

*Supply—Northern Affairs*

This provision was fully understood by the United States. Their negotiators understood the nature of the domestic law in Canada, and they were apprised that these things would have to be done after the treaty was signed and before there could be a formal exchange of ratification. There is therefore no foundation to the suggestion that it was unwise or in any sense imprudent to sign the treaty under the circumstances in which we did.

The other point I want to deal with is the question of the domestic situation, and the implications of the statement that it is unfortunate that there now appears to be a divergence of opinion between the government of Canada and the government of British Columbia, notwithstanding the fact that we have a treaty. I think those were the words used by the Leader of the Opposition.

It is not easy to say how much of real difference there is between the governments of Canada and British Columbia and how much is only apparent. What appears on the surface to be a real difference is the result perhaps of some attempt to establish a bargaining position on the part of the government of British Columbia.

Negotiations with regard to financing are still going on; therefore I feel it would be improper for me at this stage to go into details in this connection. It is true that financial arrangements between the two governments have to be settled. We have made a very generous financial offer, but I suppose it is natural to assume that the province should want an even more generous offer. I make the suggestion, at any rate, that part of the reason why the government of British Columbia has adopted attitudes that would otherwise be impossible to understand may be that they are indulging in a little bargaining. All I can say is that I hope they will realize that the important and numerous benefits to be secured by this treaty should not be jeopardized by an unreasonable position on their part.

The fact of the matter is, however, that on the surface at any rate, there is justification for the statement made by the Leader of the Opposition that there appear to be divergences between the government of Canada and the government of British Columbia. I wish, therefore, to let the house know what are the facts in this respect, and to advise the committee of the steps taken to ensure that there would be unanimity between the governments of Canada and British Columbia at every stage surrounding the negotiations and implementation of this treaty.

The government of British Columbia was brought into the discussions at every stage and on every level; in the negotiations, in the policy making by ministers, and at the level

of expert advisers. A short summary of the negotiations will serve to demonstrate the reality of what I say. It should of course be borne in mind that the government of British Columbia, as well as the officials in British Columbia, were relatively well informed about the Columbia river development in its technical aspects, as well as about the general thinking of the government of Canada, even before the detailed negotiations of the treaty started; but I should like to confine these remarks particularly to the negotiating stage.

You will remember, Mr. Chairman, that in January of 1959 the governments of Canada and the United States agreed on a reference back to the international joint commission of the specific question of the policy or principles which should govern any co-operative development of this river. From January of 1959 through to December of 1959 the international joint commission examined this problem in detail, and in December, 1959 they came up with their unanimous report which included recommendations as to the general principles, the power principles and the flood control principles, that should be incorporated in any treaty for the co-operative development of the river.

When we got the agreement of the United States to make this reference to the international joint commission we knew we had made an important breakthrough, because this was the first occasion on which the United States had ever agreed to sit down and study this question of the division of benefits and the entitlement of the upstream country to a portion of the power generated downstream.

Having made this significant breakthrough, we lost no time in taking the necessary steps to initiate discussions with British Columbia so that when we should receive the international joint commission report we would be in a position to commence negotiations with the United States without delay on the basis of a position agreed with the government of British Columbia. Accordingly, in March of 1959 we took steps to set up what is known as the policy liaison committee. This committee consisted of two ministers of the government of Canada and two ministers of the government of British Columbia—on their part the minister of lands and forests and the attorney general. This committee had as advisers officials of the government of Canada and of the government of British Columbia, as well as engineers of the British Columbia power commission and officials of the international joint commission.

The purpose of this policy liaison committee was to ensure that in working out the policy which should be carried forward, the policy on which the position of the