

been stated in one way or another that the cost may be \$100,000—some have put it as high as \$500,000—to make a safe channel from Lake Ontario down to Ogdensburg on the American side or Prescott on the Canadian side. But I cannot see, for the life of me, why it is necessary to make that agreement at the present time, or before the Government have decided what final action they are to take in connection with the whole international section.

Hon. Mr. McLENNAN: You could not use the new Welland Canal unless there were a place to discharge. You must have a place at Prescott in order to utilize the Welland.

Hon. Mr. REID: I am stating only that it is not necessary for us to enter into an agreement with the United States whereby they will do certain work if we will do certain other work in connection with these terminals.

Right Hon. Mr. GRAHAM: Is not this really what the Minister meant, that the location of the terminals at Prescott is contingent on the United States Government, either through agreement or otherwise, doing certain works on the channel west of Prescott?

Hon. Mr. DANDURAND: On their side.

Right Hon. Mr. GRAHAM: That is, the channel on their side of the river.

Hon. Mr. REID: Yes.

Right Hon. Mr. GRAHAM: If he says it would be unnecessary if the terminals were somewhere else, does he not mean that if the terminals were placed for instance at Kingston, at the foot of Lake Ontario, no work would be necessary on the American side, but if they are at Prescott the channel on the American side will have to be deepened, and that must be done either by the American Government or through agreement with them?

Hon. Mr. REID: He may mean that, but he does not say that. There is the point that I am raising, in order that I may get an answer.

Hon. Mr. DANDURAND: I think my honourable friend (Hon. Mr. Reid) is in error.

Right Hon. Mr. GRAHAM: I think that is what the Minister says.

Hon. Mr. DANDURAND: I think the Minister speaks of works on the American side.

Hon. Mr. REID: Where does he make that statement?

Hon. Mr. DANDURAND: Would my honourable friend give me again the page from which he has read?

Hon. Mr. REID.

Hon. Mr. REID: Page 3983:

I suppose that no matter where the terminals were located some arrangement would have to be made with the United States in regard to dredging?

Hon. Mr. DANDURAND: Above that there appears this statement:

Mr. Elliott: I would say that at present the decision is somewhat contingent upon the arrangement which can be made with the government of the United States as to the work to be done in their own channels.

Hon. Mr. REID: That may mean exactly what the right honourable gentleman from Brockville (Right Hon. Mr. Graham) has stated. I think his interpretation is probably right. If the section from Prescott to Ogdensburg west to Lake Ontario is meant, then of course there is no question at all about that point. If the statement does not mean that, and if the decision is contingent upon dredging or other work to be done between Cornwall and Lake Ontario, or in other parts of the St. Lawrence, then I am afraid we may have trouble. That is one reason why I am eager to have a thorough understanding in this respect. Another reason is this. If I remember rightly I have read somewhere evidence to the effect that the Aluminum Company are to do all this work between Lake Ontario and the Long Sault Rapids, and they would spend \$1,000,000. Now, if an agreement is to be made with the United States Government I would suggest that the Canadian Government should be sure that that agreement does not tie them up; that is, that the agreement covers the section between Ogdensburg or Prescott and Lake Ontario and does not bind them in any way as to the work eastward to Cornwall until they come to make the final arrangement, perhaps on the advice of the Advisory Committee.

Right Hon. Mr. GRAHAM: Now, I think I can convince my honourable friend that my interpretation of the minister's meaning was right:

Mr. Geary: I suppose that no matter where the terminals were located some arrangement would have to be made with the United States in regard to dredging?

Mr. Elliott: Not necessarily.

That means, in my humble judgment, that if the terminals were located west of the point where the American channel has to be dredged, it would not be necessary to make any agreement.

Hon. Mr. REID: I agree that the interpretation given by the right honourable Senator from Brockville (Right Hon. Mr. Graham) is the interpretation that we should accept,