

*Supply—Northern Affairs*

**Mr. MacInnis:** With respect to the matter raised by the hon. member for Vancouver-Quadra, perhaps there is another approach to it, if I may be permitted to ask a question. I do not know whether it is proper at this time to refer to priority of control, but which government, the federal government or the government of British Columbia, has priority of control as far as the waters of this river are concerned? If the federal government has priority of control I think that possibly the statement of the Prime Minister read by the minister should be satisfactory to the committee. On the other hand, if the province of British Columbia has priority in the matter the situation might be different. I would be glad to hear from the minister on that point.

**Mr. Lesage:** Of course this parliament through the government has control over export. There is no doubt about that. We have over-all control over the export of water power. As far as the development of resources in Canada is concerned, and with specific reference to the headwaters of the Yukon river, the government of British Columbia has jurisdiction over that part of the headwaters which lies within British Columbia and we have jurisdiction over that part of the headwaters which lies within the Yukon.

**Mr. Bryson:** Would the minister say whether negotiations are continuing between his department and the Saskatchewan government with respect to a division of costs in connection with the Flin Flon-Denare Beach road?

**Mr. Lesage:** As I said a few minutes ago, I had a visit with the minister of highways, I believe, of Saskatchewan, Mr. Douglas. We discussed the matter, and I am expecting some more information that I have requested.

**Mr. Hardie:** As the minister knows, the development of the Northwest Territories and the Yukon is dependent on cheaper transportation, cheaper power and cheaper everything. As a matter of fact, we are living in a high cost area and I think it is hindering the development of the country. With respect to the Northwest Territories power commission, I should like to ask the minister whether his department has at any time considered extending the amortization period of the Snare river power plant, the Fort Smith power plant and the Mayo power plant in the Yukon in order to provide cheaper power for the people who are pioneering the development of the country. If I may give an example, in the city of Ottawa I get the same power for

the sum of \$5 for two months that in Yellowknife in the Northwest Territories costs me \$40 to \$50. I would appreciate it if the minister would take the matter up with his department with the idea of extending the amortization period of the Northwest Territories power commission plants and helping the people who are pioneering the country.

**Mr. Lesage:** This of course is one of the factors we have to study when we go into ways and means, as we are now doing, of bringing down the cost of living in the north country. We have started this study and we will carry it on as rapidly as we can. The hon. member is aware of my interest and the interest of my officials in the north country. I believe our north country has a tremendous future but we have to plan carefully. On the other hand, we have to act and we are preparing a basis for action. In preparing that basis we are studying all the various factors that affect the cost of living in the north in order, we hope, to bring down the cost of living so that life will be more normal and it will be easier to develop that northern country which is so promising.

**Mr. Hardie:** I thank the minister for his remarks. He did say that we have to plan carefully. I hope he is not persuaded by the economists today, but remembers that the Northwest Territories will be there for 100 years, as will that power plant. It will be producing power for the mines in the north. I feel that if we do extend this we should extend it for forty years.

**Mr. Simmons:** What is the present period of amortization on the Mayo river plant?

**Mr. Lesage:** It is 20 years.

Item agreed to.

Water resources division—

312. Administration, operation and maintenance, including grant of \$350 to the international executive council, world power conference, \$669,597.

**Mr. Hodgson:** I asked the minister a question on item 311, and he said he would answer it under item 312. It referred to the set-up of the Lake of the Woods control board.

**Mr. Lesage:** Here is the note I have under an item in vote 312. Following an interchange of correspondence in 1952 between my predecessor and the minister of lands and forests in Ontario and the minister of mines and natural resources in Manitoba, it was agreed that representatives of the three governments concerned should make an examination of the damages in the field and make a report. Manitoba's interest, it was clearly understood, was only in the case of properties bordering on the Lake of the