

conclusion on these matters the Canadian Government will be responsible to Parliament, and will be prepared to set forth and support its conclusions in due course. Any arrangement eventually proposed would in any event have to be submitted to Parliament before ratification, and the representatives of the constituencies in all the Provinces, including Ontario, would have every opportunity to give their views and votes. No final conclusion can of course be reached as to the feasibility of the whole project as set forth in the draft treaty until the possibilities of a solution of the power questions involved have been explored.

It has frequently been pointed out to the Government at Ottawa by various Ontario Administrations how especially in that Province the development of their most important and valuable power sites or their expansion depends upon the practical necessity of reaching international agreement—the cases in question being the 1,000,000 horsepower available within the Canadian boundaries of the international section of the St. Lawrence, the expansion of existing Niagara developments, and the further expansion of production at both these sites by means of new water to be brought into the Great Lakes system from the Hudson Bay watershed.

In view of the requests received here from Ontario Governments, to which I have alluded, including those from your own Administration, and upon which a long course of negotiations with the United States has been founded, we have been and are prepared to make every practicable effort to clear the field of the international difficulties which as the published correspondence indicates, completely obstruct progress in freeing for use such a large proportion of Ontario's future sources of power supply.

I may perhaps point out very generally that the proposal recently made to us does not involve the development of a block of power on the Canadian side of the international St. Lawrence reach in the near future. Taking account of the time required for construction of the works, the successive blocks of power could not be made available until the expiration of at least 7 years for construction after the time a treaty had been not only signed but ratified on both sides, and in addition there would be the possibility of some further postponement of the actual utilization of some of the power, depending on the financial arrangements to be made.

It is practically impossible, without full technical examination and discussions, to estimate accurately and completely the practical effect of the various parts of the project and the implications. Naturally such a technical examination cannot be complete and dependable unless it takes account of the practical and financial implications involved in the power aspects of the project. It is realized that these include matters which