

memorandum annexed thereto, were made to the Government of the United States with the object, if they should prove acceptable, of reaching a final settlement of these long-standing questions. On the 21st April, 1922, His Majesty's Ambassador at Washington transmitted a reply, dated 19th April, 1922, from the Government of the United States to the effect that the proposals so made were acceptable as a basis of settlement. Thereafter, however, certain questions arose concerning the effect which such a settlement might have upon the special interests, on the one hand, of the Provinces of Ontario and Manitoba, and, on the other, of the State of Minnesota, in relation to the Lake of the Woods region. The Minister, having occasion to visit Washington during July, 1922, the Secretary of State of the United States raised this phase of the matter and suggested the advisability of the Governor of Minnesota and his advisers being afforded an opportunity of informally representing their views to the Government of Canada. Accordingly arrangements were made under which in September and November, 1922, two informal conferences were held in Ottawa between representatives of the various parties concerned, Federal, Provincial and State, for the purpose of disclosing the several points of view and thus expediting a satisfactory settlement of the whole matter.

Upon the completion of these steps it was arranged with the Government of the United States that the appropriate technical officials of the two Governments should meet together in order to draw up, for the consideration of their Governments, such formal documents as might be appropriate to embody the final agreement; and accordingly, Mr. L. C. Christie, Legal Adviser, and Messrs. W. J. Stewart and J. B. Challies, Consulting Engineers of the Department of External Affairs, and Mr. S. S. Seovil, Engineer of the Lake of the Woods Control Board, were instructed to proceed on the 15th February, 1923, to Washington for the purpose. These officials have now submitted, as the result of their mission, three documents which were drawn up, in concert with their American colleagues in the discussions, upon the basis of the memorandum and of the results of the informal conferences to which reference has been made above. These documents, thus prepared for the consideration of the two Governments and for their signature if approved, are as follows, a copy of each being submitted herewith:

- (1) A proposed Convention between His Majesty and the United States of America to regulate the level of Lake of the Woods.
- (2) A proposed protocol accompanying the Convention to regulate the level of Lake of the Woods.
- (3) Proposed Identical Letters of Reference to the International Joint Commission respecting Rainy Lake and other upper waters of the Lake of the Woods watershed.

The discussions between the technical officials proceeded, as the Minister is advised, upon the basis that the proposed Identical Letters of Reference to the International Joint Commission should be signed and transmitted to the Commission upon the date of the signature of the proposed Convention and Protocol.

The Minister is of the opinion that an agreement between His Majesty and the United States upon the terms of these documents would constitute a fair and equitable solution of the questions regarding Lake of the Woods outstanding between the two countries, and he therefore recommends, with the concurrence of the Minister of the Interior, that the Government of the United States be informed that this Government is prepared on its part to make the appropriate arrangements for signature without delay.

At the same time it is desirable, in the view of the Minister, that certain further explanations should be given of the general scheme of these documents and of the relationship existing between the regulation

of Lake of the Woods and the regulation of Rainy Lake and other upper waters of the Lake of the Woods watershed.

It is understood to be the contention of the United States that the principal benefit of the regulation of Lake of the Woods will accrue to Canadian interests, and that, on the other hand, the main American interests in this region, in so far as power development is concerned, lie in the upper part of the watershed. The Government of the United States also contend, it is understood, that the control of Lake of the Woods and any control of the upper international waters should be considered as one general problem in which both Governments would be interested. Since however there is not now available sufficient exact information to enable the two Governments to determine to what extent such upper waters should be regulated, it is not practicable to formulate the terms of an agreement with respect to these waters at present. This being so and there being also an immediate need for control of the waters of Lake of the Woods, it was agreed at the informal conferences held at Ottawa in September and November, 1922, as above mentioned, that the proper course of action, having regard for the interests of both countries and of their nationals, would be to conclude at once an agreement for the control of the Lake of the Woods levels and at the same time to call upon the International Joint Commission for an investigation and report upon the upper waters.

This understanding, the Minister would point out here, will be fulfilled in the event of the signature, upon the same date, of the proposed Convention and Protocol and of the proposed Identical Letters of Reference to the International Joint Commission, as above recommended.

As for the contention that an agreement regarding Lake of the Woods would probably cover the main concern of Canada in the watershed, the Minister further recommends that this occasion be taken to inform the Government of the United States that the Canadian Government, as an indication of its desire to promote an equitable settlement, is prepared to accept the view that all these international waters should be considered and treated as one general problem. To this end the United States Government should also be informed that, should the International Joint Commission, under Questions 2 and 4 of the proposed Identical Letters of Reference, find benefits accruing to Canadian interests from the control of the waters of Rainy and Namakan Lakes, the Canadian Government will be ready to contribute towards the expense of such control such fair share as may be properly chargeable to Canadian interests; and that, should the Commission find that further control of the upper international waters would be desirable, the Canadian Government will be prepared as expeditiously as possible to enter into negotiations with the Government of the United States looking to a further agreement for that purpose.

One further matter arose from the informal conferences of September and November, 1922, to which some reference should be made. The suggestion was put forward that the International Joint Commission should supervise the arbitration and appraisal of all claims for damages incident to past, present or future storage on Rainy Lake and the other upper international waters. As at present disposed the Minister is of the opinion that such an employment of the machinery of the International Joint Commission not only was not contemplated by the Treaty of the 11th January, 1909, by which it was created, but would be calculated to impair the high usefulness of the Commission to both countries. It is evidently, however, unnecessary to decide upon this point at the moment, and the Minister would suggest that it might well be left for discussion between the two Governments in connection with such future agreement as may be entered into with regard to the upper international waters.

In connection with these explanations concerning the proposed investigation and agreement relative to the upper waters the Minister considers it desirable to point out here that the whole practice of the two