

Seaway, and to endeavour to bring about the development of power in the International Rapids Section by the Province of Ontario and an appropriate United States authority, through the machinery established under the 1909 Boundary Waters Treaty or by whatever other means may be found suitable. Canada could and would add the navigation facilities and complete the other essential parts of the Seaway. If the costs not borne by power are covered by tolls on shipping, it is of much less consequence who makes the initial expenditures, and Canada can do any necessary financing.

It is in this context that the resolution before us today and that covering the bill implementing the agreement between Canada and Ontario should be considered. The proposed St. Lawrence Seaway Authority would have power to act for Canada under whatever arrangements the project does proceed. If the Canada-United States Agreement of 1941 is approved, it would be the agency to construct the works assigned to Canada as provided therein. If the project proceeds on any other basis, the authority would undertake the works required to provide the navigation facilities from Montreal to Lake Erie, and such other work as might be the responsibility of this Government.

On completion of the project the Authority would be responsible for the operation, maintenance, and administration of the Canadian navigation works from Montreal to Lake Erie, including not only the new works but such existing works as may be entrusted to it. It would be responsible for levying such tolls as would cover its current expenditures and recover its capital expenditures over a period not exceeding fifty years.

What will be the cost to the Federal Treasury? Ontario and New York already have indicated their willingness to undertake the basic power development in the International Rapids Section, which it is estimated would cost something over \$400 million, and this would be a normal business investment. If Quebec joins with the Federal Government to develop power in the Lachine Section, it will be because that, too, is a good and timely investment. The remaining cost to be borne by Canada on behalf of navigation would not much exceed \$250 million, which would provide a 27-foot waterway from Montreal to Lake Erie.

This might appear to be a large sum of money, but let us take a look at it from this angle. Already Canada has invested about \$300 million in the ship channel below Montreal, the 14-foot canals into Lake Ontario, the Welland Canal, and the lock at Sault Ste. Marie. Most of those expenditures date back to years when a dollar meant a great deal more than it does today, and when Canada was much poorer in material resources. The Welland Ship Canal cost \$132 million. If the work and material that went into it were priced at today's levels, this figure alone would exceed the estimated cost of the remaining navigation works now contemplated. And whereas the earlier investments have been carried without benefit of tolls, as part of the cost of national development, it is now proposed to liquidate the investment in the Seaway by a levy on the traffic served.

The Present Position

- In conclusion, let me summarize the Government's view in a very few words. We believe that Canada needs the St. Lawrence Seaway and Power Development at the earliest possible date. We believe that it is important for economic development and urgent for national defence. We believe not merely that it can pay its own way, but that the benefits to both Canada and United States will far outweigh its original cost.