

view then is that as the Government at Washington is from all appearances keenly anxious to have the St Lawrence River opened up between Montreal and Kingston, that Canada might very properly say "we have burdened ourselves to the very limit in the matter of transportation. We have no need of the St Lawrence development at the present time. We appreciate however our responsibilities as a neighbour and we are willing to meet you in this matter along the lines of the report of the International Joint Commission, provided you, in the same spirit of good neighborliness, do what should be done, so far as practicable the world over between fair-minded people, namely, enable us to sell to you enough material with which to pay you for those things we take from you.

Not only has the balance of trade been running against us about \$200,000,000 a year for the past six years, but we have to send the United States vast sums of money, being the interest on loans from that country. What is in my mind then is that the United States should allow our wheat and meat in Western Canada, the freedom of its markets, and likewise allow our people in the Maritime Provinces and Quebec for that matter, the same privilege. I see the difficulties in the way. The United States might say that it is impracticable but it would probably force that country to come forward with a counter proposition, provided they really want the St Lawrence route opened up.

If Canada could arrange for an entry for the Prairie Provinces into the markets of the United States, it should remove the dissatisfaction of the agriculturist of the middle west, and the Maritime Provinces should take on a new lease of life if the United States markets were open to them. I realize our railways would probably object, fearing the diversion of traffic to our neighbours, but the increased growth of the country would soon overcome any losses that might occur as the outcome of such an arrangement.

Now a few words about the Commission's report on the St Lawrence. If you look at the situation at Sault Ste Marie, you will find three or four canals on the American side, and one on the Canadian side. Why? Because the United States has at least four times the traffic of Canada. Each country owns its own canals, operates them and controls them. There is no toll on traffic, yet toll is paid by way of interest on the increased national debt that each country bears in connection with the construction of those waterways.

The principle laid down in our report and which may not be as clear as it might be, is as follows: that each country shall own the structures within its own territory and to operate and control them, with a certain measure of international control on account of the toll that each country will be called upon to pay in connection with the commerce using the waterway. Off-hand I would say that in respect to the entire cost, sixty per cent would be spent on construction in Canada, and forty per cent in the United States. This disparity is due to the fact that in addition to constructing the international works, it will be necessary to deepen the channel between Cornwall and Montreal - entirely in Canadian territory.