

Canada to secure this power, this is only because the United States has already expended upwards of \$2 billion at 1957 prices on plants and developments on the Columbia River in their country. As I have said, it is only because this investment has been made that the increase in downstream power from Canadian storage is possible.

The securing of downstream benefits from the Canadian storages is only the initial stage of the results that will flow from the Columbia River development. It will be possible later on to install generators at the dam near Mica Creek and also, as the power requirements of British Columbia justify it, to construct additional plants downstream in Canada to make use of our regulated flow of water.

### **Flexibility of Storage Plans**

The Treaty makes provision for flexibility in the plans under which our storages will be regulated. As power-generation facilities are installed on the Columbia River in Canada, it will be possible to devote steadily greater proportions of the stored water to increasing power generation in Canada and the United States jointly, instead of in the United States alone. There will thus be a shift of emphasis in the future from shared downstream benefits to Canadian power production. While the nature and timing of Canadian power plans cannot be definite at this stage, I am advised that it seems reasonable to estimate that the Columbia River development will ultimately produce 20.2 billion kilowatt hours of power each year in Canada over and above the 6.856 billion kilowatt hours that is our initial share of downstream benefits. It is estimated that the average cost of this entire block of power delivered at British Columbia load centres will still be approximately the 4 mill figure that I have mentioned.

While these later developments cannot, as I have said, be scheduled at this time, the character of the projects and the magnitude of the power they would produce can be calculated. Table 4 lists these possibilities.

In order that the full magnitude of the investment in the initial phase of the programme may be understood, I should mention (as the tables will disclose) that, in addition to the \$345 million for the storages that I have already referred to, there will be investment in new transmission in British Columbia to an estimated cost of some \$114 million. The total investment in the first phase will thus amount to about \$458 million. The ultimate investment to provide for a full development of the kind I have referred to could be in the vicinity of \$1.5 billion.

I have dealt thus far with only one aspect — although the largest aspect — of the advantages that will flow from the Columbia River development. I have spoken entirely of power. The regulation of the flow of water in Canada will provide other benefits through the reduction of the danger of serious floods in the United States. Under the Treaty Canada will receive a substantial return for this service.