

United States market at a price much lower than this cost. Is Canada reasonably to be expected to use its own resources in such a way as to encourage new industries to locate on the other side of the boundary where they will have immediate access to the United States market, where they will enjoy tariff protection and get cheap power as well? Our first duty is to use Canadian resources to foster Canadian development. We have always given consideration to the needs of our United States friends, and we always will, but we cannot be expected to do that to our own jeopardy. Since cheap energy is so vital a factor in industrial growth, Canada has for years taken the position that it cannot export power to the United States in perpetuity or even on a long term basis. If it did that, it would sacrifice one of the most significant factors in its industrial expansion. Canada might find itself without cheap power to process its own raw materials and forced to export those as well. Controlled water is simply electricity in storage. The same principle applies there.

Temporary Power Surplus

If the application of this policy results in some region having a temporary surplus of power this is no reason to think the policy is wrong. We can be sure the surplus will be only temporary. Moreover, it is not a surplus of power, but a shortage which creates great difficulties and which brings industrial expansion to an end. A temporary surplus of power is the very condition of economic progress in the age of modern technology. Power projects require several years to be completed but the demand for power may rise suddenly. That is why regions enjoying temporary surpluses possess a great economic advantage and must think twice before deciding to part with it.

As it can be readily seen, the further development of the water resources of the Pacific Northwest will no doubt create problems, difficulties and perhaps conflicts. We might as well face them frankly and realistically. We cannot ignore the fact that even in the Pacific Northwest different areas do not have necessarily the same interests. Instead of refusing to recognize unavoidable divergencies of interest we should try our best to reconcile them . . .

The United States and Canada have a long record of peaceful relations. This does not mean we do not have divergencies of interests or that, when such differences arise, either country sacrifices its interests to the other. The explanation of our friendly relations lies in the fact that we are always ready to iron out our difficulties through direct negotiations and to reach a compromise in the common interest . . .

Only disagreements and uncompromising attitudes can impair the brilliant economic future guaranteed to the Pacific Northwest by its immense natural resources.