

Mr. BARTHOLOMEW: Are you referring to Article 5 or Article 7 on that summary?

Mr. BREWIN: Article 5.

Errors in press releases reproduced in the white paper (Feb. 1964) issued by the departments of external affairs and Northern Affairs and Natural Resources will be corrected.

Mr. BARTHOLOMEW: That is 1964. I see.

Mr. BREWIN: This is the white paper of 1964 and I want to identify your reference.

Mr. BARTHOLOMEW: Yes, I am with you.

Mr. BREWIN: The first press release to which reference is made there seems to be that of January 17, 1961.

Mr. BARTHOLOMEW: I see what you mean; yes. That is the Prime Minister's press release.

Mr. BREWIN: Then there is a comment on page 20 of your brief. Is that right?

Mr. BARTHOLOMEW: Yes; I am on page 20 now.

Mr. BREWIN: I do not want to go through them all, I just want to ask you a general question. Does what you say at pages 20 and 21 indicate what you think are the errors in that particular press release, or are there other errors?

Mr. BARTHOLOMEW: In this press release? Well, I did not deal with the worst error of the lot—the tabulation which was issued at the end of the press release giving unbelievable data. I am referring to page 97 of the white paper. I regard this as a very serious misstatement of financial practice and economics. We arrive at imaginary values of power and benefits and profits, and then this statement appears:

This analysis does not include Mica which, in addition to its substantial downstream benefit advantage under the treaty will make possible very large power production in Canada.

I consider that a most sad document.

You asked me if I knew of any others. I did not deal with that; it was too involved. The Prime Minister said that the treaty does not depart in any fundamental from the program that was recommended in the progress report of September 28. Well, it changed the formula for the determination of flood benefits and, in my opinion, that deducted approximately 20 million from Canadian flood benefits. That is a deviation.

Mr. BREWIN: Mr. Bartholomew, I do not want to bother you by asking you to go through what you have written down for our benefit. Is there any other comment in respect of that press release that is additional?

Mr. BARTHOLOMEW: I have also made this reference to the next added credit. In one part of the treaty—I am sure you will recognize this—if we were to get 50 per cent of the downstream power benefits, in another section Libby was to get, as far as we could see, a lower level of benefits than Canada. In the report of the negotiators it was stated that Canada would receive first added value for its storage both in flood and power credits. The treaty itself abstracted the flood first credit position and merely confined it to power. Then, in the annex they had a wording which appeared to include Libby as part of the United States system in arriving at downstream benefits. If you care to look at Annex B of the treaty—