

crown in the right of the Dominion to the same extent as the lands and canal and appurtenances of the new Welland canal are now vested in the crown in the right of the Dominion.

Mr. GARDINER: That is very satisfactory, so far, Mr. Chairman. Now in view of the possibility of the government using this as a deep waterway, I come to this question: Heretofore when the Dominion government has constructed a canal in any part of the country for the use of the people of Canada, and where they have created a head of water by virtue of that canalization, it has always been the practice of governments to claim the ownership of the head of water that comes from such canalization. Is it the purpose of this government to claim the head of water because of the canalization in this case, and to use it for the purposes of the Dominion?

Mr. CAHAN: I can say, I think, Mr. Chairman, that it is the intention of the government that the issue as to the right to use the water of the river St. Lawrence for the development of hydro-electric power will be placed before the courts either by agreement and common consent or by initiating proper action to that end. It is the intention of the government to secure from the highest tribunal of this country a clear decision with regard to this particular project as to the respective rights of the Dominion and the province.

Mr. GARDINER: I appreciate very much the answer the minister has given. I think the sooner this question is decided by the highest court in this land, and even by the privy council, if necessary, the better it will be for all concerned. The Dominion and the provinces will then know where they stand, and I am quite sure that because of that fact the relations between the provinces and the Dominion will be much happier in the future than they are at the present. I appreciate therefore very much the decision of the government in that regard.

There is another point on which I want information, and I believe this is very important. This work is going to be declared to inure to the benefit of Canada. I have heard some rumours which have disturbed me during the last few days. I never like to deal with rumours unless there is some real evidence supporting them, but in view of the nature of this legislation and the statement of the Prime Minister yesterday, would it be possible for the minister to give this house any information as to what is going to be the management of this project in the immediate

future? Is the government going to take it over and put it under the Department of Public Works in the same manner as the new Welland canal, or is the Prime Minister's statement to be taken as the attitude of the government, that this project will be handed over to the banks? Or is it possible that the government may hand it over to a certain firm in Toronto, Nesbitt, Thomson and Company, which has been rumoured very strongly within the last few days? Just what is going to be the attitude of the government? Before I take my seat may I say that I should be very sorry indeed to see the government hand this over to the banks, which have advanced certain moneys against certain bonds, or to any other company that they might select. I hope and trust that until such time as the courts have given a clear decision, the government will keep control of the project and therefore be in a position to deal with it adequately. As far as I am concerned, I am an advocate, as I think the members of this house know, of public ownership, and I would regret very much if after getting out of one difficulty in so far as this project is concerned, we stepped into another which might have to be dealt with at a future time. Is there any possibility of any of these things happening which I have mentioned, or is it the intention of the government to keep control until such time as there is a clear decision from the courts?

Mr. BENNETT: The hon. gentleman suffers perhaps from the disability of not having followed, although he has been on the committee, just what the legal implications of the present position are. It is necessary to keep clearly in mind this fact. This property is the property of a private company created by the legislature of the province of Quebec. The province of Quebec has complete and absolute power to create that company, as it has done, and this parliament cannot destroy that company or take from individuals the shares of the company which they own. About that there could be no manner of doubt. That is the difficulty always of being too late. No action that this parliament can take at this moment will set aside the corporate rights of that company, or deprive its members of their property in the shares which they own. Everybody must realize that. Who is responsible for it is not now the issue. The question is: What are the facts? This government has not taken possession of that company; it cannot do so. The province of Quebec made that company and controls it. So far as the immediate