

uncover the truth, all the truth, with regard to certain matters which have become known in the last two years, or better still in the last year. A new concern has been discovered that apparently has been interested in this Beauharnois business from the beginning or shortly after the beginning. It is called the Jacques Cartier Company. This company was created apparently by the group who held shares in the original company. The Jacques Cartier Company consists approximately of the following: Dominion Securities Limited; Wood, Gundy and Company, Limited; Montreal Light, Heat and Power Consolidated; McDougald and Henry, and Newman, Sweezey and Company. Their holdings in the pool are reported to be approximately as follows:

	Shares
Dominion Securities..	115,000
Wood, Gundy & Co..	175,000

That 175,000 has since been transferred to Montreal Light, Heat and Power.

	Shares
Montreal Light, Heat and Power.	320,000

These were secured as a result of purchasing the interests of F. P. Jones.

	Shares
McDougald and Henry.. . . .	220,000
Newman, Sweezey & Co.. . . .	120,000

So that is clear that the Montreal Light, Heat and Power have the controlling interest, possessing well over 51 per cent of the stock.

This concern has a peculiar history in two respects; first, in respect of Senator McDougald's payment on behalf of the Sterling Corporation. Perhaps that is not the correct way to put it, but it seems that when the government instructed Doctor McDougald to return the moneys paid—or would you call it the equity given for the securities?—he had 30,000 shares in the pool. The balance had to be found. The balance was found in the pool, I think—that is something I want the government to tell us. Has Doctor McDougald paid back the 80,000 shares, and have they been cancelled? I cannot get the information on that. The only information I have in regard to the matter is from the Financial Post of March 18, 1933, which brought to my attention for the first time the existence of this Jacques Cartier Company. The Financial Post relates that there was some trouble in regard to this question of transfer of the 80,000 shares of Beauharnois A stock to be surrendered and cancelled. I do not want to refer to it at length, but I hope that when the government replies, a statement will be made as to whether this block of shares has been cancelled, because until the 80,000 shares of class A stock

issued have been cancelled it is held to be unlikely that any plan or reorganization will meet with approval at Ottawa.

But there is a further fact in connection with this company that is of concern. It seems that the Holt interests, anticipating a development sooner or later on the Soulanges section of the St. Lawrence river, made application for and received a charter from the Quebec government for the construction of a canal. This was well known to the late government; the matter was discussed at an inquiry held in Ottawa on the application of the Beauharnois Light, Heat and Power Company on January 30, 1929. Mention was made of this Soulanges charter, and at page 119 of the report on the application of the Beauharnois company this evidence appears:

Mr. McCarthy rose apparently with the idea that he owned the Soulanges canal.

Mr. McCarthy: No, no.

Mr. Geoffrion: He said, "We own a canal." The canal he owns is in his clients' dreams. The position of these particular clients of my learned friend is an extraordinary one. They have no grant from Quebec. They have a charter. Anybody can get a charter; charters go floating around. They have nothing but a charter; they own nothing, and they are asking you to refuse us an approval from the navigation point of view of plans for the development of whatever that is ours for seventy-five years, your jurisdiction being only over navigation, simply because they have a man who would like to develop our property himself. I suggest it is the same as if when I am asked for a building permit in order to build on my own land another member of the municipality, one of my neighbours, were to say, "No, I want you to permit me to build on that man's land instead of himself." It is about the same thing.

I direct attention to that evidence simply to indicate that this Soulanges interest possessed, as Mr. Geoffrion said, absolutely nothing but a charter. Yet I am informed that they were able to transfer that for apparently its nuisance value, for one hundred thousand shares of class A stock in Beauharnois, or its equivalent, held by the Jacques Cartier company. I submit to the government, Mr. Speaker, that if it was right—as I contend it was—to request Doctor McDougald to return the eighty thousand shares that he was coerced into paying out to the Sterling corporation, it would be right for this government to insist that this block of shares that was transferred for property that did not even have the appearance of right that the Sterling corporation possessed, should be returned to the company also. This Soulanges canal and power project, this Holt project, which now is a factor in giving them control of the stock, in effect had no value or rights whatever beyond the