

"Lac Seul.

"Under the terms of an agreement entered into February 28, 1928, by the Dominion of Canada, the Province of Ontario and the Province of Manitoba, provision was made for the construction of a storage dam at the outlet of Lac Seul, the Dominion undertaking three-fifths of the capital cost and the Province of Ontario two-fifths, said proportions being approximately equivalent to the difference in the mean water elevation between the Ontario-Manitoba boundary line and Lake Winnipeg and between the present mean water level of Lac Seul and the said provincial boundary.

"The Dominion's share of this expenditure has been estimated as \$500,000, and this amount was provided by Parliament in the fiscal year just closed. To the end of December, 1928, \$294,693.81 of this amount has been expended."

I may say that the Dominion has voluntarily undertaken, on the assumption that this helps navigation, one-third, and the other two-thirds are divided --

MR. PLAXTON: That is the cost of the Lake of the Woods work.

MR. McMASTER: --of the cost of the Lake of the Woods works -- are divided between Manitoba and Ontario. Part of this has been assumed by Manitoba; the whole amount cannot be charged against her at this time.

MR. CRERAR: Just on that point, Mr. McMaster. You say that of the cost of the Lac Seul dam three-fifths was assumed by the Federal Government and two-fifths by the Ontario Government?

MR. McMASTER: Yes.

MR. CRERAR: And that is for the purpose of promoting