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### THE COLUMBIA RIVER BASIN

As the result of negotiations during the year, agreement was reached by Canada and the United States on the basis for a treaty for the co-operative development of the water resources of the Columbia River basin. At the year's end it was anticipated that a treaty would be available for consideration by Parliament and Congress early in 1961.

The proposed plan of development is designed to increase the production of hydro-electric power and improve flood control in the area. Its implementation will provide a further example of co-operation between Canada and the United States in the development of their respective natural resources for their mutual benefit and the results will be of tremendous economic significance to both countries.

From an international point of view the proposed agreement is novel. It will provide for the first development of such magnitude anywhere in the world, involving the construction and operation of upstream storage dams by one country, Canada, so as to create benefits in the downstream country, the United States, which are to be shared by both. By such co-operation both countries will secure greater benefits at less cost than either could secure by independent development of the water resources of the Columbia River basin. Each country will be responsible for all construction required within its own territory; only the benefits are to be divided. Thus, the proposed agreement will permit each country to retain full control of its resources and is consistent with the guiding principle in the relations between Canada and the United States: mutual respect for each other's individuality.