

OTTAWA, September 10, 1963

Dear General McNaughton:

Thank you for your letter of the 22nd of August in which you reply to my letter of the 6th of August. Once again I wish to thank you for the time and effort which you continue to devote to explaining your interpretation of the points which we put before you concerning the Columbia River Treaty.

My letter of the 6th of August dwelt on the three basic objections to the Treaty which you gave to me at a meeting in my office on the 18th of July. You have provided a direct answer to my queries on the first of these points, that involving the proper selection of Treaty projects; have indirectly replied to the second point, control of Canadian storage; but do not seem to have touched on the last point which was a comparison of a \$700 million investment in the United States to the \$64.4 million flood control payment to Canada under the Treaty. Perhaps the best way to answer your recent letter is to review these points once more in the light of the opinions expressed in that letter.

Your letter suggests that the Government of British Columbia, the Government responsible for final project selection, did not have a competent study of all the alternative schemes of Columbia River development made by engineering consultants. You express confidence that had such a study been made it would have supported the Sequence IXA plan of the International Columbia River Engineering Board. The Government of British Columbia of course participated in the work of the I.C.R.E.B. and were aware that the 1959 report by this Board did not specifically prefer the Sequence IXA plan but rather indicated that, from a purely national viewpoint, the extra energy produced by that plan over alternatives involving lesser amounts of Kootenay River diversion, did not appear attractive.

The British Columbia Government, however, did undertake and complete an engineering study of its own prior to making its decision on the flooding of the East Kootenay Valley. In July of 1956 the engineering firm of Crippen Wright Engineering Limited was given very broad terms of reference covering not only a thorough study of all possibilities of Columbia River development, but also the effects of integrated operation with the Clearwater system. The resulting engineering report dated January 1959 encompasses nine substantial volumes and does not recommend Sequence IXA plan but rather finds it uneconomic in comparison with plans involving lesser diversions. In addition to the findings of that engineering firm the Province no doubt had access to the 1957 report to the Federal Government in which the Montreal Engineering Company recommended a diversion by a low structure at Canel Flats plus the High Arrow project in any cooperative plan of development of the Columbia River.

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