

and thus to activate otherwise idle generating capacity in the States of Washington and Oregon. The Kaiser Aluminum and Chemical Corporation of the United States would finance the project and receive part of the downstream power, which would be used for aluminum production at Spokane.

According to the statements then made by the British Columbia minister, the water licence to the Kaiser interests would be issued for a period of 50 years. The 3 million acre feet of storage would produce about 2 billion k.w. hours of electricity a year. Of this, it is understood that British Columbia is to receive 20 per cent. Including \$275,000 to be collected in taxes, the value of the overall return to British Columbia has been set at around \$1 million a year.

As I said before, I want to make it quite clear that I believe this has been changed, although I have no figures or official statement before me to that effect. According to reliable sources the Kaiser Corporation and the Bonneville Power administration were each to receive 40 per cent; that is, they would receive 800 million kilowatt hours each. In addition, Kaiser agreed to pay \$1 million annually to Bonneville Power for its share of power, and \$275,000 in water rentals and taxes to the British Columbia Government. Finally, the capital carrying charges assumed by the Kaiser Corporation to finance this \$30 million dam in British Columbia were estimated to be approximately \$2.4 million annually.

There has been some indication that there is in the agreement a provision under which the British Columbia Government may be obligated to forgo its share of the power in certain circumstances and receive a cash payment annually. If this is correct—and I want to emphasize the words “if this is correct”—it would appear that there is an agreed price for power for 50 years, no matter what may happen to power values over that long period of time. So far, to my knowledge, there is no provision for British Columbia to get any share of, or payment for, power that may be produced in the United States or any works that may be constructed there in future to make use of the storage facilities on the Arrow Lakes.

Honourable senators, in a nutshell, that is the basis of the original agreement. As I said before, there has been some indication, I believe, of a change in the proposition, but no official statement to this effect, only pronouncements made by the minister, of which I have no record.

The point at issue to which the people of British Columbia as a whole object—and I say “as a whole” advisedly, for there has

been great controversy and objection heard from all over that province because of the number of people who would be flooded out by the project—is that it would provide for the Kaiser Aluminum Company in the United States very much cheaper power than we in the province could get. It is not necessary for me to explain to honourable senators that this would militate against the establishment of industries in British Columbia. In addition, it would tie up potential sources of energy for many years in our province, when one has only to look into the foreseeable future to realize that before many years have passed we shall be in need of all possible sources of energy for our own use.

I think I can quite fairly state that were this project to go through—and I hope, as it now appears, that it will not go through—it would provide most unfair competition for Alcan, the Aluminum Company of Canada, which has vast undertakings in the central and northern parts of the province. I say it would result in unfair advantage over that company, because it would enable the Kaiser Aluminum Company to sell its products much cheaper than the Aluminum Company of Canada in British Columbia could. I also emphasize that the loss of potential power is inestimable.

I need not say more on this particular project, because I am sure the people of British Columbia, and I think of the rest of Canada, welcome the legislation forecast in the Speech from the Throne, aimed as it is at preventing the sort of exploitation of which I have spoken. Unfortunately, the Government of British Columbia is rather hoping for immediate returns rather than the long-term benefits that are so necessary for that province which has such great possibilities for future industrial development.

I happened to be present in the other place—I believe I am correct, Mr. Speaker, in referring to it as the other place—

Hon. Mr. Euler: Not necessarily.

Hon. Mrs. Hodges:—when this bill was introduced, and I was very glad indeed to notice the spontaneous and enthusiastic reception accorded it from all sides of the house, with the exception of one small quarter which I need not designate and which of course naturally would not approve of it. By the time the bill reaches this house I hope we shall have further facts on the subject and shall be able to go into it in greater detail. The measure is of great importance to British Columbia at this time because the province is just beginning to realize on the vast reservoir of natural wealth with which it has been so richly endowed. Indeed, the