

with no Treaty provision for any liability for damage incurred downstream in the United States. Very little water would be left in the River to supply the suggested United States diversion works.

Also with regard to United States diversions out of the Kootenay River, I must assume that these diversions would be undertaken for consumptive uses, as the Columbia Treaty expressly forbids diversions for power purposes by either country with of course the one exception of phased Kootenay River diversions by Canada. If as you suggest the United States is free to make consumptive diversions at any time and in any amount, I conclude that you agree that the Columbia River Treaty does not prevent consumptive diversions by either country and that Canada would, therefore, be free to make substantial diversions eastward to the Prairie Provinces for such purposes.

Perhaps one final point upon which I would appreciate clarification is your reference to studies by the International Joint Commission of the proposals of the I.C.R.E.B. I am aware of course of the I.J.C. Principles, but was unaware of any other Commission report to the Government. If you could provide me with the particulars of that report and whether or not it preceded or was superseded by the Commission's report on Principles, I would have a better appreciation of the importance which you place on it.

The quotations from the Crippen-Wright Engineering report which I included in my letter of October 8th can be found in both the final report by that consulting firm as well as their Interim Report No. 2. While a spare set of their complete report is not available, I am forwarding for your information a copy of the interim report dealing with Kootenay River diversions. With the exception of minor editorial changes the "Summary of Findings and Recommendations" of the interim report is repeated in the final report. As the interim report deals only with the economics of diversion proposals and does not consider the advantages or disadvantages of an Arrow Lakes dam, the recent increase in the cost of that structure should not alter their conclusions in any way. However, increased investment in recent years in the Upper Columbia and East Kootenay valleys, particularly in the vicinity of Windermere Lake, would tend to strengthen the arguments for limited diversion. I would appreciate the return of the Crippen-Wright report at your convenience.

I am also attaching at your request letters from the Montreal Engineering Company which report on their investigations of the freedom of operation for at-site power generation in Canada under the terms of the Treaty. I believe you will find their conclusions quite interesting.

Thank you once again for your comments.

Yours sincerely,

(Sgd.) Paul Martin

Paul Martin.

Encls.