

Woods should be maintained at a certain height. That was for the protection of the lands on the United States side as well as on the Canadian side. The effect of that order was to flood some of the lands, although it protected others. The lands that were being flooded were on the United States side, and in respect of those the Canadian Government had to pay this \$200,000 odd to the United States Government. That was the situation.

MR. CRERAR: What I had in mind was rather to throw some light on the point Mr. McMaster made, as I understood his argument, that the whole cost of doing this work, for instance, should be taken into account in the readjustment with Manitoba on financial questions.

MR. McMASTER: Well, I am instructed, Mr. Crerar, that the whole work was done by the Dominion and it was brought into the picture because it was the holder of the natural resources; that really the benefit of the work is divided between Manitoba and Ontario, and the Dominion would not have come into this picture at all had it not been for the fact that it was vested with the natural resources of Manitoba.

MR. HUDSON: Excuse me ---

MR. McMASTER: I think we shall have to do a little more figuring before I am able to place before you what I think.

MR. CRERAR: That is just the point I have in mind, Mr. McMaster. Even if there had been no natural resources question at all, would the Dominion Government not have been brought into the picture, so far as the Lake of the Woods expenditure was concerned, by virtue of its control of international waters under this arrangement with the United States?