Most of the coal moving on the Great Lakes comes from the United States Lake Erie ports, though a small amount comes from South Chicago. As already mentioned, the greater part of these coal shipments does not go through the canals. The opening of the Seaway affected the movement of coal in Eastern Canada by allowing larger vessels to move in and out of the Great Lakes without trans-shipment. This fact improved marketing conditions for United States coal in Canada but affected adversely the coal industry in Nova Scotia, which is assisted by the Canadian Government freight subvention. There is also a relatively unimportant downbound traffic through the St. Lawrence canals in coke, which originates in the United States.

The Ontario ports of Sarnia, Toronto and Port Credit are the major Canadian distributing centres for gasoline and petroleum products in the Great Lakes region, and Montreal is the major distributing centre for the St. Lawrence region. The Seaway has opened new market potentialities for foreign oil in Central Canada. Montreal refineries are already served entirely by imports from Venezuela, the British West Indies and the Middle East. It is believed that the Seaway will increase the competitive ability of foreign oil because large oil tankers carrying loads of about 70,000 b/d will be able to supply Ontario refineries at Toronto and Sarnia, and the same may be true of other refined products.

Sand, gravel and stone represent low unit value and are usually carried in scows. They constitute a considerable volume of traffic in the Great Lakes area but are of no great importance on the St. Lawrence; only small amounts move down from the Oka region of Quebec to Montreal.

Also moving by way of the St. Lawrence system are some bulk commodities such as cement, gypsum, quartzite, fluorspar, sulphur, fertilizers, etc., which are shipped in relatively small quantities, and general merchandise such as salt, sugar, fish, packaged freight, etc. General merchandise, which consists of miscellaneous goods of varying sizes and weights, is of high unit value and provides considerable revenue to the shipowners.

Financing the Seaway.—The annual report of the St. Lawrence Seaway Authority for 1959 contains the financial statement for the first season's operation. By law, the St. Lawrence Seaway Authority and United States authorities are required to charge tolls on ships and cargoes using the Seaway, which would recover expenditures for Seaway operation and maintenance and pay interest and amortization of capital within the 50-year period. On this basis, after estimating annual cargo traffic over 50 years, a tariff of tolls has been established that would be high enough to cover the costs and yet low enough to encourage water traffic. The toll revenue earned from the Seaway, i.e., between Montreal and Lake Ontario, is divided between the United States and Canada according to the respective costs they incurred in its construction. Out of 1959 toll revenues, Canada received about 73 p.c. and the United States the remaining 27 p.c. The tolls derived from the Welland canal belong exclusively to Canada.

Total toll revenue of the St. Lawrence Seaway Authority on the Seaway in 1959 amounted to $9,214,475, comprising $7,105,279 assessed for transits through the new Seaway locks between Montreal and Lake Ontario, $1,224,062 from the Welland Canal, and $885,134 from other services. Administrative, operating and maintenance expenses amounted to $3,953,000, resulting in a net income of $5,261,000 before providing for interest and depreciation charges. The latter two items totalled $11,949,000, out of which the due interest charge on loans from the Government of Canada was $7,994,000. Thus the Canadian section of the waterway showed a loss of $6,688,000. This substantial deficit resulted from a lower tonnage of traffic than had been forecast. At the end of March 1960, an interest payment of $5,000,000 was made to the Federal Government of Canada.

Because of international agreement, there can be no alteration of the toll structure until 1964, when a review will take place. Any change upward in the toll structure would probably discourage some traffic. If the costs of construction of the Seaway cannot be recovered within the 50-year amortization period, then perhaps this period will be extended. Loan servicing may be deferred during the development period of the first ten years or so, and as traffic increases in volume it will generate more revenue to pay back the full cost of construction, plus interest.