201333349 GAS **5**8-7833388

and unless they are examined and discussed frankly they may fester underground and poison the relationship. It is, however and I am sure all hon. members will agree with me - of vital importance that in any such discussions of differences we should act with good temper and in good faith; that we should always display a sense of responsibility, a sense of proportion, and indeed I suggest at times a sense of humour. Our efforts should constantly be not to score points at each other's expense but to come to agreed solutions.

St. Lawrence Seaway

There is one question in our relations with the United States, that of the St. Lawrence seaway, concerning which we have not been able to reach such an agreed solution. We would like to see that seaway built as an international project as a witness to our good neighbourhood and close co-operation. That, however, has not been possible, and the action, or rather the inaction, of the United States Congress, which adjourned last Saturday night, shows, I think, that it is not going to be possible to secure agreement with the United States on this matter at an early date. Therefore we are prepared to recommend that this seaway should be built by Canada, and we shall soon request and expect to receive that co-operation from the United States government which it must be remembered is required under the boundary waters treaty.

The following steps remain in fact to be taken before the Canadian development can take place. In Canada, authorizing legislation, as announced in the Speech from the Throne at the opening of the present session of Parliament, is required and will be introduced to provide for the construction of the St. Lawrence seaway and power project, and to provide for an appropriate agency of the Federal Government to deal with the construction of the seaway. Then an agreement, the terms of which have already been worked out, must be concluded with the Government of Ontario for the construction by the Ontario Hydro-Electric Power Commission, together with the appropriate authority in the United States, of the power development in the international rapids section of the river, and with respect to the division of costs between power and navigation. There must also be an agreed division of responsibility with the United States agency for the construction is somewhat different because the international section of the St. Lawrence stops before the Quebec border is reached, steps are being taken to work out an agreement with the province of Quebec covering possible power developments in that province arising out of the Canadian waterways construction.

And, finally, from the point of view of Canadian action, an application by the Ontario authorities for the construction of the power works must be transmitted by the Canadian Government to the International Joint Commission for approval there.

Then on the United States side, a decision must be made - and I am now talking of the construction of the Canadian seaway - a decision must be made and approved by the President as to what agency in the United States will be responsible for constructing the United States part of the power project in the international section of the St. Lawrence River. That is a complicated problem in which many United States political considerations are no doubt involved, and the solution of the problem may take some time. At least, it cannot I suppose be reached overnight.