

*Seaway and Canal Tolls*

by powerful interests in the United States, for long periods of years. It was only when the government of Right Hon. Mr. St. Laurent threatened to go it alone, and to have Canada assume the entire cost of building this great inland waterway, that President Eisenhower agreed to participate and the United States and Canada began this great project. When that project was nearing completion, and when it was suggested there should be tolls upon it, submissions were made from all over Canada asking that the policy of toll-free waterways be continued. In 1958 the government of Saskatchewan made a submission to the government of the day, headed by the present Leader of the Opposition (Mr. Diefenbaker). I have in my hand a copy of that submission, of which I think this paragraph sums up the case:

The fact that economic development in Canada could proceed only as fast as provision was made for adequate transportation facilities has always been apparent. Canadian statesmen for more than a century have realized that because of the great distances and sparse population of the dominion, the resources of the state would have to be thrown into the task of assuring essential transportation improvements either directly by way of unremunerative state enterprise or in subsidies to private enterprise. This has been true of all transportation facilities whether roads, railways, river improvements or airlines.

May I just pause to point out that this statement can be documented with comparative ease. The taxpayers of Canada have subsidized every form of transportation, whether it be the publicly owned Canadian National Railways which has been subsidized by the taxpayers in order to provide transportation facilities to the people of the outlying areas of this country, whether it be the large sums of money and land grants which were given to the Canadian Pacific Railway, or whether it be the subsidization of air transportation in the form of many, many millions of dollars which have been put up by the taxpayers to build terminal facilities, airports, and airstrip facilities, or whether it be the large sums of money spent by both federal and provincial governments for the construction of highways for motor and automobile transportation.

No one can quarrel with a policy which recognizes that Canada's greatest problem is geography. If we are to get our goods to market at competitive prices, if we are to handle the transportation of a lot of our own goods in Canada rather than have them go through United States ports, it is necessary to subsidize much of our transportation. If

[Mr. Douglas.]

this can be done, it should be done as a matter of national policy and not on a hit and miss haphazard basis.

The brief to which I just referred, which was presented by the government of Saskatchewan to the prime minister and cabinet in 1958, concluded its remarks by saying this:

The Government of Saskatchewan looks at the whole question of tolls in the light of these facts and in constant awareness of certain conditions which must continue to be of vital importance to the welfare of the province. Among the latter the most prominent and persistent are the inescapable dependence of Saskatchewan on overseas markets for wheat, the intensity of competition which characterizes these markets, the distance of Canadian producers from consuming centres, and the consequent handicap of heavy transportation costs which must be borne by our wheat. The savings in transportation costs which may result from the seaway improvements are, as yet, uncertain, unproved, and theoretical.

On the other hand, tolls will increase shipping costs by their full amount above the level which would be possible if tolls were not imposed. The resulting burden to the prairie producer will be certain, immediate, and real.

I can only regret, of course, that our plea in 1958 to have the St. Lawrence seaway made a toll free waterway was not acceded to, and that the agreement entered into with the United States required the collection of tolls, because the same powerful interests in the United States who had for decades opposed the construction of the St. Lawrence seaway then had moved to a second line of defence and demanded tolls which would cover not only the operating costs of the seaway, not only the servicing of the debt, but the amortization of that debt over a period of time which was the shortest period of time ever undertaken for any project of this kind anywhere in the world.

Even with the tolls, the farmers of western Canada, as a result of the St. Lawrence seaway being constructed, gained. Prior to the seaway being opened the cost of a ton of grain moving from the head of the lakes to the seaport was \$5.33 a ton or 16 cents a bushel. When the seaway came into operation, even with the tolls, the cost was reduced to \$4.43 a ton, a saving of 90 cents, and the cost per bushel was reduced to 13 cents, a saving of 3 cents per bushel. That meant a great deal to the farmers of western Canada, and particularly that part of Canada where their grain moves eastward rather than to the Pacific coast.

● (7:20 p.m.)

If the proposal which the seaway authority has made that the rates now be increased by