

*Seaway and Canal Tolls*

Several members have spoken about the burden the proposed increase will place on the prairie farmer, and this is true. All the wheat pools are opposed to it. The Great Lakes Waterway Development Association, which represents a great number of industries and individuals in Canada, has indicated its opposition. As one who comes from an industrial centre of this country so far as the manufacture of steel is concerned, I certainly want to record my opposition to this increase.

I should like to quote briefly from a submission made to the St. Lawrence Seaway Authority at a public hearing by the vice president of the Steel Company of Canada, Mr. Norman J. Brown. He said in part that the low cost of water transportation has been an indispensable factor in the development of the steel industry in Hamilton. This cannot be denied, Mr. Speaker. I quote Mr. Brown:

Continued growth of the industry will depend on its ability to meet competition which is becoming increasingly intense in both domestic and export markets.

Higher tolls add to the costs of producing and shipping steel and impair Stelco's competitive position which is being maintained only by continuing massive investments in new plant and equipment.

This is a fact, Mr. Speaker. The Steel Company of Canada, has been investing great sums in the expansion of the steel industry and creating jobs in the city of Hamilton. The Steel Company of Canada accounts for 39 per cent of Canadian steel output. Steel, as you know, is a highly competitive product on a world wide basis. Mr. Brown also said:

By using bulk carrier ships of up to 100,000 tons, Japanese steel mills received South American ore cheaper than Stelco can lay it down at its docks.

United States steel mills on lake Erie and Michigan receive the bulk of their materials toll free.

● (3:50 p.m.)

Stelco and Dominion Foundries at Hamilton depend greatly on the seaway, especially on the Welland ship canal, for their raw materials and iron ore from their mines along the lower St. Lawrence valley and in Newfoundland and Labrador. Unless they are able to receive these raw products landed at their docks in Hamilton at a competitive rate they will be unable to be competitive in the market with their rivals in the United States and with the steel mills in other parts of the world. This will be result if we do not receive our domestic raw materials at a cheaper rate than industries in Europe and the United States.

In January of this year the Minister of Transport (Mr. Pickersgill) stated that tolls

on the St. Lawrence seaway were required by an act of parliament and that parliamentary approval would be needed to make the waterway toll free. First of all, with all due respect to the minister, tolls were not exactly "required" by an act of parliament but by an agreement between the United States and Canada, which, of course, would have to be approved, I would think, by this parliament. So you might say that they were required by an act of parliament but that is not really so.

The minister also said that tolls were required by the act of parliament which permitted the building of the seaway, that parliament would have to make a change in the act and that there would be opposition from other forms of transportation if there was an attempt to have the seaway made toll free. He also said it would not be very easy to find a majority in parliament who would say that one form of traffic could be carried toll free but not others.

It is difficult for me, and I suggest also for others, to understand why other forms of transportation which are themselves subsidized should oppose a toll free seaway inasmuch as this facility has diverted considerable traffic from United States ports and railroads to the benefit of Canadian truckers and railroads. I feel that any increase in the cost of transportation of raw materials and finished products is certainly going to filter through to the consumer in the end. There is no doubt that the consumer will end up paying for any increase in tolls.

I do not believe that an increase in tolls is going to solve the financial problems of the St. Lawrence seaway. I think that at the beginning the estimate that was made was an erroneous one. The amortization period was too short; it should not have been 50 years. The present level of tolls, if maintained, is sufficient to pay for all operating and maintenance costs of the seaway itself.

I am also opposed to the St. Lawrence Seaway Authority imposing fees on the use of the locks by way of a lockage charge. This is another way of getting around the placing of tolls on the Welland ship canal. There really is no relationship between the two because the Welland ship canal was built and financed by Canadians. Why we should make it subject to tolls in agreement with the United States is beyond me, and I do not think it is necessary. In fact, I know it is not necessary. Any extension of the agreement between the United States and Canada with respect to tolls on the St. Lawrence seaway