

APPENDIX

COLUMBIA RIVER—LETTERS FROM AND TO FINANCE MINISTER, AND B.C. PROPOSALS

OFFICE OF THE PREMIER
Province of
British Columbia

VICTORIA
1961
March 23rd

Honourable Donald M. Fleming, Q.C.,
Minister of Finance,
c/o Government House,
VICTORIA, B.C.

Dear Mr. Fleming:

Because your own time here is limited and since it appears, at this writing, that I shall have to contend this week with several extra sittings of our legislature, I am taking the opportunity to extend to you through the medium of this letter a warm personal welcome to Victoria.

I am certain that our discussions relative to development of the Columbia river will be extremely useful and I should like to assure you further that the government of British Columbia is genuine in its desire to co-operate with the government of Canada in order that Canada's obligations under terms of its treaty with the government of the United States may be carried out fully and without delay.

It is with these thoughts in mind that I am attaching two alternative proposals for Columbia development which British Columbia feels may serve as a firm basis for discussion tomorrow. In doing so, I should state further that these proposals are not designed to limit in any way the range of our talks; I shall, of course, be pleased to study and discuss any proposals of the government of Canada which are brought forward either during or following our discussions.

With your agreement, I would suggest that we meet in my office at 10 a.m. tomorrow. A number of arrangements which will, we hope, make your visit an enjoyable one have been worked out in detail, and these will, I believe, be outlined in a separate letter to you from my executive assistant, Mr. G. D. Ekman.

With kindest personal regards, I remain,

Yours sincerely,

W. A. C. BENNETT

FINANCIAL PROPOSALS BY THE GOVERNMENT OF BRITISH COLUMBIA
FOR DEVELOPMENT OF THE
COLUMBIA RIVER

Number One

A. The government of Canada to construct on its own account the storage dams and transmission lines necessary to carry out requirements of its treaty with the government of the United States.

B. Generous compensation to be paid by the government of Canada to those citizens of British Columbia whose homes and property will be affected by flooding.

C. Payment of flood control indemnities in the approximate amount of \$64,000,000 as provided by terms of the treaty, to the government of British Columbia, which government will keep these moneys intact in perpetuity with earnings *only* to be used as compensation for economic loss to the province resulting from flooding.

D. Assumption by the government of Canada, or its appropriate agency, of pre-engineering costs in the approximate amount of \$4,000,000, this sum representing necessary expenditure already authorized by the government of British Columbia for investigations into Columbia development now being carried out on its behalf by the British Columbia energy board.

E. Ownership of all works and transmission lines constructed pursuant to the United States-Canada treaty to be transferred without charge to the government of British Columbia 50 years after the commencement of the treaty development, or at such time as the works are paid for, whichever occurs the sooner.

Number Two

A. The government of British Columbia to undertake full financial and fiscal responsibility for construction on its own account of the storage dams and transmission lines necessary to carry out requirements of the United States-Canada treaty.

B. The government of Canada and its officials to be afforded full access to engineering data, together with scrutiny and approval of all contracts in the manner now employed in the trans-Canada highway program.