

possible by the ratification of the Canadian-American Niagara Diversion Treaty. By 1954 this station will be providing 600,000 horsepower for the Ontario Hydro system.

The only major power source remaining is that which would be made available by the construction of the St. Lawrence Seaway. The draft plans for the International Rapids section of the Seaway make provision for the development of 2.2 million horsepower to be divided equally between Ontario and the State of New York. Without this additional power Ontario may be obliged to place increasing dependency upon the production of electricity from steam power. Indeed the trend is already evident in the steam plants now being constructed in Toronto and Windsor. One cannot fail to be apprehensive of this trend when one considers the significant difference in cost. On a kilowatt hour basis, steam costs at the plant are approximately three times hydro costs at the source. It is therefore apparent that if Ontario must turn more and more to steam power as a source of electricity then provincial industry will be placed at a competitive disadvantage with Quebec and, possibly, British Columbia. Not only would this raise certain problems for provincial industry, but would raise problems with respect to international trade which are of national concern. The construction of the St. Lawrence Seaway and the realization of its hydro-electric power potential would mitigate power shortages for many years to come. In addition it would provide the many strategic and commercial advantages with which we have all become acquainted through the many years which have elapsed since the Seaway project was proven feasible.

We have been talking about the Seaway for a long time. The project has been agitating public opinion for over a hundred years. It has been the subject of discussions with the United States for the last fifty years. These negotiations culminated in the signing of an agreement by our two countries in 1941. This agreement provides for a 27' channel from the Head of the Lakes to Montreal, and the joint development of 2,200,000 h.p. of energy in the International Section of the River.

Canada believes that this Agreement is the best for all parties concerned. It was arrived at after careful studies by competent engineers, both Canadian and American. The President of the United States has asked Congress to ratify the Agreement. Within the last few days, approval has been strongly urged by the United States Secretary of State, Secretary of Commerce, Secretary of Defence, Secretary of the Interior, and Director of Mobilization. We in Canada are prepared to carry out our part of the Agreement, and we are hopeful that it will be implemented by Congress at the present Session.

The project is unquestionably urgent from the standpoint of National Defence. Without the Seaway there cannot be expeditious and economic movement of the large reserves of high grade iron ores in Labrador to the steel centres in the region of the Great Lakes. Shipyards along the Great Lakes are relatively well-protected but shipbuilding and ship repairing in those yards could not be advantageously increased without the Seaway, nor would relief be afforded to land transportation between Montreal and the Head of the Lakes in times of emergency.

Look at the map of North America and you will find that the Great Lakes - St. Lawrence Seaway lies almost in the centre of the five physiographic regions of the North American Continent. The upper end of the Seaway links the Canadian West