

The historical record of electricity trade between Canada and the U.S. shows a remarkable stability in the relationships that have been built up. It is a stability based on the scrupulous honouring of commitments. Canada has made, and will make, every effort to preserve its status as a reliable supplier of electricity to the United States.

International trade in electricity between Canada and the United States had its origins in the Niagara region at the turn of the century. The Canadian Niagara Power Company, a subsidiary of the Niagara Falls Power Co. in the United States, began construction of its plant in 1901 and power was exported from the plant to the system of the American parent in order to supply Buffalo. This trade has developed substantially since that time to the mutual benefit of both countries. For long periods of this relationship, Canada has been a major net importer. In the '60s, imports and exports were about in balance. The last few years have, however, seen a substantial increase in net exports from Canada. In 1981 net exports reached nine percent of total Canadian generation. While significant, these figures do not signal an extraordinary degree of dependence by the US on Canadian sources of electricity, representing only about one percent of total US electricity supply, and only a slightly higher share in particular regions. A large part of these exports are short-term economy sales of energy rather than firm continuous sales of power.

A recent development of interest is the approval by the National Energy Board and the Government of Canada of the export of firm power from the Lepreau Nuclear Station in New Brunswick for a 7 to 10 year period. Lepreau will be up to 50% power this week and is expected to begin supplying power to New England later this year or early next.

Large additional hydro-electric resources exist in northern Quebec, Manitoba and Newfoundland. In Ontario, the nuclear option is seen as the answer to expanded needs for electricity. In Alberta coal and hydro choices exist. In the Maritimes nuclear, coal and in the longer term, tidal options exist.

I am aware of discussions between New England and both Quebec and New Brunswick and I am following them closely. I see no obstacle to expanding this trade to our mutual benefit.

I would like to turn now to the subject of natural gas. Exports of Canadian natural gas to the U.S. have had a brief, but quite spectacular history since the early 1950's. Natural gas exports rose from a total of 110 billion cubic feet exported in 1960 to 790 billion cubic feet in just 20 years, and now stand at 760 billion. The New England states received about 4.5 billion cubic feet or less than one percent of our total exports, last year. As reliance in natural