

7. To maintain Canada as a nation cheap East and West transportation is required and the St. Lawrence is one link in the chain. By it the western grain can be shipped to Europe some 3 cents cheaper per bushel than at present, and in return the coal of the Maritimes and of Wales would be made available in Western Quebec and Ontario. British Columbia lumber can obtain access to the Great Lakes area -- etc., etc.

No questions of derogation of sovereignty are necessarily involved in an agreement with the United States for its construction, and our rights and interests have been placed beyond dispute in the correspondence which has already passed. There is no longer any question of power export which might react to our disadvantage.

Our Railroads need not fear the competition of the water route. They should welcome the relief which it will give to the peak loads of traffic at present handled uneconomically and for which they must hold equipment in reserve idle during many months each year.

With a more uniform load factor general rates might well be reduced to the benefit of all, railroads and customers alike.

8. The project involves considerations of Navigation and of Power.

Of Power about 4/5ths pertains to Canada and 1/5th to the United States.

Of Navigation the most careful forecasts which have been made show that 4 tons of U.S. Shipping will probably move over the route for each ton of Canadian.

That is, if there is to be any intention of making the enterprise self supporting on the basis of charges for Power and Tolls for ships, it is to our interest to separate