

Mr. PUGH: Just to get back to the engineers, the negotiators, the lawyers and others, you feel that the Canadians were not adequately equipped to compete with the United States opposites.

Mr. BARTHOLOMEW: I am afraid that is correct.

Mr. PUGH: In spite of the fact that our people have had access to that bible, and also have been working on it, as has been pointed out, for something over ten years.

Mr. BARTHOLOMEW: One has to look at the treaty and one has to look at the protocol; one also has to look at the United States writings. One can identify it clause by clause. There is a very clever clause in the protocol saying the United States can only obtain stored water to replenish the diminished downstream benefits; but there is no statement at what time that stored water will be used. They are free to call for that stored water in December, and make us deliver through Mica 50 per cent or 100 per cent more than we can use, and there is nothing to prevent this.

Mr. PUGH: You mentioned a draw off on Libby and the fact that they might use this water for a million and one things. From the treaty what do you understand the Canadians must do with regard to the replenishment of Libby? If they drain off at Libby, we would not be able to operate through the Kootenay river down to the junction of the Columbia.

Mr. BARTHOLOMEW: Our power supply might be reduced.

Mr. PUGH: What about Libby itself?

Mr. BARTHOLOMEW: Libby will be equipped with about two or two and a half times as many generators as it requires for generating average kilowatt years. The United States system becomes largely thermal according to United States authorities' forecast for 1985. In the event of their having this Canadian storage, they will have a thermal supply of only ten million kilowatts. Without the 30 million acre feet storage, they forecast 14 million kilowatts of thermal power will be required. What will happen when they have the 10 million KW thermal power system? They will carry all their peak loads on the hydro system. It is much cheaper to put in additional hydro generators at a dam site to carry the peak loads which only occur during ten or 15 per cent of the year than it is to put in thermal capacity.

If you take this bible again, you will find the average cost of adding hydro generators at United States dam sites comes to \$60 to \$80 and I think, sometimes, \$100 per kilowatt. The estimated capital cost of thermal plants is \$160 per kilowatt. So, taking the case of peak loads with additional generators at Libby, they save \$60 a kilowatt for peaking generators, and they use their hydro generators at low load factor.

You have the Snake river, the Flathead, the Pend d'Oreille, the Kootenay and the Columbia. Nobody can forecast from year to year which watershed is the optimum for withdrawal of water. Climatic conditions can vary. They can increase the flow in one watershed. You can have a warm storm start blowing up over one section of the mountains, and this may bring down the Kootenay and/or the Columbia in flood. I do not think anybody can forecast this. The U.S. having control over the whole watershed, we have just got to do what we are told.

Mr. PUGH: As I look at this—I do not suppose you would say it, but I will—it is a question of “to hell with the Canadians”.

Mr. BARTHOLOMEW: That is what has happened, sir; yes.

Mr. PUGH: That is the end of my questions.