

Impressive though our water power development was during these years, the unprecedented demand for electric power during the past five years - resulting from the greatest period of prosperity and industrial growth our country has known - has initiated further hydro developments on a scale never before contemplated. From 1945 to 1950 installed capacity increased by two and one-third million horsepower; or nearly 23 per cent. Today our hydro-electric installations total some 12,576,000 horsepower.

But the production of electricity is not an end in itself - rather it supplies a service and facilitates production. The true significance of electric power's role lies in its relationship with the general economy of Canada. Nearly two-thirds of the total national production of electricity is absorbed by our manufacturing industries - on the basis of consumption figures, our manufacturing industries absorb almost three-quarters. The direct dependency of Canadian manufacturing upon the hydro industry is apparent. Within the manufacturing group, five major industries used over half of the total power generated for consumption. When it is realized that these industries namely, pulp and paper, primary iron and steel, abrasives, electro-chemicals, and the smelting and refining of non-ferrous metals - are directly and indirectly responsible for approximately one-third of the gross value of our manufactured goods, then the importance of low cost power to an industrial machine which in turn is largely dependent for its prosperity upon its ability to compete in world markets, is clearly evident.

From the standpoint of electric power consumption these five industries are dominated by two of their members - the pulp and paper industry, and the smelting and refining of non-ferrous metals. These two industries consume nearly one-half of the total power made available for national use. Electric power has been a common factor in raising them to the top of Canadian industry. In return for such a huge consumption of power it is desirable to evaluate the contributions of these two industries to our general economy. The pulp and paper industry has a gross value of production approximating \$960,000,000; it directly employs some 50,000 people; it pays out in salaries and wages about \$170,000,000 per year. Of singular importance to our economy is the export value of newsprint - which exceeds \$486,000,000 and is our most important export. As a "dollar earner" the pulp and paper products are most important. Over 90 per cent of these products are purchased by the United States and are valued at approximately \$650,000,000. A somewhat similar situation exists in the non-ferrous smelting and refining industry. Its gross value of production is around \$700,000,000; as a "dollar earner" it contributes substantially, its products being valued at approximately \$267,000,000. Even on the basis of these two industries alone, there can be no doubt but that Canada is obtaining a handsome return from its electric power production.

These two large power-using industries are principally located in the central provinces of Ontario and Quebec. Of the gross value of the pulp and paper industry's production over three-quarters originates within these two provinces. The diversity of the smelting and refining industry makes a similar comparison difficult, but 9 of the 11 firms listed in the industry are similarly located. It is natural then that we should expect to find the greatest hydro-electric developments within these two provinces. Indeed these two provinces hold, and for many years have held, the predominant position in this field - in 1930 they