The conclusion of those engineers really was, after looking at the alternatives of letting the waters remain in their present channels or letting the Kootenay run, a substantial diversion of the Kootenay and a moderate diversion of the Kootenay, that they saw no substantial difference between the economic advantage for one plan as against another.

Mr. HIGGINS: It may be significant to note what they said in their passage which you read out. It is that the Copper creek diversion produces the highest development in the basin. This I would say is a statement of physical but not necessarily of economic fact. I believe this is a very cautious conclusion They say that the Copper creek diversion produces what is tantamount to the largest amount of physical development in the basin.

It is perhaps significant that they made no particular reference to the cost, because you see on page 102 they say that:

> The Copper creek diversion plan produces the most costly increment of power in the United States, and the least costly increment of power in Canada.

I believe the reason for this is that costs are high in the United States, and the cost of Libby is an expensive project.

Mr. DAVIS: But they say that this part of the diversion produces the cheapest power in Canada. And if you look at the statistics on page 102 you will see they say that the power diversion which you advocate is more expensive in Canada.

Mr. HIGGINS: That is true, but I do not think anybody has ever disputed that the Dorr plan, before us, costed on an incremental basis, credited to it only power benefits, is not an efficient economic machine. But this is exactly what Elmer Bennett said about Libby.

I would say that the difference here is that the Dorr at a cost of somewhere in the area of $40,000,000 to $45,000,000 credited, is not economic from the point of view of power, but it is a necessary thing in order to solve the flow control problem in the Bonner's Ferry area without building Libby.

That is the only reason why the Dorr dam was included in there. The Dorr dam was never included in sequence IXa for the purpose of being a power producer. It was included in there because you just could not solve the agreed portion of the problem without putting a dam there.

Mr. DAVIS: You would agree that the Dorr scheme is less economic than some alternatives as far as Canada is concerned.

Mr. HIGGINS: No. If you expanded to the Dorr scheme, I would dispute you, and I would say that the Dorr dam, per se, has to be incorporated in the maximum diversion plan in order to solve the flood control problem in the United States, and that is the only reason. Left to our own devices, if there were no flood control problem, in the Bonner's Ferry area of the United States, Canada would not have included Dorr in the scheme.

Mr. DAVIS: You cannot use the I.C.R.E.B. report as proof of your case because it does not say that the Dorr scheme is the best for Canada.

Mr. HIGGINS: That is true. But I do say, as I have said before, that the I.C.R.E.B. conclusions are quite cautious. Now, I would say on my own authority, upon the analysis I have made, that if this flood control problem which we have agreed with the United States must be alleviated, did not exist, then there would not be any Dorr. As a power producer surely Dorr is not economic. But that is not the reason it was put in there. It was put in there because the basic problem could not be solved without it; and the kind of thinking you can apply to Dorr applies to Libby in equal measure, but Libby costs many millions more than Dorr does.