

bringing into force, in advance of a St. Lawrence agreement, of the provisions enabling Ontario to proceed with the Ogoki and Long Lake diversions and to utilize immediately 5,000 cubic feet per second of additional water at Niagara. This made it possible to develop immediately, using idle equipment, 70,000 horse-power.

4. The demand for power grows from day to day and from month to month. It is not a problem of static industry, it is one of constantly expanding production. Continuous expansion of production can only take place if there is corresponding expansion of hydro-electric power.

5. To meet this situation, a proposal has been made by the government of the United States of America, leading to the immediate further utilization of the water at Niagara. It involves the immediate diversion of 5,000 cubic feet per second on the United States side, which will produce 70,000 horse-power; and the immediate diversion of 3,000 cubic feet per second on the Canadian side, which will produce 35,000 horse-power, mostly in the form of additional energy.

6. This proposal has been embodied in an exchange of notes which took place on May 20. It might be of service to hon. members if copies, in English and in French, were included in votes and proceedings of to-day. I am tabling them for that purpose.

7. This exchange is being submitted to the senate of the United States for approval to-day, and it is expected that its provisions will be put into effect to-day or to-morrow.

8. It provides for the immediate diversion of 5,000 cubic feet per second on the United States side and 3,000 cubic feet per second on the Canadian side. There is at present an idle plant on the United States side which can use 12,500 cubic feet per second. The maximum amount of additional water that can be effectively used in Canada, with existing equipment and under existing market conditions, is 3,000 cubic feet per second. That is the reason for the apparent discrepancy in this apportionment.

9. In substance, the exchange accelerates the provisions of the St. Lawrence agreement, whereunder additional power would be made available at Niagara, and it takes advantage of relatively high water conditions in the lakes to give effect to these provisions before the construction of the remedial works.

10. The agreement is subject to certain conditions. In the first place, it cannot extend beyond the duration of the present emergency; in the second place, it is subject to reconsideration by both governments