

October 31, 1963

The Hon. Paul Martin, P. C.,  
Secretary of State for External Affairs, Canada  
House of Commons,  
Ottawa

Dear Mr. Martin:

I have your letter of 8 Oct 1963 in which you express certain general observations on some of the aspects of the proposed Columbia River Treaty which I had remarked upon in my letter to you of 23 Sept 1963.

In regard to your observations, I have now had an opportunity to look up the relevant reports which have been made public and which are available to me and I now make the following further comment.

For convenience of reference, I have numbered the paragraphs of your letter as follows:

Your Page	1:	1 and 2
"	"	2: 3, 4, 5, 6, and 7 (including Crippen Wright paragraphs)
"	"	3: Para 7 (cont.), 8, and 9
"	"	4: 10, 11, 12, and 13

Re your Para 2

I note that you agree on \$710 million as the total amount which the U. S. estimates would need to be expended to obtain, among other advantages, the same degree of flood control as could be given by the three Canadian storages, Mica, High Arrow, and Duncan. It seems to me that where we differ is that you accept the position that the sum which has been allocated by the U. S. to flood control is a measure of the Canadian contribution. This is not my view because the U. S. in multi-purpose projects follow a principle that relieves the public of charges for flood control, which can be imposed on power with greater convenience and less public opposition.

The result is that the actual flood control benefit from the operation of the treaty storages is very much more than double the \$64.4 million present worth figure evolved by the negotiators.

May I repeat again that it is my firm conviction that the revised treaty or protocol should provide specifically for a payment to Canada equal to half the damages prevented by the operation of Canadian storage (IJC Principle) and that the formulae for arriving at this amount should be open to re-negotiation on demand as future experience may indicate. There must also be a minimum payment per acre foot of storage space in order to prevent abuse by the U. S. of the privilege of calling for drawdown to take care of impending floods of exceptional great magnitude which are forecast.