

Mr. BARTHOLOMEW: Which principle?

Mr. DAVIS: Principle No. 4, the last paragraph on page 48. It begins by saying:

"It is expected that both dependable capacity—"

I want to concentrate on capacity.

"—and energy benefits will result during the early and intermediate stages of the storage operations, but during the later stages the power benefit may consist only of increased usable energy."

In other words, it is not contained capacity.

Mr. BARTHOLOMEW: I know that, sir, but right alongside of it they state that consideration must be given to the difference in the nature of the load in the two countries. They tell us right here that the Canadian load will be firm power long after the United States load has become thermal and peaking hydro. What is stated here does take place, but if the principle recognizing these differences had been taken cognizance of the treaty would never have gone ahead on the basis on which it appears to us today.

Mr. DAVIS: But this is in black and white; it is the International Joint Commission principle.

Mr. BARTHOLOMEW: I know that.

Mr. DAVIS: Admittedly the capacity declines.

Mr. BARTHOLOMEW: I know that, but they tell you right in the adjacent principle that cognizance has to be taken of the difference in the characteristics of the two loads and adjustments have to be made.

Mr. DAVIS: That is one of the reasons why they decline.

Mr. BARTHOLOMEW: I know that; that is one of the main reasons why adjustments should have been made.

Mr. DAVIS: The only point I wanted to bring up was that the principles do anticipate a decline in capacity.

Mr. BARTHOLOMEW: Yes, but that is not the basis for downstream benefits. The army engineers tell us in their report that, whilst the firm power benefits diminish, the project benefits may well increase as the system becomes thermal. If you had been negotiating the treaty, Mr. Davis, there would have been no diminution in downstream benefits.

Mr. DAVIS: Those are all my questions now.

Mr. BREWIN: I want to refer you, Mr. Bartholomew, to the summary in your brief which appears on page 1, although it does not seem to be numbered.

Mr. BARTHOLOMEW: This is the initial summary.

Mr. BREWIN: I would like to call your attention to the fifth statement in your summary in which you say:

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.

I would like to have that statement a little more definite. According to my understanding, you must have been referring to the press releases, one of which appears at page 82 of the so-called white paper. Is that right? That is the first one? That is the press release of January 17, 1961?

Mr. BARTHOLOMEW: Yes.

Mr. BREWIN: I just want to make sure what press releases you are referring to.