Mr. BARTHOLOMEW: That is apparently correct.

Mr. DAVIS: In other words ignoring the earlier errors, it would have been $400 million?

Mr. BARTHOLOMEW: Yes.

Mr. DAVIS: The last and most important step has regard to the number of kilowatt hours which you use to divide this figure through. Your very important figure is 6.7 billion kilowatt hours. You establish that figure at the top and repeat it further down. You divide through by this amount of energy and you arrive at your figure of 3.6 mills per kilowatt hour. I should like to suggest to you that you have chosen the year of maximum downstream benefits and you have not followed the detailed presentation of the white paper which suggests that this declines and, therefore, that the total amount of energy involved is a good deal less than 6.7 billion kilowatt hours.

Mr. BARTHOLOMEW: I dispute the fact that the decline is real. I say that the decline is fictitious. I say that these kilowatt hours increase in value to the United States as thermal displacement or peaking energy. Admittedly this is not in the treaty, but you only have to look through the United States figures to find that the United States saves 25 billion thermal kilowatt hours with this storage. I dispute the statement that those benefits disappear.

Mr. DAVIS: You are not really disputing the arithmetic in the white paper but you are introducing a concept which you think should be included in the treaty?

Mr. BARTHOLOMEW: Yes.

Mr. DAVIS: You are defending your figures on the basis of a concept which you contend is the proper one?

Mr. BARTHOLOMEW: I contend it is the actual fact.

Mr. DAVIS: Do you have a copy of the blue presentation paper? I should like you to turn to page 99. In the fourth column under the heading "Agreed entitlement" you will see the downstream benefit energy entitlement rising to a peak in 1973 and then falling progressively with the passing of years. The figure you use to divide approximates the highest figure in that column.

Mr. BARTHOLOMEW: I use the figure 6.7 billion kilowatt hours.

Mr. DAVIS: The figure shown is 7.59 billion.

Mr. BARTHOLOMEW: I used the figure 6.7 and 7.14 is the highest. I am sorry, the figure 7.59 is the highest. I used the figure that we referred to in these papers as a continuing figure. There have been so many changes made in these ranges of diminution that this approximation was used for the calculation. I do not consider that represents the facts.

Mr. DAVIS: You are choosing to ignore the diminution that follows from the mechanics of the treaty, if you like, taking the highest downstream figure and approximately the highest year.

Mr. BARTHOLOMEW: The figure 759 represents the highest year but I took 6.7 which is approximately one sixth below that.

Mr. DAVIS: In any event you have taken a fairly high figure and continued it steadily through the 30 years.

Mr. BARTHOLOMEW: I maintain that this does not diminish.

Mr. DAVIS: You say the figures do not diminish, whereas the formula as it appears in the treaty does cause them to diminish.

Mr. BARTHOLOMEW: The formula in the treaty suggests a diminution.

Mr. DAVIS: The extent of the diminution is debatable but the formula in the treaty itself does cause these figures to diminish.