

*Seaway and Canal Tolls*

United States calling for the imposition of tolls. We have such an agreement, but international agreements of that kind are always open to renegotiation. In fact, there have already been several revisions of the original agreement between the two countries.

The existing tolls are imposed not by the parliament of Canada but by the 1959 agreement between the seaway authorities of Canada and the United States, and I would not want to pass over that without drawing attention to the significance of the date 1959. Many students who have studied this subject suggest that the 1959 agreement may not be valid at all.

The International Boundary Waters Treaty Act of 1911 provides as follows:

—all navigable boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants, ships and vessels—

Of both Canada and the United States.

Section 28 of the St. Lawrence Seaway Authority Act provides:

Nothing in this act affects the operation of the International Boundary Waters Treaty Act . . . 1911.

In short, the Canadian parliament did not, although it could have done so, alter the rule that the waters should be free to inhabitants, ships and vessels of Canada and the United States. There is, therefore, support for the view that references to tolls in the St. Lawrence Seaway Authority Act must be construed as authorizing tolls only in respect of vessels, passengers or cargoes other than those of Canada and the United States.

A second argument that is presented is that it would not be easy to find a majority in parliament to say that one form of traffic should be free and not others. This sounds like a reasonable statement but it has no practical application to the tolls problem. In the first place, traffic on the seaway is by no means carried free, even if the tolls are ignored. Charges are imposed for the use of shore installations and services connected with the seaway. Second, the statement seems to imply that some forms of traffic are not carried free. The fact is that all forms of traffic are carried free to some extent. It is no secret to anybody that substantial subsidies are enjoyed by all forms of transportation in this country. It is really a question of degree, and the difficulty lies in assessing the degree of subsidy enjoyed by the various traffic media.

Before anyone could determine whether there should be any tolls at all and, if so, what those tolls should be, surely an analysis would have to be made of the subsidies

available to all traffic media. Until that is done any consideration of tolls on the seaway is a blind consideration likely to result in inequities of a dangerous nature.

● (4:30 p.m.)

Another fallacious argument which is presented is that the seaway does not serve all of the country and therefore it would be unfair to support it through the public treasury. I think it is correct to say that such a statement ignores the true role of the seaway. Right Hon. Vincent Massey, one of the greatest statesmen of this country, in a speech in 1964 stated:

If the maintenance of our east and west links is questioned as a national policy, the doubters are men who fail to understand the land in which they live.

Another great statesman said that this project is of national concern and will benefit Canada from coast to coast. If one takes a look at the trade handled by the seaway, it becomes very clear that the seaway serves all of Canada and not simply the areas contiguous to it. It is one of the main streets of the Canadian economy.

The record cargoes handled in 1965, which represent an increase of 115 per cent over 1959, covered the entire range of Canadian exports—forest products, grain and other farm products, iron ore and manufactured goods. They include large quantities of coal imported from the United States without which Canadian heavy and other industry could not function in the highly competitive world of today. Large shipments of coal from Cape Breton island to central Canada would not be economically feasible were it not for low transportation costs through the seaway. Exports in all major segments of Canada's export trade, emanating from points virtually all across Canada, pass through the seaway, and the low transportation costs are essential to keep our prices at competitive levels in world markets.

Before concluding I should like to bring out a few more points for the consideration of the house. First, the 124-mile St. Lawrence seaway, Montreal to lake Ontario, is the only waterway in Canada subject to tolls. Moreover, it is the only part of the 27,000 miles of navigable waterways in North America which is subject to tolls. Tolls on the seaway and the Welland ship canal mean higher raw material costs to Canadian manufacturers. Obviously this means that they increase prices, thus adding to inflation and making Canadian manufactured goods not