

The Syncrude Magic Revue: will we learn from this encore of the Columbia River Follies?

By WARREN CARAGATA
Caragata, a Victoria, B.C., Colonist reporter, wrote
this feature for Canadian University Press.

It was a little magic for the people. After weeks of hype advertising and threats that the show would be cancelled if we all weren't good, the Syncrude Magic Revue hit town, starring Imperial Oil and its sidekicks, Peter Lougheed, Donald Macdonald and a cast of billions.

The show was slick, and well stage-managed—no one disputed that—but what caught the attention of several reviewers was that it was not original. By now Canadians must be getting bored to tears by American-produced legerdemain.

It was the old sleight-of-hand trick where our resources are whisked away from under our very eyes while a mysterious hand drops a few pennies in our pockets. It was used before when the Yanks got a river, this time they got the Alberta tar sands and \$1.4 billion.

The similarities between the Columbia River Treaty and the Syncrude deal were noticed by several observers critical of federal-provincial harmony in lining the pockets of multinational oil companies.

British Columbia Premier Dave Barrett said Syncrude was a worse deal than the Columbia treaty. If that's the case, that's bad, because that treaty is costing Canada far more than even the most pessimistic opponents predicted over a decade ago.

The Columbia is one of the world's most powerful rivers, rising in the Rocky Mountains of southeastern British Columbia and flowing north through the Rocky Mountain trench for about 220 miles before looping south at a point called the Big Bend, near Mica Creek.

The river from this point, about 80 miles north of Kamloops, flows south into the United States where it eventually completes its 1,200 mile long course at the Pacific Ocean near Portland, Oregon.

One of its main tributaries is the Kootenay, which rises near the Columbia's source but flows south, passing the Columbia within a mile at Canal Flats, north of Cranbrook. The Kootenay flows into the United States and near Libby, Montana, turns north and flows back into Canada, where it joins the Columbia near Trail, after first widening to form Kootenay Lake.

Including the Kootenay, almost 30 percent of the Columbia River basin was under sovereign control of

Canada, until Sept. 16, 1964 when sovereignty passed into the hands of the U.S. through the vehicle of the Columbia River Treaty.

If Canada had developed the river according to plans worked out by the late General Andrew McNaughton, MacKenzie King's national defence minister and chairman of the Canadian section of International Joint Commission, prior to the treaty's signing Canada could have retained control over its portion of the basin.

But more importantly, McNaughton plan development could have provided about 70 percent more power at less cost than under Columbia development.

Water could have been diverted from the Columbia system into the Saskatchewan River to provide water for the prairies.

The Saskatchewan Power Commission had determined that such diversion was economical, but only the diverted water could be used to produce power, offsetting the cost of pumping it over the continental divide. The river that would have been tapped for the diversion was the Kootenay.

The treaty, however, made such a proposal unrealistic. Water can be taken from the Kootenay, but cannot be used to generate power.

The McNaughton plan called for diversion of the Kootenay to the Columbia, rather than allowing full flow through its natural channel.

To do this, a large dam would be built on the Kootenay near Bull River, east of Cranbrook, backing the Kootenay into the Columbia. Another large structure would be constructed on the Columbia at Luxor, near Golden.

This arrangement would provide maximum upstream storage in Canada, above Mica, which most experts agree is one of the best locations on the Canadian system to locate a hydro-electric dam.

James Ripley, a professional engineer and editor of the Southam business publication, Engineering and Contract Record, wrote that Mica is the "hub of any Canadian development...and the key to profitable development of Mica is to make sure it can be supplied with Kootenay water."

The amount of power that can be generated at a site is a function of the head (the distance the water falls) and magnitude of the flow. With more storage of water behind a dam, the flow through the turbines can be increased.

The reason why storage is important is that rivers don't flow at the same rate throughout the year. This high variation results in poor economy of power plant operation and poses a flood threat.

From May to August, 70 percent of the total annual flow of the Columbia River enters the Pacific.

"It is as simple as this," Ripley said. "On a river such as the Columbia where storage is essential, you locate your main power generating plants at the high head sites (Mica), then arrange for upstream storage to keep up the head of water behind the power plants."

Although the Canadian section of the basin was almost undeveloped, the Americans had heavily developed its section of the river.

"The U.S....has seen to it that the treaty fulfills these requirements (maximum upstream storage) as far as the U.S. is concerned. The 10 U.S. plants are located between Grand Coulee and Bonneville (near Portland) on the lower Columbia."

"The treaty gives them Canadian storage directly upstream from Grand Coulee—a perfect combination," Ripley said.

Under a 1909 Canadian-American agreement—the Boundary Waters Treaty—it was totally within Canada's power to proceed with the McNaughton plan without reference to the U.S., according to the principle that the upstream nation can develop its portion of the river as it sees fit.

As one critic of the treaty said at the time, Canada held all the aces, yet still managed to come out of negotiations with a treaty that only benefits the U.S.

Not only did the U.S. get a dam at Libby, which Ripley claims transferred control of the Kootenay, which is "essentially a Canadian river", to U.S. hands and which represents 25 percent of the storage

capacity of the Canadian basin," but the treaty's main storage site is on the Arrow Lakes, north of Trail.

Storage behind the High Arrow dam, where no power will be generated, is entirely for the benefit of American plants.

"Arrow gives them effective control of the Columbia because of its location and because the criterion for its operation is to optimize output for the system as a whole, which, of course, is largely American," Ripley said.

Adding insult to injury, Canada lost money on the entire venture, and B.C. taxpayers are now footing the bill for loans that have had to be floated to meet Canadian obligations under the treaty.

B.C. Premier W.A.C. Bennett said at the time that "power from the Columbia will not cost a nickel." Instead it will cost millions.

Canada received a total of \$343 million from the U.S. but undertook to build (at Canadian expense) the Mica, High Arrow and Duncan dams. The Americans, of course, paid for the Libby dam, but Canada does not share in power from that project.

Although the treaty expires in about 50 years, control of the river remains in American hands.

One section of the agreement says that Canada is required to operate Canadian storage to prevent floods in the U.S. forever.

Even Davie Fulton, justice minister in Prime Minister John Diefenbaker's cabinet and the chief Canadian negotiator at the treaty talks, said the Columbia is the "greatest sellout since the Indians gave away Manhattan."

The simplest evidence of the treaty's sellout nature was that it was ratified almost immediately by the U.S. Senate, after Diefenbaker and the then-President Dwight Eisenhower, signed it in January, 1961. It was not ratified by Parliament in Canada until 1964.

During this interval, Diefenbaker and the Conservatives were replaced by Lester Pearson and the Liberals, who had opposed the agreement while in opposition. Upon their election, the Liberals re-entered negotiations with the U.S. and came up with a protocol to the treaty which they said made it a better deal for Canada.

The protocol was basically public relations floss and did nothing to substantially change the original treaty. This is proven by the fact that the U.S. Senate did not have to ratify the protocol, as it would have if any real changes were made.

The Columbia treaty was accepted by the federal government because Bennett's Social Credit government insisted it was the only pattern of development it would allow.

Although international treaties are a federal responsibility and the Columbia falls under federal jurisdiction because it is an international river, resources belong to the provinces, requiring federal-provincial cooperation in the development of the Columbia-Kootenay basin.

The key to the entire basin was the Libby dam. With it built, diversion of the Kootenay into the Columbia—the heart of the McNaughton plan—was impossible.

The Libby dam ensured that Canada lost. It was Bennett who gave the Americans and the U.S. Army Corps of Engineers, which wanted the massive Libby project as a showcase, the opportunity to drop about 4 million cubic yards of cement into the Kootenay River near Libby, backing the river 42 miles into Canada, sealing off forever any Canadian attempt to develop the basin in its best interests.

Bennett gave the Columbia away because he said he didn't want the Kootenay valley flooded, which it would have been if the McNaughton plan had been followed.

What Bennett conveniently forgot was that Libby flooded 18,000 acres of the best farmland in the east Kootenay region without providing any benefits to Canada.

The High Arrow dam, which the Americans wanted to provide storage for their existing plants but which would have been built under a plan designed to serve Canadian needs, flooded out an entire valley and forced the often-bitter relocation of about 2,000 people.

Developing the Columbia to serve Canadian interests

