

In our Commission's report we said there were enough known factors (those that I have just been reciting) to determine the proportion that each country should pay for the use of the improved waterway, and that those proportions should continue in effect for five years after the works were completed - probably fifteen years hence. It seems to me that Canada would be justified in saying to her neighbour - we are embarrassed to a much greater extent than you are by taxation. We want that proportion - probably not exceeding twenty per cent for Canada, to be in effect for twenty-five years. We believe that the ratio of use by the United States will be in the neighborhood of that just stated. You would not be so urgent about the development of this waterway if you were not convinced that your people would use it. We cannot afford to take any chances in the matter, until say twenty-five years, when our tax burdens should be much lighter. Therefore we consider that Canada should not be called upon to pay more than twenty per cent at the most, of the total, for twenty-five years. If at the end of that time, the commerce that has used it, indicates that Canada has paid too much, you, the United States, should make good to us the difference, spread over a term of years thereafter. On the other hand, if you - the United States, have paid too much, Canada should refund you the excess by annual payments.

and adjusted  
every five years  
hereafter based  
upon the  
commerce of  
each country  
using the  
system during  
the preceding  
five years.

toll

Please bear in mind that our Commission, included the Welland Canal in our suggestions. Some years ago the city of Toronto was strong in the councils of our country and we woke up one morning and found that Canada was committed to the enlargement of the Welland Canal, which when completed will have cost us nearly \$100,000,000. If what I have already said as to the proportion of the toll that each country should pay is sound, then Canada would receive a credit of the interest on about eighty per cent of that expenditure. The superficial way in which the whole matter has been considered by our press and others gives the impression that Canada cannot go into the St Lawrence development except on a fifty-fifty basis; that we cannot allow the United States to have any ownership or control over works within our own territory. Nothing of that character was suggested by our Commission, and it would be unwise even to talk about a fifty-fifty basis because the heavy expenditure will be in Canada, and if our neighbours were to put up fifty per cent it would make them owners of a certain proportion of the works in Canada.

4 of the actual  
cost

Now I come to the question of what I regard as sound national policy for Canada. I consider that our Government should frankly say to the Government at Washington: "We are over-burdened through developing a transportation system far beyond our present requirements. We recognize our duty to you as a neighbour; we are willing to join you in the development of the international section of the St Lawrence, and to enlarge the waterway in the national section between Montreal and Cornwall in order to enable you to increase your trade, but we consider we are justified in asking you to enable us to enlarge our trade in your country so as to meet the heavy obligations our people have to pay to