

(4) the traffic would be of the same general character as that then transiting the 1958 canals.

(e) It became evident when the 1963 results were disclosed that, with the fifth year of operation, the Seaway might, after all, attain the traffic which had been forecast. The total tonnage was estimated at 41 million and it reached 31 million. Two important comments can be made. Firstly, the annual traffic growth of one season over the preceding one was, for the first time, above the average four-million expected annual increase and, secondly, the gap between the potential and real data decreased instead of increasing. The total cargo traffic had now passed the 30-million-ton mark, owing to large volumes of grain and iron ore.

(f) Although the sixth season is not over, I cannot refrain from making a few comments because of the impact the net results may have on the decade, which has been referred to in the Report on Tolls as the *developmental* period. For 1964, a total tonnage of 44 million has been estimated. If one takes the period April to August inclusive as a basis, we could assume a total traffic of at least 38 million tons, which would represent an unexpected increase of seven million tons over 1963, closing the gap further between potential and existing annual cargo tonnages.

In 1958 the assumption was made that after 1963 the rate of growth would decrease to three million tons to the year 1965 and to one million tons a year thereafter until 1968. The anticipated growth for 1964 over 1963 of seven million tons should make us very optimistic about reaching the goal set by the experts of 50 million tons for the year 1968, which marks the end of the ten-year developmental period.

Even if it takes two or three additional years to reach the 50-million-ton mark, it should be remembered that the experts considered this figure as the ultimate annual tonnage for the remaining 40 years of the 50-year period required by legislation to make the project self-liquidating. It now appears that tonnages in excess of 50 million a year are possible, compensating well for the slow start and the low returns of the first seasons.

WELLAND CANAL

Without going into detail, let me, briefly, now make a comparison between forecasts and facts for the last five seasons of the Welland Canal, the second section of the waterway.

The forecast made for the Welland Canal was 40 million tons of cargo in 1959 and 60 million a decade later in 1968. It had been assumed that the greatest annual increase would occur in the early sixties, with a total of 55 million tons in 1964. How does this compare with facts? Cargo tons registered in 1959 amounted to 27.5 million, or 12.5 million short of the objective. In 1964, if the current rate of growth of 25-30 per cent continues, we might very well expect a total traffic of some 48-50 million tons. Such a result would indicate a five to seven million ton gap only between the objective and the actual traffic, and the strong possibility of reaching the potential limit before 1968. Here again, with

the steps undertaken to modernize the Welland Canal, it will be possible to increase the potential cargo tonnage very substantially over the 60-million-ton mark. To sum up at this point, the story at the Welland Canal is the same - a slow start, followed by a small but gradual increase, and the possibility of surpassing the objective set by the Committees even before 1968.

Such increases do not happen without creating some problems. One of them is the congestion that has occurred in the Canal this year. The Authority has undertaken, as I said, a major modernization programme and has called in expert technical consultants to assist. We are confident that the Welland will be able to accommodate a greater number of ships transiting more rapidly than today.

PANAMA CANAL

The Panama Canal celebrates this year its fiftieth anniversary, and the Seaway its fifth. The rate of growth of cargo tonnage for the Panama Canal since its opening on August 14, 1914, has been quite impressive. At the end of the first full year of operation in 1915, 4.9 million tons of cargo had been handled through the Canal. Five years later in 1920, traffic was up to seven million tons for a yearly increase of some 9 per cent; in 1930, more than 30 million tons of traffic were hauled; and in 1963-64, the total reached a record of 72 million tons.

However, it might be more useful to compare the last five years of operation. (The rate of growth is not constant; it decreased between 1962 and 1963):

Year	Cargo in million tons	Increase in million tons
1959	52	
1960	60	8
1961	65	5
1962	68	3
1963	63	-5 - decrease
1964	72	9

However, unlike the Seaway, it links the oceans, and ships do not have to return to the entrance to leave the system. When vessels use the Seaway to reach the lake ports there is no way out but to turn around and sail downstream. The two canals do not serve specific hinterlands, but they were both affected by the world-trade fluctuations of recent years. The five-year average rate of growth of the Panama Canal (1959 - 1964) has been of the order of 7 per cent, compared to 17 per cent for the Seaway proper.

SUEZ CANAL

If we now turn to the last five seasons in the Suez Canal, we find that the average rate of increase has been of the order of 7 per cent a year, the same rate as the Panama:

Year	Cargo in million tons	Increase in million tons
1959	148.2	
1960	168.9	20.7
1961	172.4	3.5
1962	182.4	10
1963	193.5	11.1
1964 (approx.)	200	

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