

stated with respect to the timetable of proceedings. Because the estimates of the Department of Transport are now before the committee on transport and communications the facts speak for themselves and need no substantiation by any ministerial announcement.

**Mr. Douglas:** Would the hon. member permit a question? I do not want to interrupt his speech. May I ask him, has he authority to say on behalf of the government, first, that the report and recommendations of the seaway authority to the Privy Council will be made public before a decision is made and, second, that an opportunity to debate such report and its recommendations will be provided in the House of Commons?

**Mr. Turner:** At this stage I can only say in answer to that question that the ordinary constitutional procedures will be followed in this case.

**Mr. Churchill:** What does that mean?

**Mr. Turner:** The same procedures will be followed as were followed in the past under the former Conservative administration.

**Mr. Diefenbaker:** You must defend yourselves and not the Conservatives.

**Mr. Turner:** Let me just recite if I may, Mr. Speaker, for the benefit of the house the legal provisions surrounding these tolls. I suggest to the house that the leeway allowed to the authority and to the government under the present wording of the statute is rather limited. The operative section of the St. Lawrence Seaway Authority Act, chapter 242 of the Revised Statutes of Canada, is section 16 which reads:

The tolls that may be charged by the authority shall be fair and reasonable and designed to provide a revenue sufficient to defray the cost to the authority of its operations in carrying out the purposes for which it is incorporated, which costs shall include

(a) payments in respect of the interest on amounts borrowed by the authority to carry out such purposes;

(b) amounts sufficient to amortize the principal of amounts so borrowed over a period not exceeding fifty years; and

(c) the cost of operating and maintaining the canals and works under the administration of the authority, including all operating costs of the authority and such reserves as may be approved by the minister.

**Mr. Douglas:** Read section 15 also.

### *Seaway and Canal Tolls*

**Mr. Turner:** Section 15, with the greatest of respect to the hon. member for Burnaby-Coquitlam, does not apply. It is section 17 which applies to international agreements. I am suggesting to the house in any event that the operative section of the act is section 16 which makes it mandatory on the St. Lawrence Seaway Authority to charge tolls at a rate sufficient to cover its operating expenses as defined within the section.

**Mr. Douglas:** What about if you act under section 15?

**Mr. Turner:** I admit there is an argument that in strictly technical terms section 16 would not apply to tolls enacted pursuant to a treaty between the United States and Canada. That treaty may fall under section 17 which reads as follows:

Where the works have been constructed and are maintained and operated by the authority to provide, in conjunction with works undertaken by an appropriate authority in the United States, the deep waterway mentioned in section 10, tolls may be established pursuant to sections 15 and 16 or by agreement between Canada and the United States and, in the event of such an agreement, shall be charged by the authority in accordance with directions given by the governor in council.

There is a question whether section 16, providing for the sufficiency of tolls to cover operating expenses, would apply to an international treaty consummated under section 17. On the other hand, section 17 does say that tolls may be established pursuant to sections 15 and 16, thus bringing this question within the principle accepted in section 16. Indeed, the Auditor General of Canada has always interpreted that to be the case.

I refer hon. members to the 1964 annual report of the St. Lawrence Seaway Authority. I also refer to the Auditor General's report of 1964 in which, at page 121 the principle is set out that the Auditor General followed. He points out that section 16 of the St. Lawrence Seaway Authority Act requires that the tolls to be charged by the authority shall be fair and reasonable and designed to provide a revenue sufficient to defray the cost to the authority of its operations in carrying out the purposes for which it is incorporated, which costs shall include—and the section is recited. In other words, the Auditor General of Canada, in his analysis of the financial statements of the St. Lawrence Seaway Authority, has assumed that section 16 applies and that the St. Lawrence Seaway Authority has a mandatory duty under a statute of Canada to so adjust its tolls as to make it self-sufficient.