

It became necessary, therefore, to get the iron ore moved from the northern areas over the cheapest route possible to the United States side of the border. There was agreement reached, therefore, as between the two countries that something should be done. Now when it was determined to do that something, it was decided very early that the federal government would have nothing to do with the development of power in relation to this project. This problem, it was decided, should be left to the state of New York, the province of Ontario and the province of Quebec. Having reached that decision, this whole question of the development of power at other places in Canada was tied up. The dominion government had announced their policy that they would not proceed with the development of power on the St. Lawrence. As a result of this decision the dominion government would not proceed with the development of power in any of the other provinces.

This was the policy for a certain period of time, and then these projects developed on the Columbia river and they also became a matter of consideration as between British Columbia and the United States government. Eventually the government of Canada took an interest in the problem. The same thing happened in the maritime provinces, where there was a possibility of power development on the Saint John river which has its source on the United States side of the border. We got into certain discussions there. The decision was actively taken that under no circumstances would we spend money on the development of power on the South Saskatchewan river project while these other things were still resting in the balance. All of these projects were linked together. Within the last 24 months it became possible to discuss power development in the maritime provinces because we were approaching the time when the development on the St. Lawrence river would be completed. It became possible as well to hold discussions with regard to the development of power on the Columbia river. It was felt, therefore, that we should give some consideration to these matters, and in the meantime rest on our oars in so far as the South Saskatchewan river project was concerned. We did that.

Within the last 12 months there was developed a plan under which power was going to be developed in the maritime provinces. A plan had not been decided upon in British Columbia, but that was under very full discussion. It was fully understood that the same principles which would be applied to the development of water, whether it was the storage of water or the development of power upon rivers, in the maritimes and in British Columbia would eventually be applied

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to the prairies. Right in the midst of the consideration of that question the government of Saskatchewan decided they were going to develop their power through the use of coal. They utilized a water development project at Estevan that had been entirely developed up to that point by P.F.R.A. under the federal Department of Agriculture. In so far as the engineering was concerned, this whole development had been laid out by the department, but the chief of the power commission of Saskatchewan thought that power could be developed in very much the same manner as they are suggesting power be developed in the maritime provinces, and he decided they could utilize the coal at Estevan.

When we talk about coal it is sometimes forgotten that there are 50 billion tons of coal in the southern part of Saskatchewan. The coal in the maritime provinces is of a higher quality, as is the coal in Alberta, but the quantity in the southern part of Saskatchewan bears comparison with the quantity elsewhere. There are 50 billion tons of it there. They are taking this cheap lignite coal out in the Estevan area and utilizing a water development project for cooling purposes. The two things together cost between \$40 million and \$60 million. This was a provincial undertaking. It is only natural when we go into the maritime provinces, whose problems the minister says are comparable to the problems of Saskatchewan, and give assistance in the development of power there that we are under an obligation to apply the same principles in Saskatchewan. I am going to say, in spite of the fact we think the Saskatchewan—

Mr. Kucherepa: I rise on a point of order, Mr. Chairman. With deference to the right hon. gentleman, I direct your attention to rule 59(2) which says that speeches in committee of the whole house must be strictly relevant to the item or clause under consideration. Since we are not in the resolution stage at this time but are considering clause 3 of the bill, I think the hon. gentleman has gone far afield from the clause under consideration.

Mr. Gardiner: Mr. Chairman, this clause 3 contains the whole operative portion of the bill. Clause 2 simply gives definitions or interpretations, and clause 3 contains the whole substance of the bill.

The next clause only withdraws some other legislation that will have to be dealt with as a result of the passage of this bill, so the whole substance of the measure is contained in clause 3.

As I was pointing out to the committee, Mr. Chairman, the situation is that you have