

FEDERAL-ONTARIO WATER RESOURCE STUDY

Prime Minister Pearson recently announced that the Federal Government and the government of Ontario had reached agreement on a series of joint studies of the province's northern water resources and the economic development that depended on them. The text of the announcement follows:

The Governments of Canada and Ontario announced...that they have reached agreement on a series of co-ordinated studies on Ontario's northern water resources and related economic development. The two governments, in recognition of the growing importance of water resources to continued development, have agreed to increase the pace of their studies and to launch new studies where applicable.

The government of Ontario, through the Ontario Water Resources Department, will extend the collection of hydrologic and other pertinent data as part of a long-term plan of establishing an inventory of the scale and nature of the water resources of Northern Ontario. In addition to the foregoing assistance, the Federal Government, through the Water Resources Branch of the Department of National Resources, will launch a series of hydrological engineering studies to investigate the feasibility of the various possibilities of diverting water from one water-basin to another or from one water-course to another if this would bring about a better use of the water involved, having regard to the needs of all users.

In the latter connection, the government of Ontario is mounting a study of the potential economic development of Northern Ontario and the role water

resources will play therein. The Resource Development Branch of the federal Department of National Resources will also study various social and economic aspects involved in water diversion possibilities.

PART OF LONG-TERM PROGRAMMES

The foregoing studies are part of the long-term programmes of both governments to increase the knowledge of the water resources of Ontario and of the country as a whole. The Federal Government participation recognizes the national importance of water and is part of the Federal Government's national water policy. The latter places emphasis on long-range studies of future water use, as well as current remedial measures provided under the Canada Water Conservation Assistance Act.

These programmes listed represent the determination of both governments to work together in a practical way to achieving common aims. A co-ordinating committee will be established representing the two governments for the purpose of arranging the complete exchange of all information gathered by the studies for the benefit of both governments and for co-ordination in the arrangements of studies to avoid overlapping or duplication. The nature of the studies is such that early answers are not expected. However, both governments are fully aware of the urgency of several aspects of water policy and have agreed to press these studies as rapidly as available resources permit.

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ELECTRIC-ENERGY PRODUCTION

Production of electric energy in 1963 amounted to 122,238,000,000 kilowatt hours, an increase of 4.0 per cent from the 1962 figure of 117,469,000,000, according to an advance release of data that will be contained in the 1963 issue of the annual Dominion Bureau of Statistics report *Electric Power Statistics*. Generation by utilities in 1963 rose 1.5 per cent, to 93,501,000,000 kwh from 92,096,000,000 in the preceding year, and generation by industrial establishments - mainly for use in their own plants - increased 13.3 per cent, to 28,737,000,000 kwh from 25,373,000,000.

Electric energy made available in Canada in 1963 aggregated 121,510,000,000 kwh, up 4.6 per cent from the 1962 total of 116,135,000,000, while the amount available for disposal totalled 99,315,000,000 kwh, up 6.8 per cent from 93,012,000,000 in the preceding year.

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FINANCE PACT WITH EAST PAKISTAN

Mr. Mitchell Sharp, the Minister of Trade and Commerce, announced recently that Canada would provide an additional \$5.3 million financing to cover the sale of Canadian diesel and steam electrical-power

generating and transmission equipment and engineering and procurement services to East Pakistan. The financing agreement was signed between the Export Credits Insurance Corporation, which administers the Canadian Government's long-term export-financing programme, and the East Pakistan Water and Power Development Authority, Dacca.

The financing will permit the completion of the second phase of a two-part development known as the Isolated Power Generation and Distribution Project, undertaken in East Pakistan with an initial \$6-million loan made by Canada in June 1963. The project is part of Pakistan's second five-year plan for economic development.

This is the third such agreement to be signed under the special Canadian credit allocation to the Government of Pakistan, and, like the earlier ones, is aimed at financing high-priority capital projects favourable to the development of Pakistan. The terms of the new loan call for repayment in 32 semi-annual instalments after a four-year grace period. The interest rate is 6 per cent a year.

NATURE OF PROJECT

The power project consists of supplying electrical power to 14 East Pakistan communities with populations ranging from 15,000 to 115,000, which cannot be connected economically with existing power