

McDougald, published in 1930 at page 45 of the Debates of the Senate, February 2, 1928, in which the honourable gentleman had the opportunity of reviewing the situation and of referring to it as one of the greatest water powers on the face of the earth. It may be quite easily said that the celebrated Muscle Shoals, and Boulder Dam power projects in the United States were children beside the possibilities of the Soulanges section of Beauharnois.

I will proceed as shortly as possible now to the circumstances leading up to the organization of the Beauharnois Light, Heat and Power Company and later the Beauharnois Power Company, and all of the circumstances that intervened right up to the date of the inquiry.

You have before you in the blue book—and you will be obliged to read and will read with care and interest—the history of Beauharnois, which is very shortly stated in the report. It began in 1796, and up to 1902 there does not appear to be anything except a general dealing with minor phases of the power problem and the possibility of the developing of that section. It was nothing more nor less than a small feeder to the St. Louis River, which was a grant to the original Seigneur de Beauharnois, and the feeder was built by him for the purpose of increasing the flow of the St. Louis River, a little river running from Lake St. Francis and running out near the village of Melocheville into Lake St. Louis. That was used by and leased to adjoining farmers from time to time for operating their grist and saw mills.

In 1902 a family named Robert had acquired all of the rights of the original grantees and they formed a corporation known as the Beauharnois Light, Heat and Power Company. There was some discussion as to what rights the Roberts had; but in any event what rights they did have they transferred to the Beauharnois Light, Heat and Power Company in 1902. There was litigation before the Exchequer Court, and in 1904 the Exchequer Court rendered its decision, indicating that while the Roberts did not have all the rights they thought they had, they had at least some rights in the power development in that section.

In 1909, as a compromise, a Privy Council order issued leasing to them for a period of 21 years the feeder which, in the meantime, had been enlarged.

The Canadian members of the enlarged Joint Engineering Board were Mr. D. W. McLachlan, Mr. Lefebvre, and Mr. Charles H. Mitchell, who are referred to throughout the evidence. They were appointed on 7th of May, 1924. The National Advisory Committee was appointed by P.C. 779 on the 7th May, 1924. On the 5th July, 1924, Mr. R. A. C. Henry, who is referred to at page XVIII, had in his mind the canalization of the water power of the Soulanges section on the north shore.

Hon. Mr. CANNON: On which shore?

Mr. MANN: I beg your pardon, on the south shore. Mr. Henry was an engineer who had a very substantial interest in water powers; that was one of his pet hobbies. In 1912 he joined the Department of Railways and Canals of Canada, and he remained with that department until 1923. It is perhaps important for the Committee to have this chronology, because Mr. Henry was examined at very great length as a witness. He went with that department first as an engineer in 1912, and in 1923 he went to the Canadian National Railways, remaining with them until the 14th February, 1929, when he became Deputy Minister of the Department of Railways and Canals.

On the 5th July, 1924, a company was formed, named the Sterling Industrial Corporation. That company was formed by Mr. Henry. It is fair to say that it was conceived by Mr. Henry and borne by him. Its birthright, to some extent, was helped by the Hon. Senator McDougald, who advanced Mr. Henry the sum of \$10,000. That company will be referred to later in the chronology of events. What Mr. Henry did with the \$10,000 is perfectly clear. He employed engineering skill, he paid engineers, he had reports made to him; and in any event, there was nothing improper in any shape or form in the advancing