

source in British Columbia equivalent to a potential installation of approximately 700,000 kw., which otherwise would not have been possible.

Page 8 covers the load and resources, and the power requirements for the future, involving the planned expansion of Cominco. The very minimum is 15,000 kw. a year. Cominco is actively studying steel production and if that should go ahead in the next few years, which seems very likely, the power requirements will be considerably increased.

On page 9 I make some comments on our thoughts on the treaty in general. This covers flood control. We say that Cominco supports the Columbia river treaty as clarified by the protocol, because it provides for the orderly development of the Canadian part of the basin by arranging for the control of Canadian rivers and leaving them in their natural channels to increase the potential power production at sites close to present load centres. As a general principle, Cominco opposes the diversion of the Kootenay river into the Columbia since it would alienate present or potential power resources from an area that is already highly developed industrially to a location that is presently remote from any major load centre.

Then we mention flood control. Through our control of Kootenay lake under the terms of the International Joint Commission order of 1938, we do have some flood control at Kootenay lake for the protection of the reclaimed lands round Creston and Bonners Ferry in Idaho; but under a very major flood such as that of 1894 these areas would be flooded out and the Cominco flood control in Kootenay lake would be ineffective. The reclaimed lands at Creston are subject continuously to the danger of floods and they need flood protection. To protect against these very high floods, Libby would be of great importance.

On page 11 we mention the High Arrow project. I think probably it may be covered later in questioning. The High Arrow reservoir will not regulate water that passes through any of our present plants. However, releases from Arrow could be used to create more uniform flows in Kootenay river. They have no direct effect on power production, but there is an indirect effect because when the entities co-ordinate and set up their operating programs, the British Columbia entity would certainly be in a position to correlate the releases of a very large volume of water in High Arrow with releases from Libby. Thus, there would be general flexibility of all the storages in the system. It would be reasonably simple to correlate the releases so that everyone would benefit and no one would be hurt unduly through abnormal releases. It would not be necessary to have abnormal releases.

We feel that Arrow lake, with no power production, will be a continuing source of revenue to the province of British Columbia because it is a great energy source. It is available. The lake would refill almost every year and there would be a constant amount of energy available for energy production downstream. In our opinion, Canada would share in the revenue from that energy production for the physical life of the dam.

Mica creek has less indirect effect on our operations because the Mica water would be re-regulated in the Arrow lakes system in any event. The important part of the Mica under the arrangement of the treaty and the protocol is that it will be paid for on completion. The major capital involved in the construction of a hydroelectric plant would be the capital involved in building it. The operating expenses involved are in the fixed charges. Obviously, with the Mica dam paid for—I understand the money available will install half the generation—one has a very excellent resource for Canada and British Columbia. The incremental power must be cheap; the cost is paid for.