the problem by spending more or less the same amount of money, largely because Libby is so expensive.

I think this is one of the things that comes out in the conclusions of the I.C.R.E.B. Why does the international Columbia river engineering board say that the Dorr diversion plan provides the least costly increment of power in the United States? The answer is that Libby is so expensive.

Mr. DAVIS: What capital cost figures are you using for Dorr-Bull river-Luxor—the total?

Mr. HIGGINS: In the alternative plan I have left Luxor as an optional investment for Canada to make. The figures which I have used for the capital costs of the projects have been $41 million for Dorr; this is the current cost on completion. In these 1973 dollars it comes out at 49.8 because time is a factor. This figure is based on the I.C.R.E.B. report. It includes flowage, however, at $14 million. It excludes the pumphouse but includes local generation at $2 million for which I have given no credit.

For the Bull river portion of the Bull river-Luxor project I have assigned a cost of $90 million.

Mr. DAVIS: You have a figure of $90 million plus $49 million in total?

Mr. HIGGINS: No, $90 million plus $41 million.

Mr. DAVIS: That is $131 million?

Mr. HIGGINS: That is correct.

Mr. DAVIS: Are you aware that the latest estimates, the ones used by Montreal Engineering, took this figure to well over $200 million?

Mr. HIGGINS: If I may correct you, Mr. Davis, the figures in the Montreal Engineering report which compare with mine are actually $140.6 million.

Mr. DAVIS: And you have taken into account the fact that they have left out Duncan lake from their comparison?

Mr. HIGGINS: I left out Duncan lake too. I am just talking about the Dorr and Bull river projects.

Mr. DAVIS: You are not including the total diversion development?

Mr. HIGGINS: Pardon?

Mr. DAVIS: You are excluding some parts of the total diversion development?

Mr. HIGGINS: I have taken more or less the same approach as that taken by the Montreal Engineering Company. The costs which I have assumed here differed from theirs by $10 million.

Mr. DAVIS: Therefore you would contest the suggestion that I made that the capital costs in Canada would in fact be higher?

Mr. HIGGINS: Shall we say that I would not agree with it? It is higher than what?

Mr. DAVIS: Higher than the so-called treaty alternative.

Mr. HIGGINS: I would say that they are of the same order of magnitude.

Mr. DAVIS: Would you finance part or all of your total diversion development with the assistance of sales in the United States, namely with lower interest rates available through sales of downstream power in the United States?

Mr. HIGGINS: Yes, I would. I would do this, and moreover if analysis shows a surplus I would think that the best way to spend this surplus would be to shorten the period of commitment to the United States.

Mr. DAVIS: But you would in effect try to take advantage of the lower interest rates?

Mr. HIGGINS: Yes.