

*Seaway and Canal Tolls*

all, it is a place where the government asks members—particularly in a house of minorities—to give their views and their suggestions before the government commits this country to a course of action which could have detrimental results for the Canadian economy.

**Mr. D. R. Tolmie (Welland):** Mr. Speaker, the recent announcement that the St. Lawrence authority and its United States counterpart are proposing increased tolls on the St. Lawrence seaway and new tolls on the Welland canal, was of great concern to many Canadians.

Although the Canadian and United States governments will make the final decision in this matter, this declaration of intent has caused alarm in many circles. Lack of time prevents me from giving you a detailed analysis of the conflicting arguments as to the desirability of tolls—and there are conflicting arguments. Basically, those who believe we should have tolls on the seaway contend that if we do not, foreign shipping will in effect be subsidized, and commerce which uses the waterway should pay for its construction and maintenance. However, there are many formidable arguments for a toll-free seaway and in my opinion they are conclusive.

The gist of my argument is that the St. Lawrence seaway is of national importance and benefits Canada from coast to coast as wheat from the prairies, general cargo from industries in central Canada, coal from Nova Scotia and iron ore from Newfoundland are carried through it and help this country to prosper and develop.

Those who oppose tolls argue that if tolls are increased, not only will industry be forced to increase prices, thereby causing domestic financial hardship, but that the goods will be priced out of foreign markets at a time when Canada is desperately striving to improve its export position. It is further argued that other national forms of transportation, the C.N.R., the trans-Canada highway and Air Canada, are heavily subsidized by the federal government, and a national water artery such as the St. Lawrence seaway should not be discriminated against.

Those who are in opposition to tolls cite the fact that the United States Association of Railways and the United States Eastern Ports Association have been lobbying continually in a determined effort to have tolls increased on the St. Lawrence seaway so as to place United States interests in a more competitive position to capture a greater share of the

carriage of bulk cargo, especially wheat and iron ore, with a resultant benefit to the entire U.S. economy and a detriment to Canada.

Hundreds of industries, many located in the Niagara peninsula, are adamantly opposed to tolls, and many chambers of commerce across Canada have forwarded strong briefs to the government opposing any increase in tolls. The eventual government policy in this matter is of prime concern to all of us. The preponderance of evidence in my opinion clearly demonstrates that Canada's best interests will be served if any proposed increase in tolls is denied.

**Mr. R. E. Forbes (Dauphin):** Mr. Speaker, as seconder to the motion made by my colleague, the hon. member for Kindersley (Mr. Cantelon), to adjourn the business of the house to debate this urgent and important public question, I appreciate the excellent contributions that have been made by previous speakers on this important subject, and my comments will be brief. The urgency in this matter has indicated that if the request of the St. Lawrence seaway is granted, the new rates will come into effect on July 1, 1966. I cannot think of any other action by our transportation system that is as far reaching in its effect on the economy of Canada and particularly on the grain producers of western Canada.

It has been estimated by authorities that the proposed increase in tolls will cost the producers of grain one and a half cents per bushel at a time when wheat prices have been reduced by an average of 17 cents per bushel during the past year; and I wish to emphasize this point. Also at a time when the costs of production have risen to an all time high, if the increase in tolls is allowed on iron ore this extra cost will be reflected on the price of machinery purchased by farmers. The farmers have no way of passing on their increased costs to the purchasers of their products.

Much of the current high level of business activity in Canada is due to the building of the St. Lawrence seaway and the deepening of the Welland canal, for without these two vital transportation facilities, both largely due to Canadian initiative, it would not have been possible for the government of Canada to contract to supply Russia and other European countries with wheat on the enormous scale that has been evident in the past three years.