Encl. 145/3/40 DEPARTMENT OF STATE JANUARY 24, 1940 FOR THE PRESS No. 45 The Canadian Delegation on the Great Lakes-St. Lawrence Basin Project arrived in Washington on January 21st. On Monday, January 22nd, conversations with the United States Delegation were resumed in the Department of State. These conversations continued through the afternoon of January 24th. Dr. O. D. Skelton, Under Secretary of State for External Affairs and head of the Canadian Delegation, and his associates left Washington to return to Ottawa this afternoon. Before their departure, the following joint statement on behalf of the two Delegations was agreed upon: "During the discussions the whole field was covered, and definite progress was made. The discussions have now reached the point where it is necessary for the two Delegations to report to their respective Governments on various matters of policy requiring their consideration and decision. "The engineering advisers of the two Governments have reached substantial agreement on the feasibility and desirability of a project in the International Rapids section of the St. Lawrence River which would involve a main dam in the vicinity of Barnhart Island, with a power house in each country, and a control dam upstream. This project is based upon a plan which was discussed in some detail in the 1926 report of the Joint Board of Engineers. The engineers of the two countries are in agreement that such a project is sound from an engineering standpoint, cheaper in cost than the project on which the 1932 Treaty was based, and affords full protection for all the interests in the various sections of the St. Lawrence River. "The negotiations will continue through diplomatic channels." \*\*\*