

Thus, the physical necessities of creating a deep waterway from Montreal to the Great Lakes involves the simultaneous production and sale of power. No authority is possessed by the Company to develop horse-power except such as is automatically created in the improvement of navigation and only the surplus can be sold. Nothing else is possible. And Parliament has definitely safeguarded the public interest by providing that both the tolls on commerce using the canal and the price charged for power shall be controlled by the Railway Commission, which is the creature of Parliament. The Charter makes no attempt to allocate the extent to which the fixed charges shall be borne by users of navigation and by consumers of power, respectively. That is a matter of "High Policy" left open to be decided at a later date when the figures of actual, not estimated, cost and horse-power developed become available.

Under the Charter as it exists, Parliament can, after it has had full deliberation with the full facts and figures before it, instruct the Railway Commission to apply any principle it likes in so fixing rates.

(A.) It can instruct the Railway Commission to admit the most far-reaching claims of Ontario Hydro and the Power Trust and sell the power to Hydro and the Power Trust at a price representing fixed charges on the bare cost of the power itself, and making no charge whatsoever for the use of navigable waters belonging to the whole people of Canada and charge everything else in tolls on the commerce using the Canal. It could go further, and charge even the bare cost of the power to the Canal tolls and give the power to Ontario and Quebec for nothing.

(B.) Alternatively, Parliament could decide the other extreme, that users of power produced by navigable waters, the property of the Dominion should pay for that power a price which would give the use of the Canal to the nation free of tolls, or—

(C.) Parliament could instruct the Railway Commission on any basis of division of cost which it decided upon as fair and proper in the general interest of the public.

These questions of policy have nothing to do with the Canal Company. This Charter leaves these great questions open for decision by Parliament. Neither the interests of the power consumer nor of the canal user are affected by the Charter, except that the Charter makes available power and navigation both of which are non-existent to-day.

Now the question of tolls has been raised in this discussion.

The CHAIRMAN: Gentlemen, I see that Mr. Sifton is going on to another point. It is now just upon one o'clock, and I do not anticipate that we will finish this question this morning. Possibly, we might adjourn at this point, if that is the wish of the Committee until to-morrow at 11 a.m.

The CHAIRMAN: Before we adjourn, gentlemen, there is a matter I wish to bring before the Committee. We have already decided to have the evidence printed, but there has been no suggestion, up to the present moment, as to the number of copies that shall be made. I suggest that we have 500 copies made in English, and 200 in French, if it is considered that that will meet the situation.

Some Hon. MEMBERS: Carried.

The Committee adjourned until Wednesday, April 6th, 1927, at 11 o'clock.