

Therefore, our Corporation works with maritime interests throughout the Great Lakes to promote the expanded use of the waterway. In a broad sense, our area of concern consists of a 2,400-mile system of waterways extending from Duluth, Minn., to the Atlantic. Our objectives are to obtain maximum tonnage through the waterway so that we can repay our bonded debts and, equally important, contribute to the economic vitality of the Great Lakes region.

Within our organization are 163 full-time employees. Of these, all but 35 are employed in the operation and maintenance of facilities.

The investment of the U.S. Government in the St. Lawrence Seaway is \$131.7 million. In addition, the Corporation has deferred approximately \$11.6 million in interest charges which brings the total bond and interest debt to \$143.3 million.

In 1967, the Seaway Corporation earned from tolls more than \$6 million. This represents 27 percent of the total tolls collected by the Canadian and American agencies. Our total expenses, including depreciation, came to \$8.8 million.

Our accounting system differs from that of the normal Government agency. We are subject to the Government Corporation Control Act which provides for congressional control of our financial operations through annual audits by the General Accounting Office. Our accounting system is on an accrued cost basis, rather than an obligation basis. The Comptroller General, in referring to our system several years ago, stated that we had an excellent accounting system and internal audit program.

Interest repayment is a major program of the Corporation. In 1967, the Corporation paid the Treasury \$4 million. In 1966, we had paid \$5.2 million toward our interest requirements. Since 1959, the Corporation has paid the Treasury a total of more than \$29 million in interest payments.

A second major program of the Corporation is the rehabilitation of Eisenhower and Snell Locks. It has been anticipated that more than \$13 million will be spent to complete the rehabilitation program. Legislation has been submitted to Congress requesting that this program be financed by appropriated funds. The problem includes replacing deteriorated concrete and remedying structural cracking at both locks.

The Corporation also has sought to stimulate promotional programs among the Great Lakes ports. In support of these programs, the Corporation has literature, motion pictures, speakers, and technical-aid materials in distribution throughout the world.

Another major program is the expansion of the seaway shipping season. Since the opening of the seaway, we have moved our official closing date from November 30 to December 6. While our official opening date remains April 15, we seek to open as close to April 1 as possible each year. Further, the Corps of Engineers has been authorized by the Public Works Committee of the U.S. Senate to study the possibilities of year-round navigation as well as the need to build additional facilities.

In summary, I would like to emphasize that the seaway operates with funds it collects from the payment of tolls by vessels using its facilities. From a tonnage standpoint, the waterway is nearing its goal of 50 million tons and should surpass the figure either this year or next. Financially, we need an additional 25 percent in revenue to fully meet our obligation. However, in our 9 years of operations, we have always covered all of our operating expenses while, at the same time, returning the impressive amount of more than \$29 million to the U.S. Treasury.

Mr. McCANN. The Corporation was created to construct deepwater navigation works in the U.S. territory of the St. Lawrence. Now that we are in operation, we work in close cooperation with the Canadian Seaway Authority of Canada. With them we establish rules and regulations as well as toll rates. In the Corporation there are two key words—corporation and development. We are organized as a corporation because we are financed by bonds. We do not operate on appropriated funds. We are expected to repay our debt with interest within 50 years.

Mr. BROOKS. Are they tax-free bonds?

Mr. McCANN. Yes, sir; they are Treasury bonds and we borrow money from the Treasury at the current rate of interest. Then the second key word is development. We must generate sufficient traffic