

These sums represent very considerable expenditures, to be sure. However, the facilities would not be provided as a gift to anyone; they would be self-liquidating. Hydro users would pay the capital, interest, operating and maintenance costs relating to power, and tolls levied on shipping would recover the similar navigation costs. In other words the expense would be borne by the beneficiaries.

Again, large as the expenditures would be, they would be well within Canada's resources. On the hydro side, Canada has built its Shipshaw, its Beauharnois and other projects, and is expanding its Niagara and building its Kitimat. On the navigation side, Canada has already spent over \$300,000,000 in providing the Ship Channel below Montreal, the 14-foot canals into Lake Ontario, the Welland Ship Canal and a lock at Sault Ste. Marie. Most of these expenditures date back to years when a dollar meant a great deal more than it does now, and when Canada was much poorer in material resources. The work and material that went into the Welland Canal alone would cost a great deal more than \$300,000,000 today.

Why is the project necessary from a power standpoint?

The international power development will provide low-cost energy that is in immediate demand on both sides of the border. The United States share would go to New York and perhaps neighbouring states. The market there is growing rapidly each year, more than sixty per cent of it supplied by steam plants while the cheaper St. Lawrence power runs merrily to waste. But I wish to deal particularly with Ontario.

As a result of the rapid post-war expansion of industry, as well as rising domestic consumption, Ontario has been faced with recurrent power shortages or threats of shortages. The Hydro Commission still is pushing its expansion programme, with the emphasis now on Niagara, where installations of 1,200,000 horsepower are to be made. This new power will come in over the next three years, but is not expected to do much more than meet the growing demand in that period.

Meanwhile two large steam plants have been built at Toronto and Windsor which will ultimately develop nearly 900,000 horsepower. The ideal would be to use them only at times of peak load, but already they are being used for basic load. What this means will be clear when I remind you that Ontario owes its present industrial status to low-cost hydro power, and when I tell you that the delivered cost of steam power is more than twice as great.

The St. Lawrence is the only undeveloped site of any significance available to Ontario and within reach of the major areas of power consumption. Moreover, the Ontario installation of 1,100,000 horsepower there would have an unusually high load factor -- that is, most of the power would be available every hour of every day of the year. Without it, resort must soon be had to still more steam generation. The province cannot afford to be without this large block of low-cost power.