

Perhaps on some other occasion I may be permitted, in one form or another, to give you more information on these affairs which are of great interest.

In regard to the Saint John: This river is under reference from the two governments, calling for an investigation and comprehensive report on all potential power and storage sites which are capable of economic development in the basin either in New Brunswick or in Maine or in Quebec.

The need for power in these regions is acute and the rising costs of coal in New Brunswick and the even higher costs of imported fuel in Maine represent limiting factors on the development of industry which have become serious, more particularly because of the very hopeful prospects for the development of an important mining industry in consequence of the recent find of non-ferrous ore bodies in the Bathurst area.

The Saint John is a river of peculiar interest to the International Joint Commission because it furnishes examples of every one of the several categories of water defined in the Treaty of 1909. For many miles it is a "boundary water", where the territories of Canada and the United States meet in midstream. Then it has "waters flowing into boundary waters" and "waters flowing out of boundary waters", and it has principal tributaries which "flow across the boundary"; and it has "heads" for power development situate in one country which are entirely dependent on the flow from storage in the other. It is of very special interest also because, in the many discussions which have taken place in the IJC over the Saint John down the years, precedents have been established which, while they were very favourable to the United States in the particular circumstances of this watershed, are now proving to be even more advantageous to Canadian interests in other places.

The reference covering the river down to Grand Falls inclusive was received on September 28, 1950, and later extended to tide water near Fredericton, when it was found that power sites in this stretch held promise for early development.

In the two and one-half years which have since elapsed, the International Saint John River Engineering Board has completed its investigation, and its report outlining its recommendations to cover the requirements of the next ten years is now in course of reproduction. It shows that more than 500,000 horsepower may be developed economically in due course, if the Board's proposals are carried out. A site at Beechwood near Woodstock, which is capable of producing ultimately over 180,000 horsepower, has been proposed for early progressive development to ease the immediate power shortages in the province; and this plant, even without additional storage, has been shown to have a benefit-cost ratio of 1.52, which means power at about  $\frac{2}{3}$  the cost from the best of the existing steam plants against which the comparison has been made. The report is, as I have already indicated, an inspiring example of how a very complex international and inter-provincial situation can be rationalized in the best interests of all concerned.