

Government had proceeded to follow the report of the engineers of the National Advisory Board that there would have been no development on the south side whatever.

Q. So you were in a position either way in this development - to realize from this development no matter where ownership lay? - A. No, sir. At that time I had dismissed the Sterling Industrial Corporation from my mind entirely. The National Advisory Board had made their report. The report of the engineers of the National Advisory Board had recommended the development on the north side of the St- Lawrence River. The Board accepted that, and we so recommended to the Government of the day. If the Government had gone on with deepening of the St. Lawrence waterway, as every member felt they should and would do, there would have been no development on the south side of the river whatever.

Q. The Government, then, must have changed its mind as to the development in that section? - A. I don't think the Government had made up its mind as to any development.

Q. The Government provided by Order in Council 422 to consent to this development with provision for the protection of navigation works? - A. That came after the National Advisory Board, and had nothing to do with the Board at all.

Q. This came on the 8th March, 1929. You know order 422? - A. Very well.

Q. And that provides for development, and canalization for shipping on the south side? - A. But that was -

Q. That is true, isn't it - A. But not by the Government at Ottawa; that came from Quebec, and the Beauharnois Company were simply asking the Government, or offering the Government, if they would pass the Order in Council approving their plans, that they would give free and clear to Canada the use of that canal.

Q. On the south side? - A. On the south side.

Q. So that as I say, if we change the canalization from the north side to the south side the Government of the day must have changed its mind as to the proper place to do that work? - A. Not necessarily.

Q. How could they do anything else? - A. Well, that diversion of 40,000 cubic feet of water on the south side did not interfere with any development that the Government might decide to make on the north side at all, if they wanted to do so.

Q. You know, of course, as well as I do that the Beauharnois project is admitted by everybody, Mr. Henry and Mr. Swezey and anybody who had anything to do with it, that it contemplated the whole flow of the river? - A. I think so.