

STATEMENTS AND SPEECHES



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No. 50/49 An Address by Mr. Lionel Chevrier,
Minister of Transport, delivered over
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Tonight I would like to speak to you on a subject which in recent months has again come to the fore and which should be of interest to all Canadians - the Great Lakes - St. Lawrence Seaway.

The deepening of the St. Lawrence waterway is by no means a new question. It is one that has been agitating public opinion for at least a century. During the last half-century it has been the subject of negotiations between Canada and the United States. These negotiations culminated in the signing of an Agreement between the two countries in 1941.

The project must be envisaged from two angles - that of power and that of navigation.

What is the Great Lakes - St. Lawrence Seaway

It is a 2,000-mile channel, 27 feet in depth, joining the Atlantic Ocean to the heart of the North American continent. Its proponents seek the deepening of the present channel in order to allow ocean freighters to carry their cargoes through the St. Lawrence River up to the Great Lakes and conversely to permit our large Great Lakes freighters to reach Montreal. Coupled with this is the development on a joint basis of 2,200,000 H.P. in the international section of the St. Lawrence River with the power equally divided between the two countries.

What does the Great Lakes - St. Lawrence Seaway consist of?

It consists of five steps which are its chief assets and its chief liabilities - assets because of its potential power development; liabilities because these steps must be levelled out if the seaway is to be opened to deep-water navigation.

The five steps consist of -

1. St. Mary's Falls lying between Lake Superior and Lake Huron - where there is a drop of 21 feet.
2. The St. Clair - Detroit passage joining Lake Huron and Lake Erie - where there is a drop of 8 feet.
3. Niagara Falls which separates Lake Erie from Lake Ontario and which has a drop of 326 feet.

4. The International Rapids Section and the Lachine Section where power development is to take place - a distance of 183 miles and where the drop is 226 feet.
5. Montreal to the sea - the portion which lies wholly in Canadian territory and in which there is a drop of 20 feet.

These five steps will, it is estimated, develop approximately 9 million horsepower divided as follows -

At Niagara	3,600,000 H.P.
In the International Rapids Section ...	2,200,000 H.P.
In the Beauharnois or Soulanges Section	2,000,000 H.P.
In the Lachine Section	1,200,000 H.P.

All of this power is Canadian with the exception of 1,800,000 H.P. at Niagara and the American share of 1,100,000 H.P. in the International Rapids Section.

Is there a shortage of power in this country?

As a result of the rapid postwar expansion of industry in Canada, together with a constantly rising consumption of domestic power, the Province of Ontario has been, for the past few years, subjected to an acute shortage of power to meet demands. This is further accentuated by the present increasing activity in defence production. The International Rapids Section with its 2,200,000 H.P. potential - one-half of which belongs to Canada - constitutes the remaining large block of undeveloped hydro power available to Ontario in the southern portion of the Province.

In so far as the Province of Quebec is concerned, with the increased output at Beauharnois to be available in the near future, the power situation in the large industrial area adjacent to Montreal will be satisfactory for but a few years. The only other sources of undeveloped power remaining in that district will be Carillon and the Lachine Rapids, the latter forming part of a new Lachine Canal envisaged in the development of this Great Lakes - St. Lawrence seaway.

Why is the United States so anxious to develop power?

There is a much more critical shortage of hydro-electric power in New England and in northern New York State than there is in Canada. A very high proportion of the electric power produced in these areas is steam generated and costs considerably more per horsepower than electricity produced by hydro. The provision of an additional 1,100,000 H.P. in the International Rapids Section will be absorbed as quickly as it can be produced thus replacing the more costly steam-generated electric power.

Why is the project necessary from a navigational standpoint?

Controlling depths of the seaway at present are 22 feet from Lake Superior to Prescott, 14 feet from Prescott to Montreal, and 35 feet from Montreal to the sea. It is therefore clear that the seaway has been completed except for that portion which lies between Montreal and Kingston including the International Rapids Section. This is the bottleneck which must be removed to allow deep sea vessels to ply between the ocean and the Great Lakes.

The newly discovered iron ore fields of northern Quebec and Labrador can be most speedily exploited only when the St. Lawrence Seaway is completed. For years the backbone of the steel industry in the United States has been high grade iron ores of the Mesabi Range to the south of Lake Superior. The high grade ores from these fields are being rapidly depleted and that factor accounts for the interest in the fields of Quebec and Labrador, where upwards of 400,000,000 tons of high grade ores have been amply proven.

What is the cost of the Great Lakes - St. Lawrence Seaway project?

The latest estimate places the total cost including the full development of power at \$806,000,000 of which \$336,000,000 is Canada's share and \$470,000,000 is the United States' share. Of these amounts Canada has already spent \$132,000,000 for the construction of the Welland Ship Canal, leaving a balance of \$204,000,000 still to be expended.

The United States has already implemented one of the provisions of the 1941 Agreement by the completion in 1943, at a cost of \$15,000,000, of a new lock at Sault Ste. Marie. This new facility was built to conform to waterway standards, and the United States has also invested \$17,000,000 in dredging the St. Clair channels to a depth of 25 feet for downbound traffic and 20 feet for upbound traffic.

A considerable sum of money has been invested by Canada in the present system of canals and in the lower St. Lawrence. Over and above the \$132,000,000 already spent by Canada for the construction of the Welland Ship Canal, mention should be made of the expenditure of \$50,000,000 on the present canals of only 14 feet in depth such as Lachine, Soulanges and Cornwall. These are the present navigation facilities which constitute the bottleneck and would be replaced by new canals providing for 27-foot navigation.

East of Montreal for a distance of about 180 miles, the St. Lawrence River has been deepened to 35 feet at a cost of nearly \$100,000,000. The interest of Canada in the St. Lawrence Seaway is, therefore, not a new venture since nearly \$300,000,000 has already been spent.

These sums of money were invested in the waterway in order to facilitate the movement of Canada's wheat crop by water from the Head of the Lake to the sea, a distance of 2,000 miles. Thus, Canada's wheat was able

to reach the European market and there complete favourably with the wheat of other countries. Again these sums were spent to prevent our wheat crop from being exported to European countries via a water route provided by the United States through the Erie Canal and the Hudson River to New York City. The completion of the Great Lakes - St. Lawrence Seaway to a full depth of 27 feet would guarantee forever an all water route for our Canadian wheat and other products at a substantially reduced transportation cost through the elimination of trans-shipment at such points as Prescott, Port Colborne and Port McNicoll.

What interests oppose the Great Lakes - St. Lawrence seaway and why?

Powerful interests in the United States oppose the project. First, there is a group of fitters and owners of ships of less than twelve-foot draft who see in the development of the St. Lawrence a danger to the New York State barge canal now competing with the present all water route from the Head of the Lakes to Montreal. Then there are the American Railways running between the Great Lakes and the Port of New York and competing against the New York State canal route for the transportation of merchandise to such an extent that their rates, at certain times of the year, are reduced by half. A third group operate a fleet of barges in competition with the American Railways and consider that the development of the St. Lawrence would go a long way towards putting them out of business even though they are generously subsidized by the United States Government.

These and other interests represent various enterprises engaged in competition against each other but in full agreement in standing together to oppose the St. Lawrence Waterway project.

Could Canada proceed independently of the United States in the completion of the Great Lakes - St. Lawrence Seaway?

Failing ratification by the U.S. Congress of the 1941 Agreement in either its present or in a mutually agreed modified form, it would then be possible for the International Joint Commission to consider an application of New York State and the Province of Ontario for permission to develop power alone on a joint basis in the International Rapids Section. Such an application has already been made to the Governments of the two countries but has not yet been referred to the International Joint Commission. Other than the 1941 Agreement between Canada and the United States, there is no obstacle to prevent Canada from undertaking the construction of works necessary for 27-foot navigation between Montreal and Kingston wholly on the Canadian side of the boundary.

Here, then, is the position. Canada has entered into an agreement with the United States for the joint development of power and navigation on the St. Lawrence. Canada believes that this agreement, with certain modifications if need be, is the best for all parties concerned. It was arrived at after years of careful study by competent engineers, both American and Canadian. We

in Canada hope that this agreement will be implemented.

But let there be no mistake about it. This is a power and navigation scheme, not a power scheme alone as some interests would seem to indicate. If it is impossible to obtain the joint development referred to in the 1941 Agreement, then consideration must be given - as indeed it already has - to an all Canadian route.

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