

contract, with the government determining service levels and rates. The seven CN marine services are: North Sydney/Port aux Basques; North Sydney/Argentina; Tormentine/Borden; Digby/Saint John; Yarmouth/Bar Harbour; Yarmouth/Portland; and the Newfoundland coastal service. In 1978, these services received \$99.3 million in federal assistance.

Other subsidized services in Eastern Canada include Wood Island/Caribou; Souris/Cap-aux-Meules; Montreal/Cornerbrook/St. John's; and the Grand Manan ferry. The Newfoundland government receives direct subsidies for small provincial ferry services, and a similar arrangement was being made with the Quebec government. On the West Coast, the British Columbia government assumed full responsibility for provincial ferry and coastal shipping in return for an annual federal grant of \$8 million, indexed to cover rising costs.

Farther north, the Northern Transportation Co. Ltd., a Crown corporation, operates a subsidized freight service to six isolated communities in the Keewatin district.

### The St. Lawrence Seaway

15.4.4

The St. Lawrence Seaway Authority, constituted as a corporation by act of Parliament in 1951, undertook the construction (and subsequent maintenance and operation) of Canadian facilities between Montreal and Lake Erie to allow navigation by vessels of 79.25 decimetres draft. At the same time, construction of similar facilities in the International Rapids section of the St. Lawrence River was undertaken by the Saint Lawrence Seaway Development Corporation of the United States. The seaway was opened to commercial traffic on April 1, 1959 and officially inaugurated on June 26, 1959. The Welland Canal is also under the seaway authority's jurisdiction for operation and maintenance.

**Seaway traffic.** Table 15.26 provides a summary of traffic statistics for the Montreal-Lake Ontario and Welland Canal sections of the seaway for 1978, with percentage variations from 1977.

Traffic on the Welland Canal during 1978 set a new record of 65.7 million tonnes, 0.9% higher than the record of 1977. Transits rose to 6,626 from 6,223. On the Montreal-Lake Ontario section, cargo tonnage decreased by 0.9% to 56.9 million tonnes, and transits declined from 5,516 to 5,346. Traffic revenue in 1978 was \$33.2 million on the Montreal-Lake Ontario section and \$18.3 million on the Welland Canal.

A 28.4% increase in grain shipments through the Montreal-Lake Ontario section at 27.7 million tonnes, and a 26.8% increase on the Welland Canal to 28.9 million tonnes was mainly the result of unusually heavy shipments of US grains via the seaway, due in part to capacity problems affecting alternative eastbound and southbound US transportation routes. The ability to respond quickly to sudden surges in traffic demonstrated the importance of the seaway to the North American transportation system.

In contrast to the record grain movement, there was a substantial drop in 1978 shipments of iron ore, the other main component of seaway traffic. A four-month labour strike at the Quebec-Labrador mines resulted in ore shipments decreasing by 33% from the 1977 level, to 13.5 million tonnes on the Montreal-Lake Ontario section of the seaway. The Welland Canal recorded a decline of 21.3% to 15.7 million tonnes.

Coal traffic on the Welland Canal decreased by 19.7% to 5.4 million tonnes in 1978. Lower shipments to consumer centres on Lake Ontario were caused partly by supply problems resulting from US coal strikes which began at the end of 1977.

Container traffic on the Montreal-Lake Ontario section was down 30% to 271 000 tonnes and declined 36% to 199 000 tonnes on the Welland Canal. Almost 75% of this movement was upbound, mostly to US Great Lakes ports. Remaining shipments were downbound from Canadian and US ports for export overseas.

The remaining bulk cargo, including petroleum products, remained at the same level as in 1977 on the Montreal-Lake Ontario section and increased by 5.4% to 11.8 million tonnes on the Welland Canal.

Income of the St. Lawrence Seaway Authority for the 12-month period ended March 31, 1978 amounted to \$32.1 million, made up of toll revenue of \$26.6 million