

Mr. H. SIFTON: Yes.

Mr. GARDINER: Do you think you are justified, providing the House or this committee do not renew this charter, in making any claim?

Mr. H. SIFTON: That will be a point for the committee to decide.

Mr. BROWN (Lisgar): I think the committee is being led off on to a side track here.

Mr. MERCIER (St. Henri): State your case, Mr. Sifton.

The CHAIRMAN: It seems to me we might let Mr. Sifton make his statement, and after he has completed it, if there are some questions to be asked it will be fit and proper that they be asked.

Mr. H. SIFTON: I have dealt as well as I could with the question of public ownership as opposed to the Canal Company. I would like now to deal with the other feature of the opposition which has been raised, that is, the question of provincial rights. Now, in dealing with provincial rights, or in dealing with another suggestion which has been frequently made as a solution of the problem: the suggestion for solving this problem has been that the Canal Company's charter be allowed to lapse, and the National Hydro Electric lease, which will come up for renewal on the 1st of May, will be allowed to lapse. I would like to submit that that policy will not be a solution of the problem, for the simple reason that if you withdraw from the river, if you allow the water-powers to be developed by provincial lessees, every one of the great developments will soon belong to the power lessees. You have one on the Gatineau now, and you will have a duplication of that at ten or twelve different places under provincial authority. They will be making a great profit out of the power development under the provincial rights and licenses, but the canal is gone, and in the future, Canada could never construct it, and probably it would not be worth while to construct it. In pursuance of provincial rights, an effort is being made to force the provincial authorities to withdraw from the Ottawa river, and there have been arrangements made by the power companies interested in provincial rights. The power company in the province of Quebec which has been making a great deal of money out of provincial development of water-power was a private company, and in Ontario we have a big public ownership enterprise called the Ontario Hydro Commission. They are just as anxious to establish the right to develop water-power, without contributing to canalization, as the private company in the province of Quebec; they are so anxious to establish this feature that they have already made a working arrangement with the Quebec developers. The first feature of that is Gatineau power development here; the second feature is—and I might ask Mr. Geary to follow me in this point—the wording of the resolution sent by the provincial parliament of Ontario to the Federal authorities, urging them not to renew the canal charter. Now, it was a matter of public knowledge that the National Hydro Electric Company of Montreal held the lease, and holds the lease now, and this is now evident at the water site at Carillon at the foot of the Ottawa River, which would develop under Federal lease 300,000 horse-power. Now, it was a matter of public knowledge that if the Georgian Bay Canal charter was repugnant in a legal sense to the rights of the province of Ontario, then the Federal lease to the National Hydro Electric was equally repugnant to the province of Ontario. This was known all over this country. The wording of the resolution of the province of Ontario protesting against the Georgian Bay Canal Charter contained no word of condemnation of the National Hydro Electric's rights. This, in itself, is evidence of the arrangements which have been made. They have a perfect right to make any arrangements they like—I am not objecting to them—and they undoubtedly intended to develop the Carillon rapids in the same way as the Gatineau was developed by us, and would erect a duplication of these positions all the way up the river, and in that arrangement, you have the Ontario Hydro Electric Com-

[Mr. Harry Sifton.]