Subject

From the Department of State, St. Lawrence Waterway project. Washington, December 29th, 1924.

Reference: Ottawa despatch No. 169 of November 28th, 1924.1

ENCLOSURE IN No. 106

From the United States Secretary of State to His Majesty's Ambassador at Washington

> DEPARTMENT OF STATE, Washington, December 29, 1924.

EXCELLENCY,—Referring to your note of December 2, 1924, informing me that the technical officers for Canada designated to prepare recommendations for instructions for the Joint Board of Engineers for the investigation of the St. Lawrence Waterway were being instructed to confer again with the technical officers representing the United States on the questions embraced in Section 6 (a), (b) and (c) of their joint report of June 20, 1924, and to make a supplementary joint report to the two Governments concerning those questions, I have the honour to inform you that in pursuance of the intention of this Government as communicated to you by my note of November 10, 1924, the technical officers for the United States were instructed to confer with the technical officers for Canada for the purposes mentioned in your note.

Conferences were held by the technical officers in Washington on December 2-4, 1924, and an original copy of the supplementary joint report prepared by them was submitted to this Government. I understand that a duplicate original of the report was submitted to the Canadian Government.

These recommendations are made in the report as follows:—

1. That the following paragraphs be substituted for Section 6 (a), (b) and (c) of the recommendations made by the technical officers in their joint report of June 20, 1924:

"6. (a) To what extent and in what manner are the natural water levels in the St. Lawrence River and on the lakes affected by diversions authorized by license by either Canada or the United States, from or in the St. Lawrence River Watershed?

(b) By what measures could the water levels or navigable depths affected by the diversions referred to in Section 6 (a) be restored, and what would be the cost thereof?

(c) How much power could be developed on the St. Lawrence River with the water diverted from the watershed referred to in Section 6 (a)

(1) The plans recommended.

(2) Alternative plans providing for a full practical development

(d) Without considering compensation by the present relative diversions of water from the Niagara River and from Lake Erie, and without prejudice to a future consideration thereof, what works, if any, could be constructed to recover on the St. Lawrence River the amount of power determined under Section 6 (c) and what would be the cost of such

II. That a paragraph be added to the joint report of June 20, 1924, as the second of the unnumbered paragraphs at the end as follows:

"It is also desired that in the preparation of the report, due regard should be had to any diversions from or in the St. Lawrence River watershed, which, at the date of the report, are authorized by license by either Canada or the United States."

III. That the end of April, 1926, be designated as the date for the completion of the investigation and the final report by the Joint Board of Engineers instead of the end of October, 1925, as was recommended in the report of June 20th last.

This Government has considered and finds acceptable the foregoing recommendations. It is therefore prepared to approve the joint report made by the technical officers on June 20, 1924, amended by the adoption

The approval of the supplementary report involves the abandonment for the present of consideration of the proposal made by this Government in my note of July 2, 1924, to have included in Section 6 (b) the question of the extent to which the unequal diversions of water from Lake Erie and the Niagara River for power compensate for loss of power attributable to diversions from Lake Michigan. As appears from the supplementary report, the Canadian technical officers took the position that the question is not an appropriate subject for consideration by the Joint Board of Engineers at the present time, especially in view of the other complex questions which the Board will have to consider, and the technical officers for the United States acquiesced in the exclusion of it on condition that the adoption of this course was without prejudice to its future consideration.

This Government gives its approval to the report as amended on the understanding reserved by its technical officers that consideration at a future time of the unequal diversions of water at Niagara as bearing on the diversion from Lake Michigan is in no wise prejudiced by the omission of the question from those which it is at this time proposed to refer

to the Joint Board of Engineers.

If the recommendations of the technical officers as revised and the understanding stated with reference to the diversions near Niagara are acceptable to the Government of Canada, this Government on receiving information to that effect, and that the Canadian Government is prepared to issue instructions in accordance with the recommendations to the Canadian members of the Joint Board of Engineers, will be pleased to issue similar instructions to the American members of the Board.

I shall be grateful if you will cause the foregoing to be communicated to the Canadian authorities and will inform me in due course of their

Accept, etc.,

CHARLES E. HUGHES.

His Excellency The Right Honourable Sir ESME HOWARD, G.C.M.G., K.C.B., C.V.O., Ambassador of Great Britain.

No. 107.

From His Majesty's Ambassador at Washington to the Governor General

BRITISH EMBASSY. WASHINGTON, D.C., January 9, 1925.

My LORD,-With reference to my despatch No. 278 of July 17th last I have the honour to transmit to you herewith copies of the decision of the United States Supreme Court delivered by Mr. Justice Holmes on

W.L. Mackenzie King Papers Memoranda & Notes

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