

Once the United States entity has been named, it is estimated that about five and one-half years will be required to construct the works and enlarge the channels as now planned and that an expenditure of about 3/4 billion dollars is involved. It is foreseen that all of this expenditure, whether for power or for navigation, will be self-liquidating in that a small portion of the benefits to trade and commerce will be retained to amortize the cost in some 30 years or so, after which the benefits will continue for the peoples of the two countries in perpetuity and without cost other than to meet the small charges for maintenance and operation.

As regards Niagara: the Treaty of 1909 defined the agreement which had been reached between the two governments in respect to the diversion of waters for the generation of power. What was sought was a formula which would give equality in the benefits to be derived by each country, and so, because of the fact that for convenience a plant producing power for United States use was established in Canada, the flows were unequal. With the passage of time these arrangements ceased to be suitable, and in the light of an insistent demand in both countries for the protection of the Falls from erosion, the Niagara provisions of the Treaty of 1909 were superseded by the Niagara Diversion Treaty of February 27, 1950, which has subsequently been ratified by both countries.

Under this treaty, very substantial increases of flow are made available to each country for the generation of power which is now so urgently required to assist in our defence preparations and other industrial developments. All the rights acquired by Canada have been made available to the Province of Ontario by an agreement dated March 27, 1950, in accordance with the established policy that the Canadian provinces should have the rights to power in their rivers even if these rivers are in part international in character.

In the Niagara Diversion Treaty, the Commission has been made, in effect, the trustee of both countries with a special duty to ensure the preservation of the scenic beauty of the Falls by the construction of works to redistribute the flow; and, to this end, the Commission was invited "to make recommendations as to the nature and design of such remedial works and the allocation of the task of construction as between Canada and the United States". Ontario has agreed to construct such works in Canada as may be decided upon, and it has been arranged that a similar authority will be named in the United States when the question of redevelopment of the power sites in that country has been decided by the United States Government and Congress. The Commission set up an engineering board and working committee of those in both countries best qualified to advise. Among those included were Mr. Hearn, Dr. Holden and certain of their associates in the Engineering Department of Ontario Hydro..... The necessary engineering investigations have been completed, the nature of the remedial works which are required has been determined and, as I have said, specific proposals accordingly have been made to the two governments. Meanwhile, Ontario has been made entirely free to proceed with the construction of the new works for power which will add eventually perhaps a million and a half installed horsepower to the plants at Queenston.