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BECAUSE THE DIVISION OF RESPONSIBILITY HAD NOT BEEN CLEARLY DEFINED IN PREVIOUS AGREEMENTS AND ARRANGEMENTS. BECAUSE A CONSIDERABLE PART OF THE SOUTH CHANNEL DREDGING IS IN CANADIAN TERRITORY, THE CANADIAN GOVERNMENT HAS AUTHORIZED THE ST. LAWRENCE SEAWAY AUTHORITY TO UNDERTAKE THE DREDGING OF A PART OF THE SOUTH CHANNEL UPSTREAM FROM THE INTERNATIONAL BOUNDARY.

THE ENGINEERING ARRANGEMENTS OF JULY 18 MENTIONED IN THE CANADIAN NOTE PROVIDE FOR AN ALLOCATION BETWEEN THE TWO SEAWAY ENTITIES OF THE WORK TO BE DONE IN BOTH CHANNELS. A SUBSTANTIAL CONTRIBUTION TO THE DREDGING COSTS WILL BE MADE BY THE ONTARIO HYDRO-ELECTRIC POWER COMMISSION AND THE NEW YORK STATE POWER AUTHORITY. THE POWER ENTITIES WILL THEMSELVES DO ADDITIONAL DREDGING IN THE TAILRACE IMMEDIATELY BELOW THE BARNHART ISLAND POWERHOUSES, AND THIS, TOGETHER WITH THE CHANNEL DREDGING NORTH AND SOUTH OF CORNWALL ISLAND, WILL LOWER THE TAILWATER LEVEL AND INCREASE THE HEAD OF WATER WHICH CAN BE DEVELOPED FOR POWER. THE BENEFIT FROM CHANNEL DREDGING IS SUFFICIENT TO JUSTIFY A SUBSTANTIAL PAYMENT BY THE POWER ENTITIES TOWARDS THE COST OF THE DREDGING COVERED BY THE JULY 18 ARRANGEMENTS.

WITH THE ALLOCATION OF DREDGING NORTH AND SOUTH OF CORNWALL ISLAND, WORK ON THE NAVIGATION CHANNELS IN THIS AREA MAY PROCEED AT THE START OF THE NEXT DREDGING SEASON.