

Under the 1941 Agreement the Great Lakes-St. Lawrence Commission is empowered to prepare plans for remedial works in the Niagara River above the Falls and the Governments may agree to build such works. On completion of the works, additional diversions for the whole year of 5,000 c.f.s. will be permitted for power on each side. The Commission after study may recommend further diversions.

- (e) Under the 1932 Treaty, diversions into the Great Lakes System were to be credited for power purposes to the country diverting the waters.

Under the 1941 Agreement the same agreement is made but in October, 1940, the United States agreed to immediate diversion and use of Ogoki and Long Lake water by Ontario, in anticipation of an agreement on the whole Great Lakes-St. Lawrence Project being reached.

- (f) Under the 1932 Treaty the Chicago diversion was to be reduced by the end of 1938 to the amount set by the United States Supreme Court decree and if the United States should propose to increase the diversion over that amount and Canada should object the question was to be referred to an arbitral tribunal.

In 1941 the Chicago diversion has been reduced to the final amount set by the United States Supreme Court decree and the 1941 Agreement provides that if any increase is authorized by the United States and not agreed to by Canada the United States will accept submission to an arbitral tribunal with power to direct compensatory or remedial measures.

23. As was the case in 1932, so in 1941 a Canada-Ontario Agreement was signed just prior to the signing of the Canada-United States Agreement.

The 1941 Canada-Ontario Agreement is similar in scope to the 1932 Agreement with added provisions brought about by the inclusion of the Niagara Remedial Works in the Canada-United States Agreement of 1941. (W.P. p. 11.)

24. The principal points of difference between the 1932 and 1941 Agreements are as follows:—

- (a) Under the 1932 Agreement, Ontario was to pay Canada a total of \$67,202,500 extended over a period of 10 years and upon completion of the payments Ontario was to become the owner of the power works and lands connected therewith on the Canadian side of the International Rapids Section of the St. Lawrence.

Under the 1941 Agreement, due to the lesser cost of a single stage power development Ontario is to pay Canada \$64,125,000 over a period of 10 years and upon completion of the first payment of \$20,000,000 Ontario is to become the owner of the power works and lands connected therewith on the Canadian side of the International Rapids Section of the St. Lawrence subject to provisions for revesting of the works in Canada if Ontario fails to make on the due date any of the subsequent payments.

- (b) Under the 1932 Agreement Canada agreed to share the cost of the construction and operation of the Ogoki River diversion should such be undertaken; Canada's share, when capitalized being equivalent to \$4,000,000.

Under the 1941 Agreement Ontario assumes all costs and charges on account of the Ogoki River and the Long Lac diversions and undertakes to proceed with these diversions in accordance with commitments already made.