

I am sure that your views on the Treaty plan are based upon a sincere conviction that the plan is contrary to the best interests of Canada. I am equally sure that the opinions which have been expressed by officials of the Department of Northern Affairs and National Resources have been motivated by sincere doubts as to the economic feasibility of your maximum diversion plan. These engineering officials did not "resist" warnings of the Montreal Engineering Company, but I understand that, on the contrary, they were instrumental in having that Company requested to investigate the problems of operation under the Treaty. I am certain that the further request to that Company for an explanation of one portion of their 1961 report was not a "complaint", but rather was an attempt by the officials to fully investigate what might have been a serious but perhaps unavoidable fault in the Treaty. I am firmly convinced that the actions of the Government's engineers have had the best interests of Canada in mind.

I realize that this has been a very brief discussion of your three major points of criticism. I assure you, however, that your detailed comments will be given the fullest study and wherever weaknesses appear in the present Treaty every effort will be made to correct them.

I am attaching for your information a recent comparison of benefit-cost ratios for High Arrow and Mica storages as well as a Water Resources Branch paper on diversions of water for consumptive use. You will remember that these two items were requested during our meetings this past summer. I am sure you will find them of interest.

Thank you again for your letter.

Yours sincerely,

Paul Martin