

the Ontario Hydro-Electric Power Commission if the Ontario Government so decides, and the power in Quebec to be leased to private interests at the instance of the Quebec Government, if that Government so desires).

2. That the costs of the waterway project be apportioned as between power and navigation on the following lines:

- (a) All structures purely for navigation such as locks, etc., to be charged to navigation;
- (b) All structures purely for power purposes such as Power Houses, etc., to be charged to power;
- (c) Other structures such as dams, embankments, channel improvements, etc., etc., to be apportioned between navigation and power in accordance with their reasonable utility to each;
- (d) The details of the apportionment to be left to a committee of accredited technical representatives of the Dominion on one hand, and of the Provinces of Ontario and Quebec on the other.

The undersigned is of the opinion that the above method of apportionment would be equally fair and mutually advantageous to the navigation and to the power interests. In other words, the power-consuming public in Canada within transmission distance of the St. Lawrence will benefit from the cost of the common structures being partly borne by navigation, while the remainder of the Canadian public, who are interested solely in the navigation features of the waterway, will correspondingly benefit by having a portion of what would otherwise be navigation costs, borne by the power consumers.

The foregoing suggestions are eminently fair to the Provinces and should prove wholly acceptable to them. Questions will arise as to responsibility for the layout and design of the power and navigation structures as between the Provinces and the Dominion and as to the operation of the same after construction. No difficulty need be anticipated in reaching an agreement on this, if it is mutually agreed that navigation must have precedence and that power schemes in the respective reaches must fit in with any overall power-navigation scheme designed for the most efficient development of the entire waterway. The Dominion should be responsible for the plan of overall development.

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