

and environmental consequences affecting particularly Ontario and Quebec. Not the least of these would be a much greater consumption of fossil fuels with serious economic and environmental costs, to replace power lost at Niagara, Cornwall and on the Canadian Section of the St. Lawrence. Very large compensation costs could be involved and Canada expects that the U.S. would provide such compensation. In particular Canada would expect that the U.S. power developments at Niagara Falls and Barnhart Island would absorb the full effect of any resulting lessened flow of water and that full reimbursement would be received for power losses at Beauharnois. If the project is carried out, early consultations will be necessary to establish mechanisms for considering compensation questions including, if necessary, the formation of an appropriate tribunal.

By this Note the Government of Canada wishes to ensure that the United States Government is fully aware of Canada's long-standing opposition to unilateral increases in diversions from the Great Lakes system.

The Embassy of Canada avails itself of the opportunity to renew to the Department of State the assurances of its highest consideration."