

*St. Lawrence Seaway Authority Act*

If the work affects the level of an international waterway or affects an international waterway in any material way, then the permission of the other country must be obtained. That principle goes back to the treaty of 1909, I think. Therefore, once the United States expressed its intention of participating in this work, the only way in which we could have proceeded with it as a Canadian project would have been to make it a navigation project exclusively on the Canadian side, with all the canals on the Canadian side, and to ignore the power development completely. Indeed, Mr. Chairman, I am not sure whether it would have been possible even to have constructed navigation canals on the Canadian side without interfering with boundary waters in a way which would have brought the treaty of 1909 into play.

But whatever may be the legal situation there is a practical situation also. Once the Canadian government wished to proceed with this project as a power and navigation project it was inevitable that the United States should be brought in if it so desired, because you cannot construct a power dam on an international waterway half way to the international boundary and stop there. So the power project had to be international. Because the power project had to be international, the navigation part of it had to be international too.

I am not apologizing for one minute for the decision made at that time to proceed to co-operate with the United States in this great development as an international project. At that time we who were responsible in government for the project would have been very happy indeed if the United States had said to us: "Go ahead with the navigation on the Canadian side and we will co-operate in the production of power". But that was not the position they took. They insisted it should be an international project for navigation and power, and in view of that position we, of course, went ahead and made the agreement with the United States which is now being implemented in the construction, internationally, of this great power and navigation development.

Having made this arrangement, the United States decided that perhaps one canal should be built on their side, I think at Barnhart island. Indeed, they wished to construct a second canal further up the river. They hoped that we would take certain responsibilities on our side and they would take the responsibility for these two navigational canals on the United States side. We said, in the negotiations which took place at that time, that that was not good enough, that we were going to build one of the navigation canals on the Canadian side at Iroquis,

whatever they did. They agreed to that. Also, we went further than that—and this caused a good deal of argument with the United States—and said that we were going to construct this whole project in a form which would make it possible to have a second Canadian canal in the future on the Cornwall side, so that when navigation requirements made it desirable we could then proceed to build the second Canadian canal. Then there would be a Canadian navigation system from Montreal right through to the Welland canal. At that time the United States took strong exception to this, because they felt that if we now made preparation for this canal, as we did, we would be under pressure in the future irrespective of the amount of shipping going through the canal. We would be under great pressure in starting to build that second Canadian canal at once. As soon as the power part was completed and the dams were in operation, then the United States, having given its prior approval to this international waterway, could not stop us from going ahead with the second Canadian canal. I think we reassured them, and I think we were wise in trying to reassure them, by giving them an undertaking or understanding that the second canal would not be constructed until the requirements of navigation and traffic seemed to make that desirable.

My hon. friend said that this was selling out. He did not use that expression, but I think that was the purport of his remarks, that we had sold out to the United States in the arrangement we made, and we had destroyed the possibility of a Canadian seaway. I suggest to him that in order to have this great power and navigation construction at all, in order to begin and then complete it we had to work with the United States once they made their own decision to take part in it. But under the treaty of 1909 there was no alternative if we wished to develop power with navigation. Having accepted that necessity—indeed, you can argue that was the best way to do it—we then made plans from the very beginning to ensure that when traffic conditions warranted it we would be ready to go ahead with the second Canadian canal. So we have not, I suggest to the hon. member, made such construction impossible. We have not even made it difficult eventually, with the co-operation of the United States, to have a wholly Canadian navigation system when traffic conditions make that desirable.

Perhaps my hon. friend, if he speaks again in this debate, or some other hon. member who may feel as he does that we should have done this from the beginning as a Canadian