

HD 1696.1 K52 1992



LOC {CASTL} M6/773903
HD 1696.1 K52 1992
C. 1
KLASSEN, STEFFAN.
THE COLUMBIA RIVER TREATY



THE COLUMBIA RIVER TREATY

TERM PAPER
POLITICAL SCIENCE 112
by: Steffan Klassen
Instructor: Andy Shadrack

LIBRARY

USE

ONLY

LOCAL
HD
1696.1
K53
1992

r/61009935

SELKIRK COLLEGE LIBRARY
CASTLEGAR, B. C.

TABLE OF CONTENTS

Introduction.....	Page 1
The River.....	Page 1
Treaty History.....	Page 2
Pre-Signing.....	Page 2
Treaty Negotiation and Politics.....	Page 4
The Treaty and Power Sale.....	Page 5
Post Treaty Results.....	Page 7
Displaced People.....	Page 7
Environmental Damages.....	Page 7
Economic Costs and Losses.....	Page 8
The Present Situation.....	Page 9
Conclusion.....	Page 11
Works Cited.....	Page 13

Introduction

The Columbia River Treaty is the largest international resource deal ever entered into by Canada. Much controversy still surrounds this agreement that was signed officially on January 17, 1961, by out-going president Eisenhower and Prime Minister Diefenbaker. The treaty has stirred-up much thought and resentment in many people in Canada. Being resentful does not help our present situation. What we can do now and in the future concerning the Columbia River Treaty or deals like it, is what this term paper tries to explore.

THE RIVER

The Columbia River is the largest river flowing into the Pacific Ocean from North America. Statistics from a 1964 B.C. Hydro summary of the treaty include: The drainage basin of the river has an area of 259,000 square miles, of which 39,500 are in Canada. The Columbia Lake is the head waters for this mighty river, from which it flows 480 miles to the American border, and then an additional 780 miles through the States. A significant statistic concerning electrical generating capacity are that 40 percent of the stream flow originates in Canada, where it falls 51 percent of the total drop of 2650 feet on its journey to the ocean. The Columbia River has the best potential for hydro-electric development in North America, due to this large drop and volume of water. The river's main flow comes from meltwater from

the spring run-off of winter snow pack. This seasonal fluctuation of water flow is why the treaty was brought about.

TREATY HISTORY

PRE-SIGNING

In 1909 the Boundary Waters Treaty was signed between Canada and the United States. Under the auspices of this treaty the International Joint Commission (IJC), with equal members from both countries, was set up to settle or avoid disputes between the two nations concerning trans-boundary waters. In 1944, the IJC was asked to look into the possibility of joint development of the Columbia River by the Americans (Swainson 243). The IJC set up the International Columbia River Engineering Board (ICREB) to research and analyze the possibilities (Elliot 162). The Americans needed the Canadian section of the river to be controlled by dams. Two main benefits would result from this: flood control, which would promote development in the basin; and increased capacity for hydro-electric generation with water that would normally flow over the spillways in the spring (Bocking 91). In 1948 there was a large flood which was caused by rapid run-off in the spring. This increased the motivation for the Americans to control the Columbia. The U.S. Army Corps of Engineers, who control most aspects of water development in the United States, rushed to finish their report on the river (Elliot 161). In this report, released in 1949, the potential for Canadian storage was identified and the benefits explored. After

this, interest in getting an agreement became an important political agenda.

At first the Americans hoped that British Columbia would develop its own section of the Columbia river without any involvement from them. The British Columbian Premier, W.A.C. Bennett, knew of the American's wishes for development. (Kaiser Aluminium approached the B.C. government in 1954 about damming the arrow lakes in return for 20 percent of the benefits (Elliot 181)). This deal was blocked by the Canadian Federal government in 1955. In seeing a political advantage, the Premier announced his plans to develop the Peace River in the northern part of the province in 1957, even though the cost of the power would be more than from a dam on the Columbia at Mica Creek (Elliot 165). The Americans knew that if the Peace River Project was developed, then development on the Columbia River would not be necessary for many years in the future. The Americans had no choice but to get "...the IJC to develop principles for apportioning the benefits of the Columbia River" (Elliot 165). Until 1958, the American members of the IJC refused to recognize that there were any downstream benefits, contrary to precedents that they themselves set in a dispute in 1926 on the St. John river in New Brunswick. In 1959 the IJC was directed by the two federal governments to investigate how much downstream benefits would be derived from upstream storage in Canada, and how these benefits would be divided (Swainson 246). Also in 1959 the IRCEB released its report. This started the official negotiations on the treaty.

TREATY NEGOTIATION AND POLITICS

The Canadians were at a large disadvantage when it came to the negotiations. Canadians did not realize the potential of and the need for the storage by the Americans. The Americans had recognized the importance of water as a valuable resource long before the Columbia Treaty proposals began. The IJC relied heavily on U.S. Army Corps of Engineers' research about the river. Joint reports were made from this research, which were based on American or mutual benefits, none were based solely on what was best for Canada (Elliot 169). Canada, in 1959, did not even have its portion of the Columbia Basin topographically mapped or have any independent stream flow records. Another drawback in negotiations was Prime Minister Diefenbaker's willingness to accommodate the Americans. "Public opinion, although strong, played little role in the negotiations which took place, particularly from 1959 onward when negotiations were conducted in secrecy" (Elliot 167). General McNaughton, a staunch Canadian nationalist and member of the IJC, realized that the Americans were trying to infringe on Canada's sovereignty of the Canadian section of the river. This sovereignty was guaranteed in the 1909 treaty. Mcnaughton was getting in the way of the negotiations so he was removed from the IJC by Diefenbaker under the pretences that he was too old and should retire (The Reckoning). This political move was made because Diefenbaker wanted a speedy agreement. He hoped that the treaty would help the economy, and therefore help him get re-elected. On January

17, 1961 the Columbia River Treaty was signed in Washington, a few days before President Eisenhower had to make way for incoming president John F. Kennedy. It has been said that Diefenbaker rushed to Washington because he did not like Kennedy and wanted Eisenhower to sign the treaty (The Reckoning). What was worse was the fact that the Canadian Members of Parliament did not even get to see a draft of the treaty until after the signing!

The 1961 treaty states that half of the downstream benefits (the extra power produced) were to be delivered to the border at Oliver, B.C. (C.R.T. Summary). Premier Bennett was outraged that the deal had been signed because he did not want the power because of his Peace River Project. The treaty would not be valid unless he signed it. The Premier insisted that the downstream benefits were to be sold to the Americans for a lump-sum payment (The Reckoning). In order to settle this animosity between the federal and provincial governments, a protocol to the treaty was made allowing the sale of the power to the Americans. This protocol was signed in Blaine, Washington on September 16, 1964. On the same day it was passed and ratified in the House of Commons (Newton 1). The end results of this hurried, not properly researched, and politically motivated deal still haunts many Canadians today (MacEwan B3).

THE TREATY AND POWER SALE

Under the treaty Canada was obligated to build three dams that would provide flood control and storage of the flood waters

(15,500,000 acre feet) in the spring so the Americans could maximize power generation throughout the rest of the year (Bocking 91). The flood control would have to be provided as long as the dams were in existence (McGeer 12). The High Arrow Dam (now renamed the Hugh Keenleyside Dam after one of the chief Canadian negotiators with the IJC), the Duncan Dam, and the Mica Creek Dam were the projects to be undertaken. Also, the Americans were given an option to build the Libby Dam on the Kootenay River where it loops down through their territory before returning to Canada (CRT Summary). Canada had to operate the dams for storage and flood protection by guidelines set out in the treaty. These guidelines in effect gave the Americans control over the reservoirs. In return Canada would receive half the downstream benefits and a one time \$64,400,000 U.S. payment for flood control.

The Canadian Entitlement Purchase Agreement between B.C. Hydro and the Columbia Storage Power Exchange, the single American purchaser, was signed on August 13, 1964 (Swainson 247). This agreement committed B.C. Hydro to complete the three dams by specified dates or face penalties due to lost downstream benefits or get bonuses for fast completion (CRT Summary). The power benefits were sold for each dam for 30 years upon their completion for \$273,291,661.24, paid on the protocol signing date (McGeer 12).

POST TREATY RESULTS

Displaced People

In 1964 the people to be displaced in the Columbia Valley by the Hugh Keenlyside Dam still did not know what was going to happen to them and their property. No plans had been started for the displaced communities until 1964 (Elliot 167). Public hearings were held after the signing of the protocol in October 1964. There the treaty would not be discussed, it was just an application for a water use license was what B.C. hydro told the concerned citizens at the hearings. The displaced people were compensated by B.C. Hydro, not the Americans, but many people were dissatisfied with what they received for losing their way of life and land (The Reckoning). Also, the Americans flooded the Kootenay Valley 45 miles into Canada with their Libby Dam. This also displaced people, at no cost to the Americans. Public debate still surrounds this controversy of the government neglect of these people.

Environmental Damages

There were many environmental losses suffered as a result of the treaty. In effect, the Americans shifted the damage to our side of the border by getting us to build the dams. Huge losses of wildlife habitat had a large effect on resident populations: 8000 deer, 600 elk, 1500 moose, 70000 ducks and geese, and 2000 bears are estimates of just some of the animals (The Reckoning). The Duncan River run of world famous Kootney Lake rainbow trout was wiped out by the dam; in 1973 one fish returned to spawn.

The fact that the reservoirs remain half-full much of the year also make the view of these once pristine mountain valleys quite an eyesore. All these damages were unaccounted for when the treaty was signed (The Reckoning).

Economic Costs and Losses

In hindsight, the short-sighted greed of the politicians proved costly to the Province of British Columbia. Premier Bennett made an election promise that the sale of the downstream benefits were supposed to cover all the costs of building the dams and to finance half the cost of the generators on the Mica Creek project. Sadly, the government's predictions were not even close. The B.C. taxpayers had to pay over \$300,000,000.00 over and above what the Americans paid for the power (McGeer 12). These figures are direct costs, environmental damages, human suffering, on-going costs of operating the dams, loss of 80,000 acres of prime timber, loss of 18,000 acres of ranch land, and many others are not included.

Another mistake made by Bennett was to sell the power for thirty years. The price of power has gone up dramatically since the treaty was signed. In 1973, when the documentary "The Reckoning" was made by C.B.C., the power sold was already worth three times the selling price. Today the downstream benefits are estimated to be in the range of \$1,000,000,000.00 per year! In fact, B.C. taxpayers subsidized cheap power for the Americans, suffered all the environmental damages, and they even pay more

than the Americans for the power they use from B.C. Hydro. "The Great Columbia Giveaway", was what Dr. Pat McGeer, former leader of the B.C. Liberal party, titled an article about the treaty.

The Canadian Federal Government negotiators wanted to receive the downstream benefits as power, not the money. It would have been wise to do this. The estimated losses to the British Columbia economy from lost industrial growth, due to not using the power ourselves, range as high as \$800,000,000.00 per year (Elliot 179). By 1985, in the Pacific Northwest of the U.S., 112,000 direct and indirect jobs were estimated to have been created by this windfall of cheap energy (Elliot 179). Overall the economic losses added up are staggering. W.A.C. Bennett "sold us down the river".

THE PRESENT SITUATION

Don Scarlett, a representative of the Okanagan Kootney Electrical Consumers Association, gave a lecture at Selkirk College. This Association has much significance; it represents the fact that citizens (5000 members) are becoming concerned with what is being done with their inherent rights to resources. Politicians and Industry operate on relatively short-term schedules, whereas resource management requires longterm planning. With organizations such as the one Don Scarlett represents, perhaps there is hope for the future.

The sale of the downstream benefits was for thirty years because at the end of this time the Americans believed that the

benefits would be diminished. That is, by the time thirty years rolled around, the Americans thought that their nuclear power generating stations would be built and the excess power would no longer be needed by them. This however, is not the case. The nuclear program has not been near as successful as anticipated. The downstream benefits, instead of decreasing have actually increased due to the high cost of producing power by other methods. The sale began on the dates the dams came into service. From 1998 to 2003, the power will once again belong to B.C.. Starting with the benefits from the Duncan dam, we have the option to get the power back or sell it to the Americans again.

Recently, Ann Edwards, the B.C. minister responsible for energy, mines, and resources expressed interest in selling the power to the Americans (Lewis 16). She stated that there is no present excess demand for power in the province as a reason for this. The B.C. government is deeply in debt. The estimated billion dollars a year from the downstream benefits would come in handy. Don Scarlett suggested that the power be sold for a maximum of five years at a time, if it should be sold at all. To me this almost seems like history repeating itself; the B.C. government must promote industry in order to create a demand for this cheap power. This in turn will help the Canadian economy and create Canadian jobs. The previous sales agreement set forth the policy that what is done with the power must be planned six years ahead of time ("Agreement" 12)-you cannot just pull out the plug. This means that negotiations will be taking place between

B.C. Hydro and the Americans very soon, if the sale takes place. The B.C. government should request that the Americans build the power line to Oliver in any case, even if we decide to sell it to them for the time being. Canada kept our side of the "bargain", the Americans should as well.

A present problem expressed by many citizens of the Kootneys is that the reservoir levels are being run down too much by the Americans. Much of this is due to drought conditions in the overall drainage basin (Newton 10). According to the treaty, the Americans have the right to use the water to maximize the benefits from the storage. This means that they can keep their reservoirs full. This results in half empty treaty reservoirs when there are shortages. Also, due to an increasingly powerful environmental lobby, the Americans have been requesting that more water be released in the spring to help returning salmon fry to the ocean. When this occurs, and less downstream benefits are generated, Canada has a veto over such a request, and has used it (Swainson 257). Perhaps this could be used as a bargaining tool for raising the levels of the reservoirs as Don Scarlett suggested. Perhaps we can negotiate that the minimum water level in our reservoirs be raised a little bit each year in return for these concessions.

CONCLUSION

Encouraging signs of public involvement are starting to happen. Changes in how our resource policies are necessary to

safe-guard them from foreigners. Dealing must not be done in secrecy, and effective public forums and meetings must take place before an agreement is signed, not after. The Columbia River Treaty can be terminated by either party with ten years notice after the year 2014. Renegotiation or Termination of the treaty before 2024 seems politically unlikely. Canada should start to let the Americans know that we have full intention to take back our rights over our section of the Columbia River in the future, or if we renegotiate the terms of the treaty that we will bargain much tougher. Future resource deals with the United States should be carefully researched before signing. The Americans cannot be trusted to bargain in good faith, as was apparent in many of our past deals. The Americans knew what kind of deal they were getting, we did not. The end result is that the Columbia River Treaty is a very costly lesson for Canada. Perhaps in the future the knowledge gained from this experience will save us ten times as much as what the treaty cost us. When I say this, I am referring to the exportation of water by diverting our rivers to the southern United States. This project could have unimaginable environmental and economic costs that would make the Columbia Treaty look tame in comparison. What has happened has happened, but it does not have to happen again. We are stuck with what our politicians have created. We cannot just drain the reservoirs and remove the dams. The damage is done, we must make the best of it.

WORKS CITED

- "Agreement reached on how to calculate downstream benefits from the Columbia River Treaty" Electrical Business Journal v.24 (1988): 12.
- Bocking, Richard C. Canada's Water: For Sale?. Toronto: James Lewis & Samuel, 1972.
- "Columbia River Treaty: Summary": British Columbia Hydro and Power, 1964.
- Elliot, John. The Sociology of Natural Resources. Vancouver: Butterworth & Co. Ltd., 1981.
- Lewis, Brian. "Gov't opens the door on water gains." The Province, 16 October 1992: B13.
- MacEwen, Grant. "Columbia River Treaty: a lesson for all." Calgary Herald, 29 September 1991: B3.
- McGeer, Patrick. "The Great Columbia Giveaway." Maclean's June 1973: 12.
- Mulgrew, Ian. "B.C. Seeking Power Sales to U.S.: Columbia River Treaty at stake in talks." Globe and Mail, 15 October 1985: A4.
- Newton, Tim. An Overview of the Columbia River Treaty: based on talks delivered at the Columbia River Seminars November/December 1989.
- Reckoning, The. Videocassette. Directed by Mike Poole. Canadian Broadcasting Corporation, 1974.
- Swainson, Neil A. "The Columbia River Treaty: where do we go from here?" Natural Resources Journal v.26 Spring(1986): 243-259.