

HOUSE OF COMMONS

Wednesday, July 10, 1963

The house met at 2.30 p.m.

POWER

COLUMBIA RIVER—ANNOUNCEMENT OF SIGNING
OF AGREEMENT BETWEEN CANADA AND
BRITISH COLUMBIA

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I thank my colleague the Secretary of State for allowing me to speak first. In order to meet an agreement with the premier of British Columbia I have to observe a time schedule.

The governments of Canada and British Columbia have signed an agreement setting forth in detail the basis on which the development of the Columbia river in Canada will be carried out, when and if satisfactory arrangements are concluded with the United States.

The agreement, dated July 8, 1963, was signed on behalf of Canada by the Prime Minister and the Secretary of State for External Affairs. It was signed on behalf of British Columbia by the premier, Hon. W. A. C. Bennett and Hon. R. G. Williston, minister of lands, forests and water resources.

The treaty between Canada and the United States relating to the development of the water resources of the Columbia river basin was signed on January 17, 1961. While it was approved by the United States senate preparatory to ratification by the United States, final action looking toward ratification by Canada was held up following signature because of lack of agreement in Canada concerning certain aspects of the development. In addition to the questions outstanding between the governments of Canada and British Columbia, the Prime Minister indicated to the President of the United States, in their meeting at Hyannis Port, that certain clarifications and adjustments would be necessary in the treaty arrangements between Canada and the United States before ratification could take place.

Resolution of all points of disagreement between the federal and provincial governments was the first stage, and I am happy to say this has now been accomplished.

The agreement, which is being released simultaneously with this announcement, provides in detail for the rights and obligations of the federal government and the provincial government respectively in the execution of the Columbia river development when the

necessary modifications to the treaty have been made and its ratification takes place. The agreement provides that the protocol regarding the treaty arrangements, when worked out with the United States, shall form a part of the agreement between Canada and British Columbia.

The agreement contemplates a sale of the Canadian share of downstream power benefits to the United States, subject to the negotiation of a satisfactory price and other suitable terms which will ensure savings in the cost of electric power in British Columbia. The exact period of the sale will be one of the matters for negotiation with the United States. The sale arrangement, and therefore the entire agreement, are entirely contingent upon the negotiation of acceptable terms with the United States. The arrangements for sale, when worked out, will form an integral part of the agreement.

The agreement provides that in accordance with its constitutional position as owner of the resources in question, British Columbia, will have title to the benefits arising out of the development. In turn British Columbia undertakes to carry out all aspects of the construction and operation of the treaty projects and assumes full responsibility for their financing through the use of funds derived in the United States from the sale of the downstream power benefits and from the flood control benefits, together with funds from other sources as required. British Columbia also undertakes to assume financial responsibility for any liability that might arise under the treaty in relation to the United States unless the cause of the liability were directly attributable to Canada.

The agreement provides for the use of Canadian labour and materials to the full extent to which they are procurable consistent with proper economy and expeditious action.

Now that agreement has been reached between the federal and provincial governments, negotiations for modification of the treaty will be undertaken as quickly as possible with the United States. If agreement can be reached on points other than the sale arrangement, discussion will then take place on the terms on which the Canadian downstream power benefits might be sold in the United States. If these matters can be settled satisfactorily all provisions relating to