

canal past the Coteau, Cedars and Cascades Rapids. Navigation past this reach can be completed by the addition of locks and subsidiary navigation structures;

8. In the Lachine reach the navigation project is practically wholly separated and distinct from the power proposals.

Financing the Deep Waterway Project.

Returning to the matter of the cost of the project, it is desirable that there should be clear thinking as to how this cost divides itself and as to the manner in which it can be equitably distributed.

Welland Canal.

Dealing first with the Welland Canal, it may be pointed out that this section of the waterway is practically complete and that the expenditures have been met by the Dominion Government from revenue as required, without imposing any noticeable burden on the Canadian taxpayer. As these expenditures have been incurred and the moneys already provided for, the financing of this section of the waterway does not require further consideration and it may be left out of the picture other than to use it as a potent point to Canada's credit in any discussions with the United States as to the financing of the balance of the waterway.

St. Lawrence River Section.

Coming now to the St. Lawrence river, if it is assumed that the policy to be adopted is that power shall carry its fair share of the cost as outlined in the foregoing; and further that the interest of Ontario and Quebec in the development of water power in accordance with their respective power policies, be recognized, there remains the expenditure which the Dominion Government will be called upon to make in order to provide for the navigation features of the project.

The undersigned has prepared an approximate estimate

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