

advantages to Canada and British Columbia which without the Treaty could only be attained at much higher cost, if at all.

These advantages make possible:

- (a) The installation of over 4 million kilowatts at points in the Columbia River basin in Canada capable of producing annually about 20 billion kilowatt hours of energy for Canada at an at-site cost of approximately 2 mills per kilowatt hour. (This installed capacity is nearly 1-1/2 times the total present hydro-electric installation in British Columbia and about 1/5th of the total for all of Canada.
- (b) The prevention of floods in settled areas on the Kootenay and Columbia rivers.
- (c) The continued production, at the end of the 30-year sales contract, of downstream benefits in the United States with a potential value to British Columbia of \$5 to \$10 million per year for the life of the Treaty and possibly thereafter.
- (d) Additional payments of up to \$8 million by the United States for extra flood control if it is required during the Treaty period (as well as special flood control compensation for any emergency requirements of the United States during and after the life of the Treaty).

7. The construction of the Libby Reservoir by the United States will make possible the annual additional generation of more than 200,000 kilowatt years of low cost energy in Canada essential for the continued development of the Kootenays. These benefits do not have to be shared. The Libby dam will also provide additional flood control in the industrial and farming areas of the West Kootenays.