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CONTENTS

The St. Lawrence Seaway - Rates of Growth1
 Canadian Ownership of Canadian Companies3
 National Parks Policy4
 Second Anniversary of "Alouette"5
 New Canadian on Olympic Team5

Canadians Win NATO Sport Prize5
 Old Cannon for Port Royal5
 Labour Code for Canada5
 Gross National Product6

THE ST. LAWRENCE SEAWAY - RATES OF GROWTH

"Many, many times since the Seaway opened in 1959," the Vice-President of the St. Lawrence Seaway Authority, Dr. Pierre Camu, told the Rotary Club of Montreal on September 15, "especially at mid-year, at the end of each season of navigation, and again at the time of the publication of our two annual reports, the regular and the traffic one, reporters, analysts and students of the Seaway have looked back at the predictions of the experts, comparing them with the results disclosed and the overall achievements." "And the story," Dr. Camu went on, "has always been the same: that the experts were too optimistic, that they were wrong, that the Seaway has fallen behind, that the predictions made were unrealistic, that the targets had been set too high and other similar comments." The speaker said that he intended to make some observations on Seaway traffic growth, to compare the rates of increase with forecasts in 1957 and 1958, and to compare the Seaway figures with those for the Panama and Suez Canals.

The body of his speech follows:

...To avoid any confusion, my comments will be limited first to the Montreal-Lake Ontario section of the waterway.

What did the experts conclude? The official compilation was published in the Report of Tolls Committee of June 12, 1958, by the Canadian Tolls Committee. An identical report was published by the United States Tolls Committee. Here is a step-by-step account of what happened:

(a) The estimated cargo tonnage at the end of the first season of navigation (1959) would reach a total of 25 million tons. It was actually 20.6 million tons, or 18 percent short of the objective.

(b) The potential tonnage at the end of the second season (1960) was estimated to be 29 million tons. The results indicated another year with a total of 20.3 million tons, consequently no increase over the preceding year. At that point, the net result was 30 percent short of the objective.

(c) For the season of 1961, 33 million tons of cargo had been forecast, but 23.4 million tons only transited the Seaway. At that time, the difference between forecast and reality was 10 million tons, or 29 percent below the objective. However, this was the first year with a noticeable increase recorded, i.e. three million tons over the average annual tonnages of the first two seasons. Such an increase is quite close to the four-million annual increase assumed to be the rate of growth for the first five seasons of the Seaway.

(d) For the 1962 season, the gap between predictions (37 million tons) and reality (25.6 million) was 11,400,000 tons or 30 percent below the objective. However, the possibility of closing the gap between potential and exact annual tonnages was now appearing. This was the second annual increase and the first time the Seaway had passed the 25-million mark.

The experts were right about the components of this trade. After four complete seasons of navigation, four assumptions were correct:

- (1) bulk cargo would represent 88 to 90 per cent of the total traffic;
- (2) general cargo would account for the remaining 10-12 per cent;
- (3) grain and iron ore would be the two major blocks of tonnage;

(Over)