

In this connection it may be appropriate to refer, also, to the interest of the Government of the United States in the early development of mutual plans for the best utilization of the resources of the entire Great Lakes basin by the two peoples. Any understandings at this time, while necessarily of a temporary nature, should be such as to be in harmony with and to forward the more comprehensive plans for the Great Lakes-St. Lawrence undertaking.

The interest of the United States in the matter has been considerably heightened since the conversations of last winter, due to the necessity which has arisen of a major national defense effort. This program, which will necessarily extend over a period of years, may be expected to result in an acceleration in the upward trend in the demand for power. The development of the International Rapids Section of the St. Lawrence River offers the best means of meeting the increasing demand in one of the most important areas of war material production.

In the light of these considerations, the United States is considering the following procedure as designed to further the above set forth interests of the two peoples;

1. Agreement on the diversion of water from the Albany River basin into Lake Superior to the extent of approximately 5,000 cubic feet per second, as contemplated in the proposed Ogoki and Long Lake projects of the Province of Ontario.

2. Agreement that, notwithstanding the provisions of Articles 5 and 8 of the Boundary Waters Treaty of 1909, the exclusive rights to the use of waters equivalent in quantity to waters so diverted shall be vested in Canada and may be diverted by the Ontario Commission in addition to the present diversion for power purposes at Niagara.

3. Understanding that there will be initiated immediately preliminary engineering and other investigations of the site of the International Rapids Section project, including core borings, test pits, soil analyses, preparation of specifications, etc., in order that the project may be undertaken without delay when final decision is reached by the two Governments. Such preliminary work will be under the direction of a Commission designated for that purpose to cooperate with a similar body representing the Canadian Government.

4. Agreement that the cost of such preliminary investigations and engineering work shall be considered as part of the cost of the project for purposes of allocation to be reimbursed in proper proportion by the Ontario Commission as and when it develops its share of the International Rapids Section power.