Trudeau takes aim at Quebec's waterway expansion program

by Pierre Beaudry

Plans by the recently re-elected Quebec provincial government to revive the region's economy by creating three St. Lawrence River superports, are under attack by Canada's Prime Minister Pierre Elliot Trudeau.

Since May 1, the Trudeau government has levied a tax on fuel for ships involved in international trade that has shipbuilders and owners alike fearful for the future of their industry.

Expansion of port facilities at Montreal, Quebec City, and Sept-Iles and an upgrading of shipbuilding capacity was a centerpiece of Quebec Premier René Lévesque's election platform. Creation of the Canadian superports would open the St. Lawrence Seaway for oceangoing vessels, cheapening shipping rates from Canada's prairie provinces as well as the U.S. Great Lakes states.

To quash the growth plan, Trudeau, a promoter of the Socialist International outlook of zero growth and population reduction, has put in place a tax-looting mechanism that raises by about 40 percent the prices ship operators must pay for fuel. He is supported in this move by Canada's energy czar, Marc Lalonde, and Transport Minister Jean-Luc Pepin, a member of the Trilateral Commission.

Trudeau is also using the superport issue to pit province against province, and head off a progrowth fever that has been spreading from Quebec to other regions of Canada. In the case of Nova Scotia, he has already had some success. A few weeks ago, John Buchanan, the premier of that Atlantic coast province, had endorsed Lévesque's economic program against Trudeau, and joined Quebec in a constitutional fight between the progrowth elements in the provinces and the central government.

Last week, however, Buchanan wrote a letter to federal Transport Minister Pepin complaining that better freight rates in other provinces were causing two major shipping companies to move out. Buchanan then charged that Ottawa's transport policies were intended to "develop Montreal at the expense of other ports."

Trudeau's aim in this scheme is to win back provincial support for his constitutional package, which will institutionalize an across-the-board "equalizing" of federal management of resources. This would mean the end of provincial government ownership of resources. No province would be permitted to "develop at the expense of others," as Trudeau's supporters argue.

The fuel surtax has drawn fire from both shipping interests and labor. Shipowners of the Dominion Marine Association charge that "the Canadian inland shipping industry's market share on the Great Lakes may be eroded." This, they say "will increase industry costs at a time when the federal government has reduced its shipbuilding support program and increased seaway tolls, seriously influencing the supply of vessels to meet the anticipated increase in Canadian grain exports."

Donald Montgomery, secretary-treasurer of the Canadian Labor Congress (CLC), indicated that this federal move will force more unemployment, and will deliver "a major blow to Canadian shipping." He termed the policy "an outright violation of the basic principles of the federal budget with its pledge to keep energy costs below 85 percent of the international price for Canada." The export tax has also encountered opposition in the House by Conservatives who claimed that "the tax will jeopardize the capacity of Great Lakes ships to work at an economical and advantageous commercial rate."

According to Roger Murray, president of Cargill Grain Co., Ltd., "an estimated 20 percent increase in grain traffic can be expected on the Great Lakes-St. Lawrence Seaway system by 1985 and a 40 percent increase by 1990." Murray also indicates that even with new ships planned to come on stream by that time, there will be a shortfall of 6 to 7 million tons by 1990, unless the capacity is seriously increased.

Export grain is loaded at the western end of the Great Lakes at Thunder Bay Ontario, then shipped to the St. Lawrence River ports 1,250 miles away. This route also draws hundreds of millions of tons of coal, coke, limestone, cement, gypsum, and other miscellaneous bulk cargo annually, making the Quebec superport expansion and shipbuilding a necessity if the Canadian economy is to recover from the present depression and meet world requirements in the decade ahead.