

Neither Ontario nor New York felt so hard pressed for power as to consider development of the International Rapids between them, although they were willing to take over development of the power facilities as the lower cost made possible by a joint development for power and navigation. The power benefits thus were accepted, at that time, as secondary to the navigation benefits, which offered the main incentive to undertake the project.

Now, confronted with the great post-war expansion of industry, and the present defence programme, power is a primary objective in itself. The Province of Ontario and the State of New York are so anxious to obtain additional power that, since 1948, they have themselves sought to undertake jointly a separate power development, completely independent of navigation. The application of the State of New York for permission to undertake the United States' share of such a power development has been filed with your Federal Power Commission, and has been denied by that body, on the grounds that power and navigation must be developed jointly. Other states in the neighbouring area have also demanded a share in such a project.

Now, too, as I shall elaborate later, the proposed navigation facilities take on a new importance, with the continuing growth and diversity of traffic presently being experienced, and in anticipation of the opening of the iron ore fields in Labrador and Quebec. The steel industries on the Great Lakes require access to a new and expansible supply of iron ore which cannot be provided with economy until the navigation bottleneck is removed. Let us, therefore, re-appraise briefly what the deep-water project has to offer in terms of power and navigation.

The proposed power installations in the International Rapids development total about 1,640,000 kilowatts of firm power, half for United States, half for Ontario. The Chairman of your Federal Power Commission has testified before a Congressional Committee recently that within a radius of about 300 miles the project could deliver energy cheaper than steam plants at the consuming centres. This United States' market presently could absorb an additional 850,000 kilowatts each year, and in the Commission's view this rate of expansion will be required for at least a decade. The 820,000 kilowatts which would accrue to the United States' portion of the development at the International Rapids thus is equal to just about one year's increase in requirements.

In Ontario, there is also an inadequate reserve of generating capacity, particularly in the southern power system that would be served from facilities at the International Rapids. A recent treaty between our countries has made possible re-development at Niagara, that will bring in perhaps 450,000 kilowatts of installed capacity in 1954 or 1955, but, except for the St. Lawrence River, this is the last important source of hydro power open to the southern part of the province. Meanwhile some 520,000 kilowatts of steam capacity are being built to meet the phenomenal demand. In this situation, the Chairman of the Ontario Hydro-Electric Commission is on record as requiring power from the St. Lawrence by 1956. The only alternative is further resort to much more costly steam generation.

The basic power development in the International Rapids section will cost about \$400,000,000 at present day prices. All those present will agree that the expenditure of \$400,000,000 to provide 1,640,000 kilowatts of firm power, and with the development located in the centre of an industrial area, is a good business investment. Thus we can look to the