

treaty for the co-operative development of the resources of the Columbia River basin. This is a project that has been under examination by our two countries for a number of years. It followed a study made by the International Joint Commission, under whose auspices our two countries have worked together in a neighbourly way for many decades to settle boundary water questions.

When the treaty is ratified, the appropriate entities in both countries will build certain reservoirs and dams to harness the waters of the Columbia River basin for the benefit of both countries. The three major reservoirs to be constructed in British Columbia will store the water needed for regulating the flow so as to increase the production of hydro-electric power downstream in the United States and, when the generating plants are built, at certain sites in Canada as well, and to give greater flood protection to the United States.

The treaty embodies the principle that Canada will share in the benefits derived from this storage by the United States and that Canada will regulate the flow of water in a manner which best suits the interests of both countries. In addition, the treaty makes provision for the United States, if it so decides within a five-year period, to build a storage dam and power facilities on the Kootenai River at Libby in Montana. The significant feature of this project is that it will involve the creation of a new lake on the river that will flood a sizeable piece of Canadian territory. The Libby project would not be economic without this storage, and Canada's agreement to its construction involves surrendering the ability to develop power of our own at sites within Canada on this same river, or on rivers adjacent to it, in the interest of a larger overall plan.

The point I emphasize is that arrangements of the kind envisaged by the treaty involve many complex economic matters and many sensitive questions of national sovereignty on both sides. Notwithstanding this, our two countries have been able to reach an agreement which rises above these difficulties in order to yield the greatest measure of joint benefit. We have found that, by working together, by being prepared to give as well as to take, both our countries can fare better than is possible if each of us chose "to go it alone". To work matters out co-operatively and to pay due regard to the way in which the plans of both countries can be harmonized to serve the interests of the other makes good common sense. The Columbia River Treaty should create a new bridge between our countries.

Trans-Border Trade in Goods and Services

Opportunities for making co-operative arrangements of this kind do not arise very frequently. In the ordinary course, the process of bridge-building arises from the daily