

that I have referred to, Canada will also receive compensation — in cash or in power at our option — for any loss in power that may be suffered through the control of water to avoid flooding beyond the primary flood-control objective. This is a compensation that was not originally provided for in the progress report and is an improvement from the Canadian point of view.

The dams that are contemplated will have a life and usefulness well beyond the 60 years of the flood-control plan. After that time Canada has agreed, so far as existing facilities may then permit, to provide flood control for the United States to the extent that the flows of water down the Columbia from Canada continue to constitute a flood hazard. If any call is made for such flood control after the 60 year period the United States is committed to pay Canadian operating costs, together with compensation for any economic loss to Canada that results. Any losses in Canadian power may be taken by Canada in power, rather than in cash.

U.S. Storage Dam

I have dealt with the three storage dams planned in Canada. There is a fourth major storage contemplated under the Treaty which would involve construction in the United States and some flooding into Canada. This is the storage on the Kootenai River in Montana that has been referred to as the "Libby Dam". Under the Treaty, the United States will have five years from the ratification date to decide whether it wishes to build this dam at its own expense. If it exercises this option, the Treaty requires Canada to make available the land in Canada that is needed for the reservoir. This land would cost, it is estimated, from \$7 million to \$12 million. In return for that, Canada would secure all the increase in power capacity that results on the lower Kootenay River after it has re-entered Canada below the Libby Dam as well as valuable flood protection. It is estimated that the gain in power in Canada will amount to between 250,000 and 300,000 kilowatts. The United States, which meets the entire cost of the dam, will secure the benefits that accrue on its side of the boundary. For purposes of convenience, the tables that I have submitted give an indication of the results for Canada if the "Libby option" is exercised.

Diversions Permitted

The Treaty makes provision for a number of diversions of water that may be made by Canada from the Kootenay River in its natural course in different circumstances and at different times. It will be possible, even if the United States exercises its option to build the Libby Dam, to divert 1.5 million acre feet of water a year from the Kootenay River in Canada into the head waters of the Columbia River to increase power production in Canada. It will not be advantageous to do this until generators have been installed on our part of the Columbia, which will not be for some years. This right is exercisable by Canada at any time after 20 years from the ratification date. If the United States does not