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Debt-ridden Seaway Authority seeks relief in new toll arrangements

The St. Lawrence Seaway Authority is taking steps to pull itself out of the financial quicksand in which it has been sinking. Negotiations have been taking place between Canadian and United States authorities to try to arrive at a new agreement on the Seaway's toll structure.

Canada has a much bigger stake in the Seaway than the U.S., and the financial situation of the Canadian entity has reached the point where bold and imaginative action is needed to get it "out of the red".

Canada intends to raise the tolls, in agreement with the U.S., it is hoped, in time for the opening of the 1978 navigation season.

Before the opening of this year's season, the Canadian Government will move to erase the Seaway's huge debt, now approaching \$850 million, by transferring the principal to equity and converting the accumulation of unpaid interest charges to an interest-free loan, which would then be forgiven.

The St. Lawrence Seaway, opened ceremonially in 1959 by Queen Elizabeth II and President Eisenhower, is a system of canals, locks and channels linking the Atlantic Ocean and the Great Lakes for the navigation of commercial shipping. The pleasure-boating

public also takes advantage of its facilities.

There are 16 locks along the system between Montreal and Lake Superior — seven in the Montreal/Lake Ontario section, eight on the Welland Canal between Lake Ontario and Lake Erie, and one at Sault Ste. Marie between Lake Huron and Lake Superior.

Canada's responsibility

Canada maintains and operates 13 of the locks. Those belonging to the U.S. are at Sault Ste. Marie and the Snell and Eisenhower locks at Massena, New York, in the Montreal/Lake Ontario section.

Under the 1959 Seaway Agreement, Canada and the U.S. established a tariff of tolls based on estimates of future traffic. For a ship navigating the Montreal/Lake Ontario section, the charge is four cents a gross registered ton (GRT) of the ship, plus 40 cents a ton of bulk cargo and 90 cents a ton of general cargo. For the Welland Canal, the tolls were originally two cents a GRT, two cents a ton of bulk and five cents a ton of general.

Bulk cargo refers to grain, iron ore, coal and liquids such as petroleum products. General cargo refers to manufactured commodities.



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