

*Seaway and Canal Tolls*

members, that the authority prejudged the case in suggesting what the rate should be.

I think that is hardly a fair criticism because under the terms of recommendation six of the treaty, the authority as one of the advisory bodies contemplated must advise its government what the rates and tolls should be. In other words, the authority has a duty under the treaty to suggest what the tolls should be prior to the public hearings. This does not mean that the authority must take an inflexible attitude following the representations made on the Canadian side or when these measures are discussed on the United States' side in Chicago on June 8 and 9.

I wish to say also that the argument the right hon. gentleman used as a means of indicating that this was just another example of knuckling under to the Americans could not be more specious. There are no secret agreements. I am dealing with a public treaty which sets out the procedure clearly. Any raising of tolls, if one were to take place, would be of advantage to Canada in terms of revenue because the division of the tolls ensures that 71 per cent would go to the Canadian authority and 29 per cent to the United States corporation. In other words, any revenue derived from the raising of tolls goes primarily to the Canadian authority. So the inference that the issue is between the United States and Canada, and that influence is coming from the United States side of the border is completely irrelevant within the terms of the treaty.

**An hon. Member:** Nonsense.

**Mr. Turner:** I am pointing out that the prior benefit in terms of revenue goes to the Canadian side. I mention this merely because the right hon. gentleman brought it into his argument. I say again that this procedure is firmly established in a public international treaty.

I have set out the nature of the statutory authority and what the responsibility of the St. Lawrence Seaway Authority under the statute is. The freedom of operation enjoyed by the authority is to a large extent limited. But the issue which will have to be faced is this: are we to maintain the principle set forth in section 16 of the act, namely, that the authority should be self-sustaining in terms of meeting its own costs or is this theory of self-sufficiency to be abandoned, with tolls no longer covering the cost of operating the seaway? The seaway authority has made it clear that it has failed to earn sufficient

revenue to meet its capital debt. It owes \$354,800,000 including interest and deferred interest. Its United States partner has a debt of \$141,700,000. For this reason the seaway authority estimated it would have to increase its revenues by raising tolls in order to meet its responsibilities under the statute.

● (5:40 p.m.)

I quite recognize that the government will have to make a decision within the statutory climate I have described with regard to whether these tolls should still be sufficient to cover the operating expenses of the seaway. We were invited by the hon. member for Medicine Hat (Mr. Olson) to take serious cognizance of the situation. I can undertake on behalf of the government that we will.

It may be that Canada should abandon the principle of recovering the costs of the seaway, but I think all hon. members should be aware of what the consequences would be in terms of an imbalance in the revenues of competing transportation media, such as railways and trucks, and as between the various regions, the maritimes, Quebec, Ontario and the west. The consequences of abandoning this principle would have effects on every region in the country and on every type of competing media.

The transportation systems, as I have said, are the umbilical line holding this country together, this country which has the major portion of its population stretching along a region about 100 miles deep parallel with the United States. The consequences of tolls and transportation charges and, on the other hand, of transportation subsidies have widespread ramifications, affecting not only the immediate localities in the region of the seaway and the great producing areas of the west but every area of the country.

I am sure the government will take cognizance of what was said at the public hearings, of what was said here in debate this afternoon, and of what I hope will be adduced by way of evidence before the committee on transportation and communications. With that the government rests its case for the moment, and I can do no better than recite precedents of the previous government which took a similar attitude.

**Mr. Diefenbaker:** Not at all. The interpretation that was made was wrong.

**Mr. Turner:** I suggest, until parliament decides differently on the principle it has applied to the St. Lawrence seaway since its