

Mr. LEBOE: I have a supplementary question. Is it not true that the West Kootenay Power and Light Company, which is a member of the group which is to be affected by the Libby dam, is in favour of the treaty and the protocol.

Mr. BARTHOLOMEW: The West Kootenay or Consolidated are today in a very sweet position. They are on the Pend d'Oreille at Waneta and eventually they will have a plant at seven mile if they want it with 360,000 kilowatts. That water essentially is controlled from the Hungry Horse dam in the United States.

Mr. LEBOE: I understand all that.

Mr. BARTHOLOMEW: I am telling you why they are in favour of it.

Mr. LEBOE: To save the time of the committee, what I am asking is, is it not a fact that the West Kootenay Power and Light and Consolidated Mining and Smelting—and the Canadian Pacific Railway, if you like—are the ones which are going to be affected mostly by the regulation of the water flow on the Kootenay river through Libby.

Mr. BARTHOLOMEW: No. If they did not have the Pend d'Oreille, what you say is absolutely correct. Having the Pend d'Oreille development they are no longer dependent on the Kootenay.

Mr. LEBOE: If they did not have the diversion measures in this treaty and protocol, they could divert the Pend d'Oreille river. They cannot under the treaty, but they could under the treaty of 1909.

Mr. BARTHOLOMEW: Seattle long since has obtained the right to the Boundary plant on the Pend d'Oreille. Up until that time, the possibility of diversion did exist. I did make a study of the cost of that diversion into the Columbia below the boundary, and I found, because it is so costly, that from the United States point of view they are much better off having Seattle develop the Boundary plant. Unless they scrap the Boundary plant, they cannot divert the water from the Pend d'Oreille along the boundary.

Mr. LEBOE: It is true they asserted that right.

Mr. BARTHOLOMEW: They absolutely insisted upon it.

Mr. LEBOE: But in the treaty there is no such thing as a diversion except for consumptive use.

Mr. BARTHOLOMEW: Except for consumptive use.

Mr. DAVIS: Mr. Chairman, I want to confine my questions essentially to the economic aspects of the treaty.

Mr. Bartholomew, I was impressed by your statement that the economic circumstances in 1961 were such that had the treaty been signed then it would have been an economic disaster for Canada. Now, do you know in the protocol a sales agreement has been negotiated whereby the Canadian share of the downstream benefits are sold for a period of years, which earns an amount of money sufficient to build the treaty projects. Do you regard that, in concept, as a sound proposition in order to pay for the treaty projects?

Mr. BARTHOLOMEW: I always have been in favour of Canada having the right to sell power downstream. I have never questioned that.

Mr. DAVIS: I am trying to deal basically with the concept and not whether this is as important a deal as could be obtained. You are not against a sale for perhaps 30 years for an amount more than sufficient to meet our construction and operating equipment.

Mr. BARTHOLOMEW: I would rather see a 20 year period. However, I am in favour of the sale of downstream benefits; I have said so in my brief and repeatedly otherwise. But, some of my friends do not agree with me.

Mr. DAVIS: I realize there is a difference of opinion on this subject and that is one of the reasons I put the question to you.