

No. 15

*From the Premier of Ontario
To the Prime Minister of Canada*

TORONTO, September 21, 1938.

MY DEAR PRIME MINISTER:

I beg to acknowledge receipt of your letter of August 30th.

As you point out most of the matters arising within the proposed Treaty can be determined and settled only by the Government of Canada. For me to participate in any negotiations or discussions looking to the formation of Dominion Government policy could only lead to confusion. It is your responsibility, not mine, and it would be equally embarrassing to both of us if I took any part in it. Of course, I am greatly concerned, in view of the fact that all the Great Lakes are within the territorial limits of this Province and the enormous proposed expenditure will be paid for to the extent of upwards of one-half by the people of this Province. You point out that, in the division of the total costs, you expect credit to be given to Canada for a share of the expenditure already made on the Welland Canal. You do not refer, however, to the fact that, in order to get any new benefit from the proposed St. Lawrence canal every harbour and dock on the Great Lakes will require to be deepened and rebuilt and in many instances there are physical and engineering problems which are almost insurmountable. Added to this will be the enormous cost of dredging and maintaining harbours at the proposed new low levels, which cost will continue in perpetuity. These vast expenditures of Dominion money will exceed the cost of the St. Lawrence work itself and will be unshared by the United States.

May I ask where the pressure is coming from for the deep waterways? Has any ocean steamship company indicated that if the canal were built it would utilize it for ocean-going ships?

My opinion is that there is far too great an overhead expense to permit any type of ship, except the ocean tramp steamers, for which there are now adequate facilities, from meandering slowly up an inland course. Certainly such an avenue of transportation would eliminate any possible passenger service. It would appear that the whole project would prove as great a fiasco as the present Hudson Bay outlet.

The attitude of this Province to the power clauses seems obvious to me. When this Government came into office the Province was swamped with a surplus of unuseable Quebec power—a situation with which it would not in any way be chargeable. We have succeeded in lightening this burden in a number of ways in spite of the quite unsympathetic attitude of your Government. We now have a surplus of power which we can carry, but which is rather larger than we require