

fixed schedule, but as returns are earned through the sale of power. That offer is still open. My colleague, the Minister of Finance, has made it clear that he stands ready to meet the Premier of British Columbia in order to discuss the offer at any time that may be mutually convenient.

In conclusion, the Treaty that is being signed today is without precedent in the relations between nations. It represents a new level of co-operation for mutual advantage. Without the proposed agreement, neither country could secure benefits for its people equal to those that can be realized through the action that the Treaty contemplates. The Treaty is, I believe, fair and equitable to both parties. Its implementation will be a splendid example of co-operation between neighbours. It will also through the great investment involved and by reason of the low-cost power it provides serve as a most important stimulus to the Canadian economy.

#### NOTE

The calculations for Table 6 on Page 49 (which are in most respects less favourable to Canada than is likely to be the case, especially in relation to numbers 2, 6 and 8) were based on the following assumptions:

- (1) High Arrow Lakes completed or partially completed by 1965; Duncan Lake completed by 1966; Libby completed by 1967; extensions to the Consolidated Mining and Smelting generation facilities in the West Kootenay Area completed in 1969 and further facilities (the Canal Plant) completed in 1970.
- (2) No market in the United States for surplus Canadian downstream benefits.
- (3) Power sales in Canada made at 4.0 mills per kilowatt hour.
- (4) An 8 cent annual growth in British Columbia. This is based on load forecasts excluding special industrial loads such as Kitimat.
- (5) An interest rate of 5½ per cent applied to both construction costs and accumulated operating benefits or deficits.
- (6) No co-ordination agreement with the United States and thus a continuing annual charge of \$1.50 per kilowatt for downstream capacity benefit stand-by transmission.
- (7) Capacity benefits traded for energy benefits at the rate of 1.65 kilowatts of capacity for 1.00 kilowatt years of energy, giving an end result at a 70 per cent load factor.
- (8) An average reduction in downstream benefits of 100 million kilowatt hours annually in the 1970 to 1985 period and a reduction of 169 million kilowatt hours annually in the 1986 to 2010 period.