

in the Treaty that the Canadian storages will be put in the most favourable position in the attribution of benefits to storage. In the terms of engineering science, this is described by giving the Canadian storages "next added" position in the credit that is to be given to our 15.5 million acre feet in regulation for downstream benefits. By agreeing that our storages have that position, the United States has agreed, in effect, that their benefits shall be of the largest order that this storage can achieve. This is a point of very great importance in ensuring the maximum share of power for Canada.

To give some idea of the magnitude of the power benefits I am advised that the Canadian share attributable to the storages and delivered to load centres in British Columbia will amount to 6.856 billion kilowatt hours a year and to a firm electrical capacity of 1,118,000 kilowatts. Table 2 gives a detailed example of the power benefits to be received in a sample year.

### **Confusion Among Published Figures**

There has been some confusion concerning the sharing of the downstream benefits because figures released in Portland, Oregon, on October 19, 1960, dealt with the question in a somewhat different way than figures released here have done. I want to make it quite clear that I am not suggesting that those figures were inaccurate. I am advised that, so far as Canadian information goes, they are entirely accurate. Moreover, on the extent of the downstream power and its division between the two countries they are entirely consistent with the figures released here. The problem is to analyze them without a knowledge of electrical engineering. In order to help clarify what has been a point of uncertainty Table 3 has been prepared.

The power that Canada secures from the Treaty projects will not only be great in quantity, but it will also be low in cost. The Treaty provides that the United States will deliver the Canadian share of the power free of charge at a point on the Canada-United States boundary near Oliver, British Columbia. They will also provide standby transmission facilities at a cost of \$1.50 *per annum* for each kilowatt of Canadian capacity. These standby facilities will make it unnecessary for British Columbia to incur substantial costs that would otherwise be necessary to build an additional line to ensure the regular delivery of the power to Vancouver. As a result of all these factors it is estimated, on what I am advised is a conservative basis, that the Canadian share of power can be delivered at load centres in the lower mainland and interior at less than 4 mills a kilowatt hour.

### **U.S. Share of Power Increase**

The United States will, of course, secure an equal amount of the increase in power brought about there by the control of the Canadian storages. In considering the cost of this power to the United States, it is important to bear in mind that, although they do not now have to make new expenditures equal to those in