

*Lake of the Woods Control Board*

do not vote. Manitoba and Ontario have separate agreements of their own which lay down conditions of downstream benefits, proportions of contributions, damages, and so on.

I was looking through my file and I have not in my file a copy of that regulation. However, here is a copy of the agreement. This is included in the new bill from Ontario and is dated 1958. Section 18 of the agreement between Ontario and Manitoba reads:

Manitoba and the board shall indemnify and save harmless Ontario and the commission of, from and against any and all loss, costs and damages to which Ontario or the commission shall be put or shall suffer arising or resulting in any manner whatsoever within the province of Manitoba from the introduction into the Winnipeg river of the diverted water to the extent permitted by this agreement, and Ontario and the commission shall indemnify and save harmless Manitoba and the board of, from and against any and all loss, costs and damages to which Manitoba or the board shall be put or shall suffer arising or resulting in any manner whatsoever within the province of Ontario from the introduction into lac Seul, the English river and the Winnipeg river of the diverted water as permitted by this agreement or the diversion of such water from lake St. Joseph and its normal water courses.

This is the agreement which was included in the bill in Ontario. As I understand it, each one saves harmless the other when the damage is owing to their respective actions.

**Mr. Benidickson:** Will the minister make a comment as to whether or not there is likely less mutuality now or more since the diversion from lake St. Joseph? Formerly there were many people in Ontario who might have suffered damage as a result of the board's decision because of the pressures that would be made by the power interest in Manitoba. Would he say now that because of the diversion and the integration of power made available in the two areas perhaps the English river power development in Ontario and the Winnipeg river power development in Manitoba are now more mutually interested in the whole? Perhaps henceforth in the two provinces there is not the same rivalry or differences?

**Mr. Hamilton (Qu'Appelle):** I think the hon. member has put it very well. This agreement between the two provinces ends long years of difficulties between them and particularly this concept of the downstream party recognizing that by moneys spent for storage and facilities in the other party's area, the upstream area, they achieve downstream benefits and they contribute part of the advantage back in the form of extra power—whatever the agreement calls for—to the other party. In other words, they share the downstream advantages. I think by working together, as they have done in this case, as I have gathered from discussing this with the

[Mr. Hamilton (Qu'Appelle).]

men who helped draft the agreement, even though the federal government is not interested in the details of the agreement but only in the international responsibilities, this ranks as one of the best examples in Canada of two parties working together to share downstream benefits not only to produce more power cheaply for both of them but also to give firmer power over the whole area.

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

Bill reported.

**Mr. Speaker:** When shall this bill be read the third time? Now?

**Mr. Pickersgill:** By leave.

**Mr. Hamilton (Qu'Appelle)** moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

**LAKEHEAD HARBOUR COMMISSIONERS****ESTABLISHMENT OF CORPORATION FOR MANAGEMENT AND DEVELOPMENT OF HARBOUR**

**Hon. George H. Hees (Minister of Transport)** moved the second reading of Bill No. C-26, to incorporate the lakehead harbour commissioners.

**Mr. Chevrier:** Will the minister make a statement?

**Mr. Hees:** Mr. Speaker, the Department of Transport and the Department of Public Works have for some time had representations brought to their attention urging the construction of a modern freight terminus at Port Arthur and Fort William with seaway depths from which freight might be unloaded from ship to both railway cars and motor trucks for local, northern and western distribution. Accordingly, last October an investigation was made by engineers and economists of the two departments of the harbour development at these two cities.

It was found that the freight terminals operated by the Canadian Pacific railway in Fort William and the Canadian National Railways in Port Arthur are obsolete, that there is no facility for unloading to motor transport and that seaway depth of 27 feet could not be provided at the berths because the foundations of the wharves would not permit additional dredging.

A recommendation was made that a new, modern terminus be constructed to handle all types of traffic and that the management of this terminus should be placed in the hands of harbour commissioners. This proposal was supported by the governments of