

A copy of the suggested new draft Treaty  
is attached as ..... Appendix V.

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Following the transmittal of the new draft Treaty all subsequent exchange of views between the two Governments has been oral. The most recent incident was the call of Mr. Armour upon the Prime Minister on November 1st last - referred to at the commencement of this brief.

BASIC ADVANTAGES TO CANADA  
OF PRESENT TREATY SET-UP.

Before commenting further upon either the Canada-United States position or the Canada-Ontario position it is necessary - in order that the general position may be properly appreciated - to summarize the basic advantages to Canada and to Ontario which are being provided for in the Treaty proposals. These will be reviewed under the heads of the present St. Lawrence Treaty and of the Niagara Convention with subsequent brief comment upon the scope and effect of the new Treaty proposals.

The Present St. Lawrence Deep Waterway Treaty.

The present St. Lawrence Deep Waterway Treaty involves the following basic advantages to Canada:-

1. Provides for a 27-foot deep waterway from Fort William and Port Arthur to tidewater.
2. Provides for a deep waterway that is as definitely Canadian as is the Great Lakes-St. Lawrence waterway as developed to date.