

last session and demanded that the cities of Fort William and Port Arthur should be given rights themselves which Jenison had formerly possessed, to undertake the development. You will find this was the legislation had last session; That the combined falls on the Kaministiquia River, one was a 60-foot falls and the other 110, should be divided between the cities of Port Arthur and Fort William on the one side and the Kakabeka Company on the other—ourselves. We had owned the lower falls; we had made considerable expenditure; we were just preparing to develop it when Jenison came on and absorbed our rights by unfair and unjust legislation, and also all other rights in the river. The city of Fort William and Port Arthur came to us and made this proposition: If you will concur in the legislation and associate with us in securing it at Toronto we will ask the Parliament now to give the cities of Fort William and Port Arthur the right to develop this power which we have been so long waiting for at the Ecarte Falls—that is, the 60 foot falls. We said: Very well, we will concur with you in that. We joined action and came to the Legislature and represented jointly to the Legislature that Jenison's rights were impossible of development and insisted that the Legislature should give these rights in the first instance to the city of Fort William. The city of Fort William secured Jenison's rights. We secured only the rights in our fall of 110 feet. We secured no rights in the Jenison property proper by the legislation of last session; it was the city of Fort William which secured the right to take over all of Jenison's properties, and all of his franchises and rights to develop the Ecarte Falls. The only provision we got was in taking the water from the Ecarte Falls they must discharge it back into the river over the head of our falls. The city of Port Arthur came in to preserve its rights to this extent: It was provided that if the city of Fort William failed to develop this power at the Ecarte Falls within two years, then the rights which the city of Fort William acquired should be relegated to the city of Port Arthur; so for two years the City of Fort William had the exclusive right to develop that power, and then came in the city of Port Arthur. Thus were the rights of these two communities preserved and our rights preserved to the extent of the water being taken back over the head of our Falls. There has never been any agreement or the attempt of an agreement between the cities of Port Arthur, Fort William and the Kakabeka Falls Co. We acquired and paid for the Falls and it is our intention to develop them, as our solicitor has said, and we are now prepared to go and commence that development this spring and complete it during the fall of next year. We are not bound to do anything of that kind, but I simply make that statement in good faith. We think our history in the past ten years should become justification for the substantiality of our statement. You know our structure has just reached completion, that our blast furnace will be done in the following month, and we are now prepared to go and undertake the Kakabeka Falls development. I desire to get out of the minds of the members of the committee that we have been in default in any way.

Mr. Lee: You say you own the Falls?

Mr. Clergue: Yes.

Mr. Lee: Why have not you developed them?

Mr. Clergue: We could not develop them from the time Jenison got his charter.

Mr. Lee: I thought you said one Falls was given to you and one to him?

Mr. Carscallen: No; Mr. Clergue made it very plain.

Mr. Clergue. All the water was taken away from our Falls and delivered into the river again below our Falls. Consequently for the last seven years, until last session, we have been unable to undertake any development whatever. Jenison has come back through another form and another disguise, and has again deluded them with the promise of a \$100,000 deposit four months after the legislation is granted, or in other