

locations for new industry, particularly for heavy industry making use of water-borne traffic.

**Mr. Macaluso:** Mr. Chairman, I am also in favour of the resolution before the committee. I did want to say a few words this afternoon on this matter, but it has been so adequately covered by the hon. member for Welland, as far as Hamilton is concerned, that I need say only a very few words. The hon. member for Kootenay West mentioned in his remarks the need for twinning these canals. I agree with his remarks. However, it is both coincidental and interesting that at the present time I am conducting a study into the history of the promotion, construction and financing of the original Welland canal by Mr. Merritt, the founder of the project. If the hon. member needs a reason for the need of the canal, I suggest he obtain the books I have from the parliamentary library, from which he will see that the same reasons that the construction was proceeded with are also sufficient reason for twinning the canals today.

With regard to the question of tolls and the Hamilton steel industry, we have in Hamilton a very large industrial complex based mainly on supplying the blast furnaces in this steel centre. There has naturally grown up around it a number of secondary manufacturing industries. These industries are not wholly dependant upon the steel industry, but they are to the extent of at least 75 per cent, and perhaps even more. Canada has a tradition of toll-free inland water transportation.

I suggest to the minister that he study very carefully the briefs which the seaway authority is now accepting on the subject of tolls on the St. Lawrence seaway, including the Welland canal section. I submit the hon. gentleman should do this when the report comes from the seaway authority. I have received copies of the briefs submitted by the industries concerned and I believe they are sound. Naturally, they propose that no tolls, whether they are called by that name or by any other name, be imposed on the Welland canal section. As the hon. member for Welland has stated, any reimposition of tolls, by whatever name, would add greatly to the cost not only of steel but of many other articles in this country. It is my opinion that the Welland canal is a system which operates in the national interest, not only in the interests of the industries along the great lakes or in its immediate area. I say this because any increase in the costs of steel production, or production generally in that area as a result of the imposition of tolls would have adverse effects right across the country. I commend the government on its proposal to

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twin the canal. One result would be the provision of a great deal of employment in this area.

I should like to conclude my remarks by saying that any decisions about the imposition of tolls, either with regard to the Welland canal or to the St. Lawrence seaway as a whole, should be considered in the light of their effects on the economy of the country generally because the burden of any such tolls on the secondary manufacturing industries in Hamilton, and the Niagara peninsula in particular, will be considerable and will be felt from one end of the country to the other.

**Mr. Regan:** It is my intention to reserve the main part of my comments on this subject until the second reading of the bill which will follow the resolution, but I cannot help commenting briefly on the question of tolls on this new section of the Welland canal.

With great deference to the views of the hon. members for Welland and Hamilton West I must disagree in part with the proposition they have put forward. I would have no objection to the idea that there be no tolls on cargoes destined from one point to another within the lakes and river system, but to say there should be no tolls on cargoes which pass through this canal and which are destined to overseas points, or which have originated from overseas points, is to say that even though we have a railways system which could carry these goods to and from the ocean ports—a railways system which, by the way, is now functioning at a loss—we should use \$180 million raised from taxpayers, many of whom live in areas adjacent to the ocean ports, in order to provide another means of carrying goods at a time when we are not fully utilizing the means which already exist.

I would therefore urge the minister to consider seriously the economic consequences to all parts of the nation of making a decision on the lines suggested to him. I urge that the principle of tolls be applicable at least to goods which originate outside the lakes and river area, or which are destined to points outside that area.

[*Translation*]

**Mr. Côté (Chicoutimi):** Mr. Chairman, the measure to amend the St. Lawrence Seaway Authority Act, which is under consideration, is certainly very important when the amounts involved are considered. For instance, it aims at increasing the borrowing power from \$345 to \$535 million, that is an increase of \$190 million.

A few moments ago I listened with great attention to the hon. member for Welland (Mr. McMillan) explaining the needs in that field.