power. You have, I believe, already received a copy of the memorandum which the Chairman of the Hydro Electric Power Commission of Ontario was asked to convey to you.