

and we regard it as most desirable that the initial development take place in the purely domestic section of the river lying within the Province of Quebec.

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We believe that if a reasonable time were permitted in which to enable the resultant power to be economically absorbed the development of this national section would be undertaken by private agencies able and willing to finance the entire work, including the necessary canalization, in return for the right to develop the power.

In the national section some 3,000,000 horse-power can be developed. I think no one will deny that such power would form part of the natural resources of the Province of Quebec, just as its mines and timber limits do. Yet the suggestion was that the 3,000,000 horse-power should be saddled with the entire expense of the canalization in the national section. That is to say, for all time to come the users of electricity produced by that great volume of natural energy would have to pay for the canal, including the interest and sinking fund of the capital therein invested. Perhaps it would be illuminating to quote some figures. The first and second Soulanges developments, which were contemplated in the report, would produce 949,300, or roughly 1,000,000 horse-power. For power alone the development would cost \$92,399,000, or \$97 per horse-power, but if the cost of the canalization were added to it the expenditure for the first 1,000,000 horse-power would reach \$199,670,000, or \$210 per horse-power. Could anyone conceive of a burden more unfair to the Province of Quebec? One can hardly imagine that men of the calibre of those who composed this Committee could have made such a recommendation.

Yet it would seem that the Government of the Right Hon. Mackenzie King attempted to follow the suggestions of this Committee. I make that statement after having read correspondence which took place between the ex-Prime Minister of this country and the Foreign Secretary of the United States. It seems to me that the negotiations then pursued were based upon this very report, which, if followed out to conclusion, would have saddled the entire cost to Canada, of the Waterways, upon the natural resources of the Province of Quebec.

Now, honourable senators, I think the time is coming soon, if it has not already come, when we must make a decision in respect to the waterways. I know there are serious reasons why the project should be delayed, but I doubt whether it will be possible for us to defer it at this juncture. It may be that the disadvantages arising from our

Hon. Mr. BEAUBIEN.

immediate decision would be balanced by the much more favourable conditions that could be obtained for the future.

Hon. Mr. CASGRAIN: I do not desire to interrupt the honourable gentleman, but I should like to ask him why we must do anything about it? Who is going to make us do so?

Hon. Mr. BEAUBIEN: I have endeavoured to show that in my opinion, if we are not able to come to some arrangement with the United States, political pressure might force the Government of that country to undertake the construction of a canal by way of Albany and New York instead of by the natural course of the St. Lawrence. I think if my honourable friend will enquire into the situation he will find that what I say is fairly accurate.

In my own province, and particularly in the city where I live, a great many people look upon the canalization of the St. Lawrence as an unwise undertaking for Canada. I am not prepared to say that they are altogether wrong. Reports have shown that six-sevenths of the benefits arising from the waterways will accrue to American, and one-seventh to Canadian, shipping. If the St. Lawrence route is developed there is no doubt that it would become a great highway through which trade from the United States would flow in large volume to all corners of the world. We know that tourists who come across the border into this country propagate a pro-American sentiment among our people. We had many instances of how this influence operates in inducing our people to emigrate to the United States. However, we must not forget that the whole of this system of waterways belongs to the United States as well as to Canada.

Hon. Mr. CASGRAIN: No, no.

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. BEIQUÉ: Exactly.

Hon. Mr. BEAUBIEN: Yes, it does belong to the United States as well as to Canada.

Hon. Mr. CASGRAIN: Up to Cornwall.

Hon. Mr. BEIQUÉ: No; to the sea.

Hon. Mr. BEAUBIEN: It is not unreasonable to think that the people of the United States, realizing that the development of the St. Lawrence waterways would result in tremendous commercial advantages for them, will by political pressure upon Washington endeavour to force their way through to the sea, or, as they put it, to bring the sea to their very doorstep. I hope that if Canada