

by this project. For one thing, almost half the Seaway traffic foreseen is in iron ore. That is traffic which does not exist at the moment in so far as the Lower St. Lawrence is concerned, and in so far as the railways are concerned it is new traffic. Another large part already uses the water route for a good deal of its movement, and either leaves the Lakes to move by United States routes or trans-ships to small canallers. Still another substantial part now moves all the way by water in those canallers. Such traffic as is lost by railways will be largely in items now paying rates among the lowest in the schedule, rates that are low in the areas affected because strong competition from vessel service already exists.

On the other hand a continued industrial development, further stimulated by the project, may be expected to bring new and high class traffic to the railways, including new traffic in the very areas where diversions may occur. Canada has not stopped growing yet, and the coming decade looks as promising as any in the past. We are going to need not only the Seaway but a continued expansion of railway facilities as well.

Do we want the United States to participate in the project? This brief review has outlined the reasons as I see them why Canada should press forward with the Seaway. To me, the case from the United States point of view is just as strong as or even stronger than that which I have attempted to make for Canada. That is why we would welcome full participation of the United States along the terms of the 1941 Agreement. But that agreement, as I stated earlier, after slightly more than ten years still awaits Congressional approval. In the face of this uncertainty, we are forced to consider how else our objective can be achieved.

The whole project hinges on the development of the International Rapids Section. Above it Canada could deepen the Welland Ship Canal, and the improvement of the other canals could be left to the United States to undertake in the normal process of expansion of water transportation, as has been the case down through the years. Below it the river is wholly within Canada and the necessary works will be Canada's responsibility in any event.

Benefits Derived By Canada

I believe I have shown to the House the benefits to be derived by Canada through the joint development of power and navigation in the Seaway. The project is not one of navigation alone nor of power alone. It is jointly one of power and navigation, and to achieve this maximum objective it is obvious that some form of international co-operation is necessary for the successful development of the International Rapids Section of the river. Without a doubt, the final solution is to be found either in the approval of the 1941 Agreement with some modifications or in the 1909 Treaty between the United States and Canada.

But let me say again that Canada would prefer approval of the Great Lakes-St. Lawrence Basin Agreement of 1941 with modifications as already discussed in the United States Congress, such as a provision for the charging of tolls. That agreement was signed in recognition of the fact that the International Section of the St. Lawrence River is a boundary water. It was signed in recognition of the fact that both countries would participate in the benefits and each would have a continuing interest in the success of the project. These considerations are as valid today as they were in 1941. We want these considerations expressed today in terms of that agreement if possible because we want to respect the Agreement of 1941. But over and above that we are anxious to get on with the job.

In the event that approval of Congress is withheld or action further delayed, this Government is prepared to undertake an alternative, namely an all Canadian