

REF

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Debt-ridden Seaway Authority seeks relief in new toll arrangements

The St. Lawrence Seaway Authority is taking steps to pull itself out of the financial quicksand in which it has been sinking. Negotiations have been taking place between Canadian and United States authorities to try to arrive at a new agreement on the Seaway's toll structure.

Canada has a much bigger stake in the Seaway than the U.S., and the financial situation of the Canadian entity has reached the point where bold and imaginative action is needed to get it "out of the red".

Canada intends to raise the tolls, in agreement with the U.S., it is hoped, in time for the opening of the 1978 navigation season.

Before the opening of this year's season, the Canadian Government will move to erase the Seaway's huge debt, now approaching \$850 million, by transferring the principal to equity and converting the accumulation of unpaid interest charges to an interest-free loan, which would then be forgiven.

The St. Lawrence Seaway, opened ceremonially in 1959 by Queen Elizabeth II and President Eisenhower, is a system of canals, locks and channels linking the Atlantic Ocean and the Great Lakes for the navigation of commercial shipping. The pleasure-boating

public also takes advantage of its facilities.

There are 16 locks along the system between Montreal and Lake Superior — seven in the Montreal/Lake Ontario section, eight on the Welland Canal between Lake Ontario and Lake Erie, and one at Sault Ste. Marie between Lake Huron and Lake Superior.

Canada's responsibility

Canada maintains and operates 13 of the locks. Those belonging to the U.S. are at Sault Ste. Marie and the Snell and Eisenhower locks at Massena, New York, in the Montreal/Lake Ontario section.

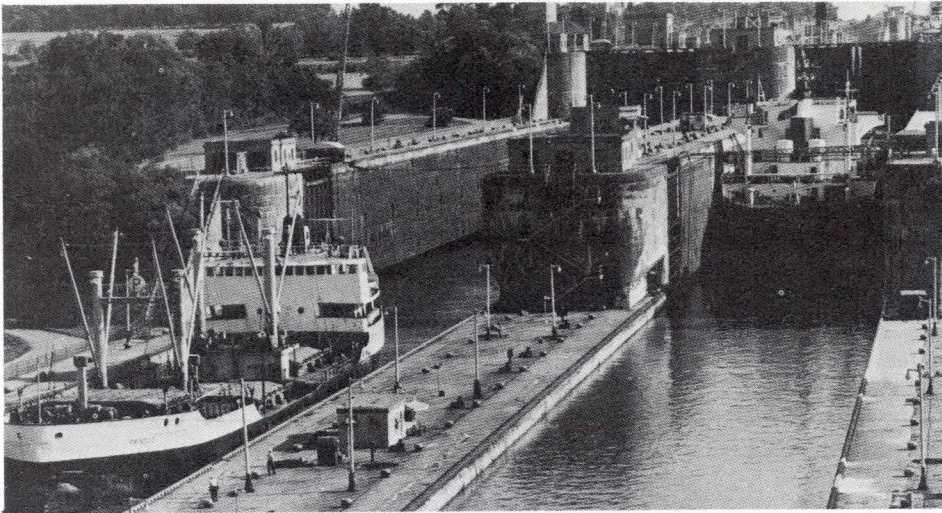
Under the 1959 Seaway Agreement, Canada and the U.S. established a tariff of tolls based on estimates of future traffic. For a ship navigating the Montreal/Lake Ontario section, the charge is four cents a gross registered ton (GRT) of the ship, plus 40 cents a ton of bulk cargo and 90 cents a ton of general cargo. For the Welland Canal, the tolls were originally two cents a GRT, two cents a ton of bulk and five cents a ton of general.

Bulk cargo refers to grain, iron ore, coal and liquids such as petroleum products. General cargo refers to manufactured commodities.



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The 1959 tariff of tolls was set to obtain directly from the users the revenues required to cover operation and maintenance costs, as well as interest on loans, and for the repayment of capital over a 50-year period.

It has not worked out this way for Canada. Toll revenues for the Montreal/Lake Ontario section are split between the two countries — 73 per cent for Canada and 27 per cent for the U.S. While the U.S. Seaway Corporation had its interest forgiven in 1970 and is now able to record a repayment of its debt each year, the Canadian Seaway Authority has incurred an enormous and mounting debt, which, at its present rate of escalation, could reach \$1 billion by 1981.

Seaway drain

The millstone round Canada's neck has been the Welland Canal. The modest tolls set for this canal in 1959 were suspended by the Government in 1962. A lockage fee of \$800 a ship regardless of size or cargo (\$400 for a ship in ballast) was phased in over the period 1967-71, but is not producing sufficient revenue to cover one-quarter of the operation and maintenance costs on this section.

Until 1973, the Montreal/Lake Ontario section had an operating surplus that was large enough to cover its own operating costs plus the Welland Canal deficit, though there has never been sufficient revenue to meet interest and capital repayment commitments.

Since 1973, operation and maintenance costs have overtaken revenues and the deficit is escalating. Periodic adjustment of the tariff of tolls to keep

pace with inflation — a normal business practice — could have prevented, or minimized, the problem.

Two toll reviews have, in fact, taken place since 1959 — in 1964 and 1967 — and in both instances Canadian recommendations for toll increases failed to win U.S. agreement.

The U.S. position is understandable. It does not have anything like the capital investment or operating and maintenance costs that Canada has in the Seaway. "It is much more in Canada's interest to have a Seaway, to have access to the west *via* the Great Lakes, than it is for the United States," says Paul Normandeau, president of Canada's St. Lawrence Seaway Authority.

At present, the Seaway debt is made up of \$625 million in loans that paid for the construction of the Montreal/Lake Ontario section and renovations to the Welland Canal that were completed in 1972. In addition, more than \$220 million is owed in deferred interest charges.

False impression

In his 1975 annual report, Mr. Normandeau stated:

"This bleak financial record gives a false impression of the waterway and obscures its true value to Canada, as well as its operational success and overall economic viability. Measured in tonnage terms, the economic importance of the Seaway is reflected in its substantial growth over 17 years of operation.

"Traffic on the Montreal/Lake Ontario section has increased from an average of some 12 million tons in the

year immediately prior to 1959 to 57.6 million tons in 1973, the record year to date. Comparable increases, reaching a level of 67.2 million tons in 1973, have been recorded on the Welland Canal section."

Mr. Normandeau's proposed solution is as follows:

(a) Convert the \$625-million loan debt to equity to be held by the Federal Government.

(b) Convert the \$220 million in unpaid interest to an interest-free loan that would be forgiven.

(c) Pay to the federal Treasury 1 per cent a year on the Government's \$625-million investment in the Seaway.

(d) Raise the tolls to provide the Seaway Authority with sufficient revenue to cover annual operating costs as well as normal capital expenditures and to allow for the 1 per cent return to the Government.

(e) Establish a uniform tariff of tolls for both the Montreal/Lake Ontario section and the Welland Canal.

"By this means," Mr. Normandeau said, "the St. Lawrence Seaway Authority should become the self-supporting corporation it was originally intended to be — able to set realistic financial objectives which are important to management in providing proper incentives to efficiency and morale within the organization."

Bargain arrangement

Mr. Normandeau regards the arrangement as a "bargain" because it relieves the Seaway users of the obligation to overcome the heavy burden of debt. "Instead of approximately doubling the tolls, we would have had to multiply by five in order to meet our original obligations," he says.

Bulk commodities — coal, grain and iron ore — make up 85 per cent of Seaway traffic. General cargo is a relatively small part, and is increasing at only a modest rate.

The new financial arrangement and increased tolls are to take effect in 1978. The toll increases — even double increases — are relatively insignificant, in Mr. Normandeau's opinion. About \$55 million a year in revenue is anticipated instead of the current \$25 million. "This is nothing compared to the more than \$8-billion worth of merchandise transited in 1976," the Seaway president observes. "Tolls repre-

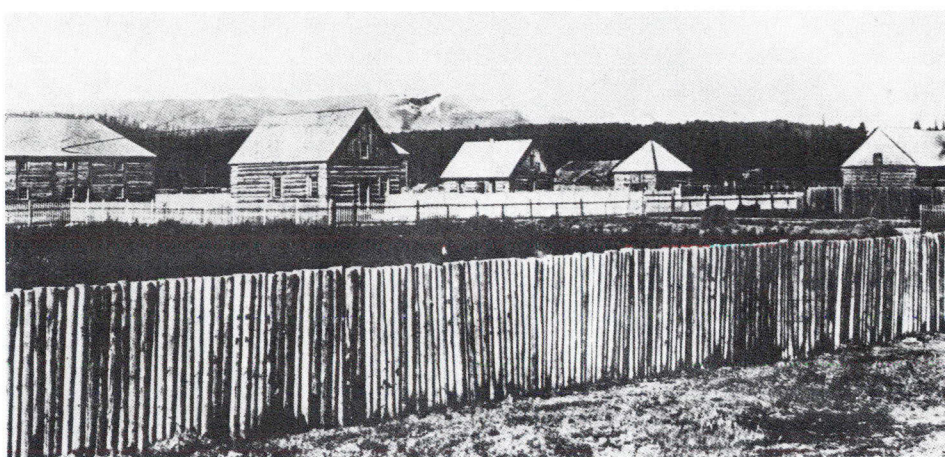
Expected food-store sales

Food-store sales are expected to increase 10.5 per cent in 1977 to a level of \$14,655.2 million, with chain-stores accounting for 59 per cent of the volume, says the Maclean-Hunter Research Bureau.

Preliminary estimates for 1976 indicate sales of \$13,271.2 million, an increase of 10.7 per cent over that of the 1975 figure. The chains' share for 1976 is estimated at 58.6 per cent, down from 59.3 per cent in 1975. The same source expects Canada's "leisure" market will reach \$5.3 billion this year and rise to \$7.5 billion by 1980.

In addition to these amounts, there are other expenditures which may justifiably be associated with the leisure market — sports clothing, a portion of car rentals and automobile-operation, home entertainment, eating out, etc. Such expenditures added an estimated \$2.4 billion to this market last year.

In 1976, 9.8 per cent of all households owned one or more snowmobiles and 39.1 per cent owned one or more adult-size bicycles. Some 23.5 per cent owned overnight-camping equipment and 20.3 per cent owned skis. (Imports of skis reached a record last year, and are estimated at \$21 million.)



At Fort St. James, a taste of yesterday

Visitors to north central British Columbia this summer will have the chance to taste a little bit of the past in the form of Fort St. James, Parks Canada's re-creation of fur trading post in the 1890s.

In the history of Canada, it is the events in the unfolding and development of the West that capture and hold the imagination of many Canadians. Few people do not know at least one story of the Klondike gold rush or of fur trading on the Pacific coast.

Fort St. James recalls much of the excitement and adventure of the fur trade. It was established in 1806 by Simon Fraser as a fur trading post of

the North West Company. When the two great fur trading companies merged in 1821, Fort St. James passed to the Hudson's Bay Company, which used the post until the late 1940s. Their interests as well as that of the local historical society and federal and provincial governments ensured that the old post did not fall into ruins.

Five of the original 12 buildings, on the site in 1890, still remain intact. All are superb examples of Red River frame architecture — a style widely used in the period. It is one of the reasons why the Historic Sites and Monuments Board of Canada did not hesitate to identify the importance of the buildings as historic treasures.

Restoration

June 25, 1976, marked an important date in the annals of Fort St. James, the date of its official inauguration and opening to the public. Three buildings complete the first stage of restoration — the general warehouse and fur loft, the fish cache and the men's house. The second stage, which will follow shortly, will include the Officer's house and the dairy.

Four more buildings which were demolished or burnt, will be reconstructed.

Human habitation

Fort St. James was the first trading post in the land of the Carriers, a native people not as well known perhaps as others of British Columbia, the Haida, Kwakiutl and Nootka.

The culture of the Carriers, members of the Athabaskan family, was comparatively rich for the British Columbia interior because of the adoption of

Canadian trade by principal trading area (\$ millions)

Exports	1974	1975	1976	% change 1976/1975
United States	21,399.5	21,652.4	25,782.5	+ 19.0
Britain	1,928.5	1,789.3	1,848.1	+ 3.2
Other EEC countries	2,174.6	2,347.0	2,646.7	+ 12.7
Japan	2,231.3	2,122.1	2,390.6	+ 12.6
Other OECD countries	1,132.6	911.6	1,054.6	+ 15.6
Other American countries	1,584.9	1,561.6	1,737.8	+ 11.2
Other countries	1,989.9	2,719.6	2,567.7	- 5.5
Total exports	32,441.3	33,103.6	38,028.0	+ 14.8
Imports				
United States	21,356.7	23,559.3	25,661.7	+ 8.9
Britain	1,126.3	1,222.0	1,153.3	- 5.6
Other EEC countries	1,920.2	2,073.9	2,028.4	- 2.1
Japan	1,429.8	1,205.3	1,523.8	+ 26.4
Other OECD countries	1,113.3	1,194.4	1,231.2	+ 3.0
Other American countries	2,015.2	1,802.2	2,051.3	+ 13.8
Other countries	2,730.6	3,578.5	3,741.4	+ 4.5
Total Imports	31,692.1	34,634.6	37,391.1	+ 7.9

Source: *Statistics Canada Daily*

ceremonial features from their north-west coast neighbours. They take their name from one of their funeral rites. Long ago, widows of Carrier warriors were required to retrieve the charred bones of their dead from the funeral pyre and carry them in a leather pouch on their backs until their relatives could amass enough wealth to give a commemorative *potlatch*.

Until 1860, Fort St. James played a major role in the administration of the Hudson's Bay Company. Its geographical location made it ideal as the administration and supply centre of New Caledonia managing eight forts and trade over a 90,000-square mile area.

After 1860, settlement and new transportation lines led to the growth of new business centres but Fort St. James continued to be the shipping point of supplies for several posts.

The increase in volume of imported goods raised the quality of life at the fort along with increased demands for manual labour. In order to facilitate the handling of goods and reduce expenses, a tramway was constructed over the winter of 1894-1895. It consisted of a track on which small, wheeled wagons could be pushed up to the general warehouse. The track and wharf is scheduled to be reconstructed during the second phase of restoration at Fort St. James.

Six hundred miles north of Vancouver and almost the same distance west of Edmonton and Calgary, Fort St. James is off the beaten track. But it was an important link in the saga of the fur trade and the development of the West.

Canadians at Commonwealth Education Conference in Ghana

The Seventh Commonwealth Education Conference was held in Accra, Ghana, from March 9 to 18, 1977. Six previous conferences had been held in Oxford (1959), New Delhi (1962), Ottawa (1964), Lagos (1968), Canberra (1971) and Kingston, Ontario, (1974). The theme of the seventh conference was the economics of education. The conference considered the problem of financing education in the current economic climate and identified means by which further Commonwealth co-operation might benefit member countries.

Low-value definitive stamps

Because 1977 is the Silver Jubilee of Queen Elizabeth II, it is an appropriate time for a new definitive stamp featuring her portrait. The Queen, who appears on the 12¢ stamp, ascended the throne on February 6, 1952, on the death of her father King George VI. Queen Elizabeth has become a focus of national unity and of individual loyalty, the tangible emblem of continuity in the changing political scene.



The new 1¢ definitive issue shows the closed or bottle gentian, a perennial herb between one and two feet high. This rather rare flower is found from Quebec to Manitoba in damp meadows and thickets, and even on overgrown roadsides. It generally blooms in late summer or early autumn.

The western columbine, sometimes known as the red or Sitka columbine, graces the 2¢ stamp. This perennial herb is found from May to August in the moist meadows and woodland clearings of British Columbia and western Alberta. It attracts butterflies and hummingbirds.

The Canada lily, appearing on the 3¢ definitive, blooms from June to August in the swamps and moist meadows of Eastern Canada. The plant usually grows between two and five feet high and produces up to 20 flowers. The Canada lily belongs to the same family as garlic and onion.

From the Maritimes to Manitoba, the hepatica is one of the earliest wild-flowers in the woods. This plant, seen on the 4¢ stamp, is sometimes known as the liverleaf, because it was once thought to be useful for healing liver

ailments. The hepatica grows in limy soil.

The 5¢ definitive presents a flower that is native to Western Canada. The shooting star, a spring flower, grows from five to 18 inches tall in woods and on mountains and prairies. It can also be cultivated in well-drained soil.

The sparrow's egg lady's slipper, also known as Franklin's lady's slipper, beautifies the 10¢ definitive. This plant, which blooms in June and July from Quebec to the Yukon, is an orchid, one of the few members of its family growing in the Arctic.

Heather Cooper, a Toronto artist and designer, created the designs for these definitives; her accurate rendering of each flower conveys the grace and beauty of the subject within the confines of a small stamp. The Latin designation for each flower appears in the plate-block inscriptions.

The bas-relief profile of the Queen featured on the 12¢ stamp is based on a black-and-white photographic study of Her Majesty by the British photographer Peter Grurgeon. The sculptor, Jaroslav Huta, completed his studies in Prague and came to Canada via Munich, where he worked for some years as a designer, sculptor and graphic artist. The layout design and typography are by Heather Cooper.

This issue of definitive stamps uses Cartier typeface, first cut by the Canadian typographer, the late Carl Dair.

U.S. Legion of Merit to retired General

A former general in the Canadian Armed Forces has been awarded the United States Legion of Merit in the degree of Commander. He is Lieutenant-General Richard C. Stovel, 55, of Winnipeg, who served as Deputy Commander-in-Chief of the North American Air Defence Command (NORAD) in Colorado Springs, Colorado, before his retirement last September.

In the citation accompanying the award, General Stovel was praised for his "exceptionally meritorious conduct in the outstanding performance of duties as deputy commander-in-Chief...". The citation also noted his "untiring efforts to promote understanding and co-operation between the air forces of the United States and Canada...".

Military research priorities updated

Defence Minister Barney Danson is studying the general implications of military research and development in order to decide what programs can best serve the Department of National Defence. Future research programs must be rationalized with new requirements — those of Canada's NATO allies and of the joint industrial effort — so there will be greater benefit to Canadian industry and NATO standardization, Mr. Danson says.

As a result, the Defence Minister has deferred plans affecting research establishments in Suffield, Alberta, and in Ottawa, as well as the construction of a third establishment in Winnipeg. The deferment means that the Defence Research Establishment at Suffield (DRES), which was to be phased out this year, will now continue normal operation.

Construction has been deferred on a

new laboratory in Winnipeg. Researchers who would have been moved to the new laboratory will now remain, for the time being at least, at the Defence Research Establishment in Ottawa.

Plans to build a defence research establishment in Manitoba, to be known as DREM, were announced in 1974, but problems in acquiring a site in Winnipeg delayed construction. While his review is under way, however, Mr. Danson has issued instructions to his department to proceed with negotiations to obtain ownership of more than 100 acres involved in the Winnipeg construction-site. This will ensure that the option to proceed with construction on completion of the review remains open.

A total of 70 scientists and a support staff of about 130 were to have carried out electrical and electronic experimentation at DREM, as well as research on northern operations, ad-

vanced search and rescue methods and improved training techniques.

For the present Mr. Danson adds, all the experimentation proposed for the Winnipeg laboratory either was being carried out or could be carried out at other defence research establishments, at no increased cost for personnel or facilities.

A total of 175 people will continue to work at Suffield, where shock-and-blast testing is carried out. DRES researchers are also involved in improving methods to protect military personnel from nuclear, chemical and biological attack.

A substantial reduction in explosives testing at Suffield was one of the reasons that plans were made in 1974 to phase out the establishment. Since then, however, new research requirements for military-engineering, ammunition and explosive-effects projects have necessitated the continued use of Suffield's ranges and test areas.



The centennial activities at the Royal Military College of Canada, Kingston, Ontario, ended in January where they began 12 months earlier with the New Year's Ball in the Senior Staff Mess. The New Year's levee, which was held on January 1, 1976, launched the College on the most eventful year in its 100-year history. Highlights included: a centennial convocation during which Governor-General Jules Léger received

an honorary degree; the freedom of Kingston and Pittsburgh Townships; the presentation of a new Queen's Colour by the Governor General on Parliament Hill, Ottawa, in the spring; and the laying-up of the old Queen's Colour in the autumn. The Royal Military College of Canada has now embarked on its second century of dedication to the Canadian Forces and service to the nation.

Decorations awarded for heroism

Three persons have been awarded the Star of Courage, Canada's second-highest decoration for bravery. Two of the awards are posthumous.

Mrs. Kathryn Panton, of Oakville, Ontario, was awarded the Star of Courage posthumously for her successful rescue of a six-year-old girl from Salt River, near Mesa, Arizona, in 1973. The child was swept into open water by the current. Mrs. Panton, disregarding her own safety, raced to the child's aid and managed to hand her over to others. Unfortunately, Mrs. Panton could not be pulled from the water and drowned.

The Star of Courage was also awarded to Robert Lorne Bell and posthumously to Terrance Henry Creelman for their attempt to rescue 12 year-old Glenn Watts from the Grand River after he fell in while fishing from a dam.

These three people are among a group of ten who have been awarded decorations for heroism. The other seven will receive the Medal of Bravery.

Three Canadian decorations for bravery were created in 1972: the Cross of Valour, the highest decoration; the Star of Courage; and the Medal of Bravery.

News of the arts

Munich sees Group of Seven works

The first major exhibition of Canadian art in Germany opened recently, in Munich, as the focal activity of a "Contact with Canada" ("Begegnung mit Kanada") week organized by the Canadian Embassy.

A collection of 44 paintings by the Group of Seven, on loan from the McMichael Canadian Collection, Kleinburg, Ontario, was on display in the old Royal Residence in the heart of Munich. These paintings have been in Britain since late August 1976, and now begin the second half of an exhibition tour that will take them from Munich to Bonn, where they will remain until late May; on to the Soviet Union for display in three cities during the summer; and back to West Germany for showings in Hamburg and Berlin. The Canadian Ambassador, John Halstead, and Mrs. Halstead held a reception to launch the Munich showing. The guest list of West German state officials, academics, businessmen and journalists was headed by Dr. Hildegard Hamm-Brucher, Minister for Cultural Relations for West Germany, and Anton Jaumann, Commerce Minister for the State of Bavaria.

Dr. Hamm-Brucher told the gathering that she was a "Canada fan" and described a visit to the McMichael Collection as the high point of a tour of Canada she made in 1975. "These paintings come from one of the most remarkable galleries in the world," she said. "I only wish it was possible to bring the atmosphere of harmony between art and nature that I found in Kleinburg along with these works of art."

The exhibition is sponsored by the Department of External Affairs and the government of Ontario, with assistance from Air Canada. Robert McMichael, founder and director of the Kleinburg collection, was present in Munich to supervise the hanging of the Group of Seven paintings.

Outstanding among the events marking the opening of the exhibition was a harpsichord concert by the young Canadian musician Bradford Tracey and Rolf Junghans of Germany.

Two other Canadian exhibitions opened during the "Contact with Canada" week in Munich — a collection of contemporary native Indian



Following the opening ceremony of the Group of Seven show in Munich, the West German Minister of Cultural Relations, Dr. Hildegard Hamm-Brucher, chats with Robert McMichael (centre),

prints and West Coast artifacts, at the BMW Gallery, and the Circumpolar Exhibition. The latter, a documentary display describing the community of peoples living within the Arctic Circle, has been installed at the Museum of Ethnology. Mr. Halstead also made

founder and director of the McMichael Canadian Collection of Kleinburg, Ontario, and Mr. John Halstead, Canadian Ambassador to the Federal German Republic.

book presentations to the University of Munich and to the Municipal Library.

The final events of the week were a special screening of the Claude Jutra film *Mon Oncle Antoine* and an Embassy-sponsored recital by the Montreal soprano Louise Lebrun.

National Ballet choreographic workshop

Having just completed its spring season of performances in Ottawa and Toronto, the National Ballet of Canada goes into rehearsal for its choreographic workshop, which will run in Toronto from April 7 to 13. The annual program, started in 1969, is designed to discover and encourage choreographic talent among the National Ballet's dancers. From previous years of the experimental sessions, the Ballet has added a number of works to its main

repertoire. A highlight this year, and a striking departure for the program, is the presentation of a collaborative work with Co-Opera Theatre, a form of musical theatre "combining dancers, singer and musicians sharing in celebration of poetry, music and movement". The half-hour production, entitled *Circe*, is set to an electronic score composed by Raymond Pannell, artistic director of Co-Opera Theatre, with a libretto by the poet and novelist Margaret Atwood and choreography by Ann Ditchburn.

More Canadian Council support for learned journals

The Canada Council is this year increasing its aid to Canadian learned journals by 31 per cent. For the calendar year 1977, the Council will allocate \$1,003,549 to 82 journals, compared to \$764,753 to 69 journals in 1976.

The Council regards its aid to such journals as an important part of the assistance it provides each year for the publication and dissemination, both at home and abroad, of the work of Canadian scholars. The Council de-

finies a learned journal as one that serves a specific field of scholarship in the humanities or social sciences. The range is broad and includes such established academic disciplines as literature, history, philosophy, psychology, sociology, anthropology, economics, education and political studies, as well as interdisciplinary studies and research in specific geographical and cultural areas. To receive Canada Council assistance, a

journal must be edited and published in Canada and must satisfy the criteria of scholarship, particularly competence in the subject matter and objectivity in presentation. The Council also takes into account the size of the readership of a particular journal and the existence in Canada of other scholarly journals in the same field or in related ones.

Applications are evaluated for the Council by a jury of scholars, which sits in the fall of each year and makes its recommendations to the December meeting of the Council.

Ontario Art Gallery takes over new wing

The Art Gallery of Ontario, in downtown Toronto, recently took possession of a newly-built wing in a ceremony marking the completion of the Gallery's major expansion program. Although the \$7.7-million extension will not be officially opened until September, the transfer ceremony signified that the building was all but complete and that certain departments of the Gallery would be able to move into their new quarters without delay. The extra 86,000 square feet of space is occupied by five new galleries, which will be devoted to exhibitions of Canadian contemporary and historical art from the permanent

collection, an Activity Centre (for classes and workshops), reference and audio-visual libraries, a restaurant and an exterior sculpture-court. With the new addition, the Art Gallery of Ontario, which occupied its current premises in 1974, now covers three-and-a-half acres. The wing was partly financed by the Secretary of State Department, which provided a \$4-million grant. The government of Ontario con-

tributed \$2.7 million, and the balance came in the form of corporate and private donations.

The Gallery's permanent holdings consist of over 6,000 items of Canadian, American and European art, dating from the Renaissance to the present day — including a major collection of sculpture, prints and drawing by Henry Moore. The Extension Services circulate more than 40 exhibitions among the visual-art centres throughout Ontario and assist provincial communities in setting up workshops and seminars that are conducted by professional artists.

The Art Gallery of Ontario was incorporated in 1900. Its first permanent quarters were in Grange House, Toronto, in 1913.

The Art Gallery of Ontario's new wing, as visualized in an architectural rendering looking south from the corner of Dundas West and Beverley Streets. Completing Stage II of the Gallery's expansion program, the new wing will open to the public in September 1977.



Seaway Authority

(Continued from P. 2)

sent such a small fraction of both the value commodities shipped and their total transportation costs that the proposed increase should have no impact on future traffic movements."

To place the Seaway's position in perspective, Mr. Normandeau explained that, when the Seaway opened in 1959, the shipowners charged eight cents to carry a bushel of wheat from Thunder Bay to Montreal. Now they charge 16 cents. Throughout this 17-year period, the Seaway Authority has charged one and a half cents a bushel in tolls and wants to charge three cents. During this time also, the wheat farmer has seen the price of his grain go from \$1.50 a bushel to more than \$3.

The Seaway charges four and a half cents to move a ton of coal on the Welland Canal, while the price of coal has risen from \$12 to \$52 a ton.

Unfair subsidization

"Nobody regrets the tremendous investment in the Seaway system," Mr. Normandeau says. "It has been immensely beneficial to Canada and the U.S. But the Canadian taxpayer should not be subsidizing his American neighbour."

According to Mr. Normandeau, raising the tolls is not likely to have any appreciable affect on various regions of Canada. The Atlantic provinces have for years called for higher tolls to place their ports in a more competitive position.

He sees no reason for objections being raised in Quebec because Montreal and other St. Lawrence River ports have benefited from the increased shipping traffic attracted by the Seaway.

In Ontario, the steel companies and Ontario Hydro derive most benefit from the Seaway, Mr. Normandeau states. Manufactured goods in Ontario move mostly by truck and train, so that general cargo traffic *via* the waterway is not a big factor.

Mr. Normandeau expects opposition to toll increases from Manitoba and Saskatchewan because of fears of an adverse effect on grain-transportation costs. Toll increases are an insignificant factor in the transportation costs of grain, he says.

Alberta and British Columbia will not be affected because of their natural dependence on West Coast ports. As in the case of East Coast ports, raising the tolls may improve the competitive position of West Coast ports.

"The plain fact of the matter is that, had tolls kept pace with inflationary trends from the beginning, we would not have been forced to take such drastic measures now to get ourselves out of the hole," Mr. Normandeau says.

(Courtesy of Transport Canada)

News briefs

- A precedent-setting contract was signed recently by the United Auto Workers Union and Rockwell International of Canada Ltd. The contract is the first such agreement in Canada to give workers education leave with pay to improve their skills as union leaders.
- Prime Minister Trudeau said recently that he hoped some agreement could be reached with Canada's native people on land claims before the Federal Government made a decision later in the year on the proposed Mackenzie Valley gas-pipeline. Native groups have asked that no pipeline be built until their land claims have been settled.
- China has used the occasion of a visit by the Toronto-based Canadian Brass Quintet to end officially a three-year war against Western classical music. *The People's Daily*, organ of the Chinese Communist Party, said recently that the Chinese people were particularly happy that the visit coincided with the downfall of the "Gang of the Four" led by Chiang Ching, Mao Tse-tung's widow.
- Defence Minister Danson has announced a \$2-billion program to equip Canadian armed forces with new supersonic fighter planes and the appointment of an admiral as the country's top military man. The Minister said recently that producers of six aircraft are being asked to submit proposals on selling 130 to 150 aircraft to Canada. It will be the single most expensive defence purchase in Canadian history. Mr. Danson said Vice-Admiral Robert H. Falls, 52, of Welland, Ontario,

would replace General J.A. Dextraze in September as Chief of the Defence Staff.

- The annual cost to the Canadian taxpayer of government debt has risen to \$822.92 per employed person, up 120 per cent from \$444.44 five years ago. These amounts represent the interest payments made on direct government debt in the fiscal year ending in March, compared to the 1971-1972 fiscal year. Total debt-service payments made out of tax revenues by federal, provincial and municipal governments during the past year amounted to \$7.9 billion.
- Aurélien Gill, 43, Chief of the Montagnais Indian Band of Pointe-Bleue, Quebec, has been accepted for the 1977-78 National Defence College course, Warren Allmand, Minister of Indian and Northern Affairs, announced on March 16. Mr. Gill will be the first Indian to attend the course, which provides studies in national and international affairs at the senior-executive level for about 40 participants a year.
- Japan is expected to buy a CANDU nuclear reactor from Canada before the end of 1978, says Bruce Rankin, Canadian Ambassador to Japan. Once the purchase is complete, Japan will have direct access to Canadian uranium.
- Federal environment officials said recently that talks were under way between Canada and the United States on tanker-routes and other issues involved in the proposed movement of Alaskan oil along the B.C. coast.

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