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Signing of Canadian Entitlement Purchase Agreement  
Covering Sale of Canada's Entitlement to Downstream  
Power Benefits Under the Columbia River Treaty

The Secretary of State for External Affairs the Hon. Paul Martin announced today that the Canadian Entitlement Purchase Agreement covering the sale of Canada's entitlement to downstream power benefits under the Columbia River Treaty will be signed in Seattle, Washington, today, August 13, between the British Columbia Hydro and Power Authority and Columbia Storage Power Exchange, a newly formed non-profit corporation representing a group of publicly and privately owned utilities in the Pacific North-west. There will be signed at the same time other agreements between the United States domestic interests involved in the complex arrangements connected with the implementation of the terms of the Canadian Entitlement Purchase Agreement in the United States.

When signed, the Canadian Entitlement Purchase Agreement and the other related agreements will clear the way for the sale of Revenue Bonds by CSPE to finance the purchase of the Canadian entitlement.

The Parliament of Canada gave its approval to the ratification of the Treaty in June and to the 30-year sale

under the Treaty for the purchase price of \$254.4 million in United States funds as of October 1, 1964.

The final step in implementing the Treaty and in thereby bringing into force the Agreements being signed today will come later. It will take the form of the exchange of the instruments of ratification and the signing of the exchange of notes under the Treaty actually authorizing the 30 year sale by the Canadian and United States of America Governments. This final step will take place contemporaneously with the payment of the purchase price which as has already been indicated is to be \$254.4 million in United States funds as of October 1, 1964.

Under the Treaty three large storage projects are to be built by Canada in the Province of British Columbia on the Upper Columbia River and tributaries ... Duncan Lake Dam, Arrow Lakes Dam and Mica Dam. Pursuant to agreements entered into between the Governments of Canada and British Columbia, the projects will be constructed and operated by the British Columbia Hydro and Power Authority.

These three Dams to be constructed in British Columbia will control the flow of the Columbia River and enable eleven main stem downstream dams in the United States of America, six federal and five public utility dams to produce initially 2.8 million kilowatts of additional firm capacity and about 1,520,000 kilowatt years of energy. The additional power so produced is to be shared on a 50-50 basis by the two countries. Canada's share initially will amount to about 1.4 million kilowatts of capacity and 760,000 kilowatt

Under arrangements supplementary to the Treaty, Duncan Lake Dam is to be completed by April 1, 1968, Arrow Lakes Dam by April 1, 1969 and Mica Dam by April 1, 1973. Under the terms of the Canadian Purchase Agreement, the Canadian entitlement produced from the operation of each of these Dams will be sold for a 30-year period commencing in each instance from the completion of the project concerned.

The signing of the Agreements in Seattle will bring together representatives of utilities in the United States of America and Canada who are involved in the complex arrangements. The meeting is being held at the Olympic Hotel. The Agreements to be signed besides the Canadian Entitlement Purchase Agreement relate as has already been indicated specifically to domestic arrangements in the United States required for the purpose of carrying out the terms of the Canadian Entitlement Purchase Agreement. They include Power Exchange Agreements, Power Allocation Agreements, Agreements to Co-ordinate Generating Projects, Escrow Agreements and Power Agreements.

In addition to sharing increased power generation within United States of America with Canada on a 50-50 basis, Canada under the Treaty is also to receive \$64.4 million in United States funds from the United States of America in payment for flood control benefits that will result in the United States of America from the operation of the three projects to be constructed in British Columbia. The Treaty will also permit the United States of America to construct the Libby Dam which will back water 42 miles into Canada from its site on the Kootenai River in Montana.

« Apart from the revenue received from the 30-year sale agreement, Canada is retaining its entitlement to one-half of the downstream power benefits which will be produced in the United States between the expiry date of the sale agreement and the termination of the Treaty itself.