

Mr. Lee: Neither gives any undertaking.

Mr. Watson: In connection with that I have said what I have been instructed to say, and I think it is right. Mr. Clergue is here and he will say whether or not I am justified in the statement that I have made to the committee. Just one thing. I have pointed out the circumstances to show the extraordinary position of Mr. Jenison, that these rights are entirely passed out of his hands, and his rights are not now being revised but being passed over to some American capitalists. Why should that be done? Then the position of the Town of Fort William is a little anomalous. In the Act of last year there was no time limit within which the Kakabeka Falls Company should proceed, and I am instructed that the Falls Company has never been applied to by the town since then to make more rapid progress, to do anything. That company is not in default to-day in respect of any obligations.

Mr. Lee: This was passed in February, 1902, and they were to commence in two years.

Mr. Watson: That is for the town.

Mr. Lee: But they had the right to assign to another party.

Mr. Watson: Why did not they do so? On page 265 the agreement appears:

"1. Witnesseth that the town agrees to return the water of the Kaministiquia River above the Kakabeka Falls so as to enable the company to have full advantage of the fall of the water of the said Falls.

"2. The town and the company will each pay one-half of the costs of and incidental to the legislation the said town is now applying for."

As a matter of fact, the agreement called upon the company to pay one-half the expenses incidental to it, and since then the town has made no request whatever upon the company, has not communicated with the company, and in the absence of communication comes here and seeks to rescind this agreement, an agreement which was solemnly entered into between the parties, and with no time limit. The proposition is that Mr. Clergue and those associated with him will proceed at once—if it had been insisted on they would have proceeded earlier—but they will proceed at once and make the development I have indicated. I submit it would be a gross injustice to cancel and annul that solemn agreement which was made a year ago and which the company is willing to perform on its part, and for which it has paid—it would be a gross injustice to take from the Kakabeka Falls Company, Mr. Clergue and those with him, all their property interest, and it goes without saying that Mr. Jenison got from them practically the whole of their property, and he is seeking again to take from them the whole of their property interest. Is that in the interest of the community? Is it in the interest of the public? Mr. Chairman, it is certainly strongly against the ordinary course of legislation, and is the cancellation and nullifying of the interests of the individual. Mr. Clergue is here.

Mr. Clergue: Mr. Chairman and gentlemen of the committee: It becomes necessary for me to correct an impression which our solicitor has just given. Our solicitor has just told you that there was an agreement entered into between the Kakabeka Falls Company and the Towns of Fort William and Port Arthur, under which the Kakabeka Company undertook certain development to these Falls. Gentlemen, that is the impression on the part of our counsel, taken perhaps from the statements of the gentleman who preceded him. We have made no such agreement, no such agreement is contemplated by the legislation which it is now asked that this committee should nullify. I am extremely anxious that this committee should have clearly in mind what were the arrangements between the City of Fort William and the Kakabeka Falls Company when the last session was had. It was simply this: The citizens of Fort William and Port Arthur both combined, having lost their heart in the development of that important power, and came to this Legislature at the