

and 30 foot over the sills of the locks. The immediate effect of the construction of this canal has been to carry the deep water navigation as it at present exists in the upper lakes (18 to 20 feet) through to Lake Ontario to the strategic advantage of the United States ports of Oswego and Albany. The United States is proceeding with a program of deepening the upper lake channels for 24 to 26 foot navigation and has completed the deepening of the Hudson River channel from Albany to the sea to 27 feet.

Until such time as the St. Lawrence Deep Waterway provides deep water communication from Lake Ontario to tidewater, the capital expenditure on the New Welland Ship Canal is not realizing the purpose for which it was incurred. The transportation benefits accruing from its construction are being directed to United States channels.

The New Welland Ship Canal will not develop its usefulness to the Dominion until the Deep Waterway has been completed to the sea.

Chicago Diversion:

22. Canada has secured a satisfactory solution to the Chicago diversion controversy—one of the most outstanding and contentious problems that in recent years have confronted the Governments of Canada and the United States. To properly evaluate the solution which has been reached it is necessary to remember that the Chicago diversion has been in excess of 4,000 cubic feet per second for the past thirty years, reaching a maximum of 9,465 cubic feet per second in 1924 and still flowing at the rate of 8,180 cubic feet per second during the past year. The solution reached is considered as constituting a settlement which is reasonably fair to all the conflicting interests concerned, and one which secures to Canada safeguards as to the future, as well as substantial contingent benefits as reviewed hereunder.

23. Canada has in the first place gained a definite international commitment to reduce the abstraction by December 31, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of April 21, 1930, i.e. to 1,500 cubic feet per second, plus the water for domestic purposes. This limit can only be increased as an emergency measure approved as such by the United States Supreme Court and concurred in by Canada. Failing such concurrence by Canada, the emergency proposal must be referred to an international arbitral tribunal which—if it permits the emergency diversion—is to stipulate such compensatory provisions as it may deem just and equitable.

Ultimately the abstraction must be returned to the amount provided for in the United States Supreme Court Decree.

24. An outstanding gain to Canada lies in the fact that for the first time the Chicago abstraction has been brought within the scope of an international agreement which is clear-cut in its terms and recognized as such by the two High Contracting Parties.

25. A further outstanding gain to Canada is that for the first time in the long history of treaty negotiation between Canada and United States, the United States agrees to place the abstraction of water from Lake Michigan under international control.

26. Canada has gained a further point of cardinal importance in that the United States

has agreed that hereafter there shall be no abstraction from the Great Lakes System to another watershed except by authorization of the International Joint Commission. This constitutes a perpetual safeguard to all interests (power, navigation and foreshore interests) dependent upon or interested in the waters of the Great Lakes System. It also safeguards those wholly Canadian interests depending upon or affected by the St. Lawrence waters in the Province of Quebec.

27. A further feature of exceptional import lies in the fact that Canada has gained the definite acknowledgment of the United States to Canada's continued proprietary ownership all down the International Reach of the Great Lakes and the St. Lawrence River, of 4,000 cubic feet per second of water that can be economically diverted from the Ogoki River into Lake Nipigon and thence into Lake Superior. This Ogoki inflow somewhat more than balances the ultimate abstraction provided for at Chicago, and, in conjunction with the restrictions placed upon the withdrawal at Chicago, will restore the water levels of the Great Lakes and the St. Lawrence River to the sea to their natural range, with all the inherent advantages to navigation which this implies.

28. Furthermore, this provision re the Ogoki diversion into the Great Lakes System provides for the following power advantage to Canada (power is estimated as firm power at 90 per cent efficiency with 60 per cent load factor):

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| (a) This will make available to Canada on the international reaches of the St. Mary, Niagara, and St. Lawrence rivers, without any further treaty negotiations. | 277,100 h.p. |
| (b) It will add to the available power on the Nipigon River. | 170,000 h.p. |
| (c) It will add to that portion of the St. Lawrence lying within the Province of Quebec. | 73,300 h.p. |

Total from Ogoki Diversion.	520,400 h.p.
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29. As a part of the Chicago diversion settlement, Canada has arranged for the construction of compensation works for the restoration of the Great Lakes and St. Lawrence levels to compensate for all lowering caused by the abstraction of water by Chicago or for the disturbance of the levels owing to any other interference with the natural outflow or inflow, from or into, the Great Lakes System. This provision will perpetually protect the navigation interests throughout the Great Lakes-St. Lawrence System.

30. As a final safeguard it has been arranged that Canada will be supplied officially by the United States Government with systematic records of the waters abstracted through the Chicago Diversion Canal. This is part of a mutual provision whereby all waters abstracted from or added to the Great Lakes System shall be officially recorded by the Government within whose jurisdiction the abstraction or addition is made, and the records mutually interchanged.

General:

31. The Deep Waterway will provide access to the sea to a population of some 40,000,000 occupying twenty-one or more of the inland

Hon. Mr. TANNER.