

Notwithstanding the legal position, it seemed clear that the situation now confronting the city of Welland and the townships of Crowland and Thorold resulted to some extent from the existence of the Welland Canal. The matter was, therefore, submitted for consideration and direction as to whether a contribution should in the circumstances be made by the Department of Transport.

An explanatory memorandum had been circulated.

(Minister's memorandum, Nov. 26, 1954-  
Cab. Doc. 254-54).

24. In the course of discussion it was suggested that it would be undesirable to have the Department of National Health and Welfare accept any financial responsibility for sewage disposal projects undertaken by municipalities. As to the claim on the Department of Transport, it should be borne in mind that the construction of the Welland Canal by the Federal government had, in fact, brought many direct benefits to the city of Welland, which, in turn, had caused the city to grow perhaps more rapidly than it otherwise would. If, as a result of such growth, certain additional public facilities were required, it did not follow that the Federal government should recognize any responsibility for the construction of such facilities even if such construction were somewhat more expensive because of the existence of the canal. It would be quite another matter if these claims were for damages caused to existing municipal facilities by the construction of a new canal.

25. The Cabinet noted the report by the Minister of Transport on claims by the city of Welland and the townships of Crowland and Thorold, in Ontario, for contributions by the Department of Transport and the Department of National Health and Welfare towards the cost of constructing sewage and drainage works in those municipalities, and agreed that the Departments of Transport and Finance should review the past practice in matters of this kind and submit recommendations as to how best to dispose of the present claims.

Atwater Avenue Tunnel contract, Montreal, P.Q.; claim by  
Atlas Construction Company Limited

26. The Minister of Transport said that, under authority of Order in Council P.C. 461 of January 27th, 1951, a contract had been entered into with Atlas Construction Company Limited for the construction of the Atwater Avenue tunnel beneath the Lachine canal at Montreal. The contract had specified a completion date of October 31st, 1952, or approximately twenty months. The work had actually been completed on January 31st, 1954, or some fifteen months later than the date of completion specified in the contract.

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