

(c) Canada may elect to receive in electric power, the whole or any portion of the compensation under paragraph (4) (b) representing loss of hydroelectric power to Canada.

Now, sir after considering these clauses would you tell me what we have to lose in the way of energy by being compelled to release Mica water.

Mr. BARTHOLOMEW: The clauses you have read deal with the payments for flood control. I am dealing here with power generation. I start off, if you remember, by saying:

Already the treaty deprives Canada of 150,000 KW's of firm power capacity at Mica—

That represents the suggestion by Sir Alexander Gibb and Merz and McLellan. That is the clause which the Hon. Paul Martin disputes.

My statement continues as follows:

—and despite this clause, Canada has no assurance that the reduction in Mica capacity might not become still greater, despite the fact that the United States now has the right only to call on say two-thirds of the Canadian storage.

I am dealing with the condition in the protocol where it states that the United States shall only call upon Canadian storage proportionately to the downstream benefits credited. However, unless that call is distributed evenly over the low water months it has no use to us. Let us imagine in 1990 or 1985, that of the 15,500,000 acre feet of treaty storage there remain 10 million acre feet represented by the diminution of one third of the downstream benefits. The United States could call on that water when it likes. If the United States calls upon that water to achieve optimum power development in December and January we cannot use it at that rate. Our water for February and March would be diminished as we would have had to spill it earlier. I do not suggest this would happen but it could happen. If there was any intention to protect Canada's interest in respect of diminution storage then it should have been diminution for equal periods month by month during the low water season. It should not be on call as it appears to be in the protocol. It could have been defined directly and simply.

Mr. RYAN: My point is that if there is an economic loss and we have to spill it we get paid.

Mr. BARTHOLOMEW: That principle relates to flood storage, not storage for optimum power development and the two are quite different. In respect of flood storage we have an absolute right but power storage is under U.S. control for optimum U.S. plus Canadian at site and downstream power development.

Mr. RYAN: We are not bound in any way in respect of power development for the 60 year period. We could get out of this particular deal if we gave 10 years notice, is that right?

Mr. BARTHOLOMEW: This applies only after 50 years in the treaty. According to the protocol there is a right resulting from downstream benefits diminishing, in respect to storage to which the United States has call being similarly diminished. Dedicated storage is supposed to be diminished by, say, one third when downstream benefits have diminished by one third. If they call on that storage remaining during certain periods, as they might in some years, making us pass it at a greater rate than that at which we can use it we shall be in difficulty.

Mr. RYAN: If they do this they certainly are not going to get a renewal of the treaty, are they?