

is in a position to proceed immediately with the construction of the waterway, leaving the power development to take place when the market demands.

5. Having provided for a deep waterway from Lake Erie to tidewater as per the foregoing, the Dominion might announce with respect to the Great Lakes Section, i.e., from Lake Erie to Lake Superior, that the deepening of the channels in this reach will be left to the United States. This would involve excavation at various points in the connecting rivers and the construction of a deep water lock and canal at Sault Ste. Marie. Canada could at the same time announce that at a future date she would construct a corresponding deep water lock on the Canadian side of the river when the traffic or economic conditions warrant the same, thus maintaining the National route.

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The adoption of the above policy would result in the completion of a deep waterway project as "All-Canadian" as is the present Great Lakes and St. Lawrence waterway, and at a cost to the Dominion Treasury which would be as readily handled as has been the cost of the New Welland Ship Canal.

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#### NIAGARA.

The Niagara situation is quite apart from the St. Lawrence waterway situation and can be and is being dealt with quite independently. The Niagara Convention and Protocol which was agreed to and was signed by the two Governments on January 2, 1929, has been ratified by the Dominion Parliament and is still to receive the ratification

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