

sale of power to carry the capital cost of the development in the International Rapids section, except for the relatively small proportion of the project that will apply directly to navigation. Those, very briefly, are the reasons why a power development in the International Rapids section is urgently required, regardless of the navigation aspects.

Coming to the Soulanges section, I have stated that the power and navigation canal, and the power development, has already been constructed. The Beauharnois Power project in this section has a potential capacity of 1,490,000 kilowatts, of which present power installations now develop about 1,040,000 kilowatts, or roughly two-thirds of its ultimate projected capacity. The Beauharnois development is of interest here mainly because it was begun as long ago as 1929 by private interests, and produced its first power in 1932. The power project was undertaken independently of the seaway, although, through the intervention of the Federal Government, its works were modified to suit the seaway plans as part of the cost of developing power. Little remains to be done in this section to complete the seaway, other than the building of navigation locks.

In the Lachine section, another 900,000 kilowatts of power is capable of development as part of the seaway project, although the building of the seaway without the power development can be undertaken without greatly increasing the cost of the seaway, leaving the power development until a later date. The Province of Quebec has already harnessed more hydro-electric power than any other Canadian province but, here again, reserve capacity is considered inadequate in the face of mounting demand. The need can be met for a time by alternative hydro developments, or by a final expansion of Beauharnois. Here again, the development of 900,000 kilowatts of firm power located in the heart of the Montreal industrial section at a cost of \$200,000,000 is a good business investment, and it may well be that the Province of Quebec will wish to proceed with power in conjunction with navigation.

The cost of power development will thus be borne by the provinces, and by the American authority that will own the power. The remaining cost to be borne by the Government of Canada on behalf of navigation will, at present prices, amount to between \$250,000,000 and \$300,000,000. That size of a navigation undertaking represents no more in terms of materials and manpower--or in "constant dollars", if you like--than the Welland Ship Canal, which the Government of Canada completed some twenty years ago.

The Welland Ship Canal was built as a unit in the St. Lawrence Seaway, that we are still talking about. It cost about \$132,000,000 at a time when Canada had far less economic strength than today, yet no tolls have been levied against Welland Canal traffic to pay operating costs of the canal and to amortize the investment. If Canada could manage that, then Canada certainly can manage the further work in developing navigation in the St. Lawrence River that is now being undertaken, particularly as tolls will be charged on canal traffic to amortize the new expenditure and to pay operating costs of the canal.

As I have already said, the objective of the seaway project is to eliminate the bottleneck that prevents the movement of large vessels between the Great Lakes and the Gulf of the St. Lawrence. This bottleneck has made for higher