

especially into the hands of so colossal a monopoly as now has its grip upon the water powers of the province of Quebec. I have no brief to speak for the province of Quebec, but I believe the time will come, if it has not already come, when the people of that province will regret that these powers were allowed to pass into the hands of these great private interests and monopolies. On their behalf as well as on behalf of the people of Canada generally I do not like to see the power of these interests still further increased by allowing them to get control of the Beauharnois. At the time the matter was under discussion in the house I had a few words to say. The Prime Minister then said—I have not his exact words, but they were to the effect that the power belonged to the province. I made the suggestion that the dominion might develop the power. He said that that was impossible except by agreement with the province of Quebec. I suggested that the federal government might, by purchase if you like, acquire the interests of the then shareholders of the Beauharnois corporation. In that case the government would not be infringing on provincial powers. They would merely as shareholders be in the position which the then shareholders of the Beauharnois company occupied. The Prime Minister did not take kindly to that suggestion. He said in so many words that the government had no intention of so doing. With that I am not finding any fault at the moment, but I say that the situation has changed very substantially since that time. The company fell into difficulties and in the opinion of the government it became necessary to assist the further development of the Beauharnois corporation by a guarantee of loans made by the banks of Canada to the extent of some \$16,000,000. So to-day the Dominion of Canada has that substantial financial interest in the Beauharnois project.

I make now a suggestion, which I know will not be received with favour by some, and will perhaps be regarded as a far-reaching socialistic idea, but it is in line with my ideas in regard to public ownership. I make the suggestion because of the fact that we are now in a position that it seems difficult to get out of. We have two contesting interests, two contesting groups of financiers, trying to get control of the Beauharnois corporation, and in the fight that is going on between them the interests of the Canadian people, and the interests of the bondholders in this concern I imagine are not being very well served. If we have already \$16,000,000 in this enterprise, and they need something like \$13,000,000

more to complete the project—perhaps less than that—besides which the claims of the banks amounting to some \$6,500,000 may have to be protected, why should not this government in the general public interest, and perhaps finally in the interests of the people of the province of Quebec, take over the whole project by acquiring all the common stock and owning the concern? I am not saying they should go into the business of distribution of power, but they could generate the power, and then we would have a project that at least would be self-sustaining; then we could absolutely ensure that the people of the province of Ontario, as well as the people of the province of Quebec, would not be paying through the nose as they will have to do if these natural resources remain under private control.

Now I am going to make perhaps the most socialistic suggestion of all. Not long ago some of us, I think my hon. friend from North Bruce (Mr. Malcolm) and myself, had a little discussion with the Prime Minister with regard to what some might call inflation. I am not an unconditional inflationist, but on a previous occasion I did say that I would not be afraid to experiment a bit with controlled inflation. We made the suggestion a few weeks ago that we might at least try out the issuance to a moderate degree of federal currency, without gold backing, for such purposes as the construction of public buildings and other works of a public nature. It just occurs to me now that the Beauharnois project might be an enterprise in connection with which we might very well conduct that experiment. Personally I should not be afraid, though of course I have not the responsibility that must be assumed by the members of the government, to duplicate if necessary the inflation that was practised by this government last fall to the extent of some \$35,000,000, in order to complete this project. I think we might retain this natural resource in the hands of the Canadian people by the issuance of federal currency in that manner. Then you would have a concern owned by the people of Canada and bringing in a revenue which ultimately would take care of the whole cost of the undertaking, at the same time preserving for the Canadian people—and that is more particularly in my mind—this great natural resource, which should not be allowed to fall into the hands of private interests.

Mr. MORAND: Has the hon. member in mind the redemption of those notes over a period of time?