

built our first transcontinental railway along rather a different route from that which Adam Smith might have recommended. Our concern with the building of a Canadian nation may from time to time again require that severely economic standards be subordinated to larger considerations. As a rule, however, I think you will find that we have not carried - as we do not wish to carry - nationalism too far. We recognize that our own interests are likely to be best served by policies which do not ignore the interests of our friends, and which are based on the freest possible relations with other countries.

One example which I should mention of the complexities as well as the possibilities of United States-Canadian co-operation for economic development is the St. Lawrence Seaway.

For more than twenty years we in Canada tried to persuade you to join us in this development so that it could be done on a basis of genuine partnership, where we would together share the cost, the control and the benefits. For more than 20 years your Congress refused to accept the invitation extended to it by the Canadian Government and by Administrations in Washington representing both your parties.

Then, finally, after we had worked out in 1952 an inter-governmental arrangement which was essential for the development of power in the international section of the St. Lawrence, Canada agreed, as one part of that arrangement, to construct the navigation works, which could, of course, be started only after the power arrangement had been made. At first we were hesitant about taking on this responsibility but we soon came to accept it willingly, even eagerly. It was a challenge to our national pride and our new national strength, which we knew that we could meet, and which we desired to meet.

Four-fifths of the navigation works would, in any event, be a Canadian responsibility. We would now be glad to take on the other fifth as well. We would have a Canadian seaway in the sense that all the canals and locks would be in Canadian territory; but it would be one which would be open to your shipping without prejudice or discrimination.

Then, at the last moment, your Congress acted; not by following the principles which had been embodied in the international treaty which years before (in 1941) had been worked out between us on a broad and equitable basis, but by deciding to build unilaterally on the United States side of the international section of the St. Lawrence, the two canals which would be required.

To be perfectly frank, many Canadians didn't think too highly of this last-minute participation - either of its timing or its nature. We could, of course, have gone ahead anyway with our own canals in the international section. They would then be in competition with yours from the first day of the seaway, to the great economic disadvantage of us both. Or, alternatively, we could have refused to proceed with the rest of the seaway in our territory, and thereby made your canals useless, or made it impossible for you to build them. We did not do either.