

Mr. BARTHOLOMEW: Yes.

Mr. DAVIS: So, you have obtained the \$501 million from the white paper. Now, in order to eliminate the flood control aspect or the flood control payment you take away \$69.6 million.

Mr. BARTHOLOMEW: Yes.

Mr. DAVIS: Your intention being to isolate the payment for power as distinct from flood control, is that right?

Mr. BARTHOLOMEW: Yes.

Mr. DAVIS: You realize however, that the \$501 million is the accumulated value of United States payments to the year 1973?

Mr. BARTHOLOMEW: That is right.

Mr. DAVIS: That indication appears again on page 138 of the white paper. You realize also that the \$69.6 million is not related to the year 1973?

Mr. BARTHOLOMEW: It is related to an earlier date.

Mr. DAVIS: Yes. The comparable and proper figure to enter there is not \$69.6 million, but that figure which also appears at page 138, and which is the total of the three figures. The first payment is in respect of Duncan lake. It is \$15.3 million; the \$12 million beginning April of 1968 ending up at \$15.3 million as a result of interest accumulated; is that right?

Mr. BARTHOLOMEW: Yes.

Mr. DAVIS: The comparable figure in respect of Arrow is not \$56.3 million but \$68.4 million bringing it to 1973. For Mica it is \$1.3 million because this is the same year, 1973. I am suggesting that the total of the power benefits, which is \$85 million, should be entered instead of your \$69.6 million; is that right? I would strike out your \$69.6 million and put in \$85 million.

Mr. BREWIN: By doing that you would prove his point even better than he does.

Mr. DAVIS: That is exactly right, but I am just pointing out the various errors. Simply to recapitulate, if you total the first column you will get your figure of \$69.6 million, but if you total the appropriate column you get \$85 million and we then continue to think in terms of the year 1973. Then when you look down the page and instead of having \$431 million it should be \$416 million.

Mr. BARTHOLOMEW: It should be less than that if that is the case.

Mr. RYAN: I have checked that arithmetic and it does end up as \$416 million.

Mr. BARTHOLOMEW: Yes, it is \$416 million rather than \$431 million.

Mr. DAVIS: That is the value to the United States in payments as of 1973 in respect of power. We have not taken out the value of flood control paid to Canada.

Mr. KINDT: Are you going to convert that figure to United States funds?

Mr. DAVIS: I will do that subsequently. The next step in your calculation, Mr. Bartholomew is to convert it to United States funds. First of all I should like to concentrate on your conversion. You state it should be converted from \$431 million to \$419 million. That is not a conversion of seven and one half per cent. It is a conversion more in the neighbourhood of three or four per cent. I should like to know how you arrived at the \$419 million in United States funds being equal to \$431 million in Canadian funds?

Mr. BARTHOLOMEW: It should have been less than that.

Mr. DAVIS: I would suggest it should have been, by your calculations, in the order of \$400 million; is that right?