Honorable Kenneth McKellar, Chairman
Committee on Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

The United States and Canada entered into a new treaty, which became effective October 10, 1950, with respect to the uses of the waters of the Niagara River. In that agreement both countries recognize their primary obligation to preserve and enhance the scenic beauty of the Niagara Falls and River and, consistent with that obligation, their common interest in providing for the most beneficial use of the waters of that river. Among the beneficial uses are additional amounts of water apportioned to both countries for generation of hydroelectric power under certain specified limitations.

The great scenic spectacle of the Horseshoe Falls and American Falls, with a drop of about 165 feet, as well as the cascades immediately above the Falls in both countries and the gorge below the Falls, has long been a mecca for millions of tourists annually. A 1700-foot submerged weir extending out from the Canadian shore above the Falls was completed in 1936. It was constructed to shunt water over to the American side to improve the crestline over the American Falls and also to raise the water level in the pool above by about 1 foot for increased power generation during World War II. Other remedial works indicated in a 1926 report have not yet been constructed.

Niagara River and Falls also constitute one of the greatest hydroelectric power sites in the world. Four of the Great Lakes feed the Falls with a remarkably even flow averaging 297,000 c.f.s. Total potential head is some 385 feet. Among the first major hydro-developments on the continent are those in the Niagara area.

Before the negotiations that led to the present treaty Canada was diverting 49,500 c.f.s. for power generation as compared to 32,300 on the American side. Under the present treaty, the power diversions by the two countries are equalized. During the average water year each country is entitled to use some 69,000 c.f.s. for power development. Thus, it is
seen that the United States is entitled to twice its present power flow and can utilize that water through a maximum head of some 325 feet. The increased output on the United States' side will aggregate about 7.8 billion kwh annually.

Article II of the treaty sets up a procedure for investigating and determining the nature and design of remedial works necessary to enhance the beauty of the Falls by distributing the waters so as to produce an unbroken crestline on the Falls. These detailed surveys and studies are now under way under the general supervision of the International Joint Commission. The Corps of Engineers and the Federal Power Commission are performing the engineering work for the Commission. Funds are being requested by the State Department to finance these remedial works surveys during fiscal years 1951 and 1952. Under the new treaty the water which may be withdrawn for power development varies during the seasons of the year and hours of the day. This complicates engineering planning for the works to maintain and enhance the scenic spectacle as well as to develop additional power.

The necessary engineering planning to maintain an unbroken crestline on the Falls is inextricably associated with the amount of water withdrawn for power generating purposes, the coordinating of the withdrawals of the two countries, the location of the power-water intakes, and associated questions, including the effects of these new hydraulic conditions upon the existing Federal navigation projects in the Niagara Falls-Buffalo area. The treaty defines water for domestic, sanitary, and navigation purposes to be of first priority.

In this connection a resolution passed by the Senate Committee on Public Works on June 5, 1951 requests the Corps of Engineers to review previous reports on Niagara River, Black Rock Channel and Tonawanda Harbor, and Buffalo Harbor, all of New York, with a view to determining the most feasible general plans for utilization of the water apportioned to the United States for power development at this locality consistent with the provisions of the present treaty, and the effect of such developments upon the Federal navigation projects at this locality.

Funds in the amount of $2,000,000 for Niagara power development studies by the Corps of Engineers were included in the President's Budget for 1942. However, the Civil Functions Appropriation Bill for fiscal 1952, as passed by the House of Representatives, omitted funds for that purpose.

In order that all the complex hydraulic questions and other allied engineering questions may be properly studied and coordinated, engineering
and cost surveys with respect to the United States power redevelopment must go forward now, in step with the planning of remedial works. It is impossible to separate the two phases of the studies.

There is an acute and serious shortage of electric energy in the Niagara area on both sides of the border. This increased power is urgently needed in the Buffalo area to meet present loads including those in connection with the defense mobilization effort which cannot now be met. The prospective power development at Niagara Falls will increase the total dependable generating capacity of plants on the United States side from an existing 440,000 kilowatts to 1,392,000 kilowatts, an increase of 952,000 kw providing about 7.8 billion kilowatt hours of additional energy output. This capacity can be readily absorbed within 5 years which is less than the time required for its construction. Generation cost is very low, being presently estimated at about 1.8 mills per kwh. Thus Niagara hydro-power is decidedly low cost. It is in a region of high cost fuel generated power.

The Hydroelectric Power Commission of Ontario has already started construction of additional hydroelectric generating facilities on the Canadian side to utilize the full amount of water apportioned under the treaty to meet the grave power shortage in that Province. Ontario Hydro also has several other plants under construction. Thus, Canadian authorities are showing greater initiative than we are.

On January 17, 1951, I introduced a bill, S. 527, which among other things would authorize construction of works for the modernization and redevelopment of hydroelectric generating facilities at Niagara on the United States side. This redevelopment is estimated on present plans to cost from $308,000,000 to $350,000,000 on January 1949 levels, depending on the type of construction finally adopted. However, the extremely low generation cost of some 1.8 mills for a huge new block of some added 7.8 billion kwh annually in a high cost power-short area is a shining example of wise water resource development that should not be ignored. Whatever disposition Congress makes of this power potential, the engineering study will be needed.

It is essential that the engineering studies to determine the most feasible general plans for power development on the United States side should go forward now, simultaneously with the investigation into the necessary remedial works referred to above, in order to implement the treaty and at the same time have in readiness sound up-to-date blueprints.
for a great power project. Accordingly, I strongly urge that your Committee consider favorably the restoration of planning funds in the amount of $2,000,000 for this item.

Very sincerely yours,

Herbert H. Lehman