

Mr. MILLS. In what way did the Government come under obligation to these parties for damages?

Mr. POPE. Because they built the dam. I do not say we are liable to damages, but they claimed it. It is proposed to reconstruct the dam and to build three others on the canal.

Mr. WILSON. If the Government is going to assume the responsibility of the expenditure of \$20,000 for the purpose of completing this dam, not really in the interests of the Rideau Canal but in the interest of these saw mills, it is not reasonable to call upon this House to make that vote. We like to have the industry go on, but it is not right that the Dominion of Canada should be taxed for the purpose of enabling these parties to carry on their milling operations.

Sir JOHN A. MACDONALD. The hon. gentleman is mistaken. This water is required for the canal.

Mr. WILSON. Then it has been required since 1877.

Sir JOHN A. MACDONALD. It has been required since 1876. The quantity of water supply in the Rideau Canal has been steadily decreasing, as the settlement of the country has advanced and the country has been drained, and the engineers have been embarrassed to get water enough for the ordinary supply of the canal. Then this water supply also benefits the town of Gananoque, where there are some of the finest industries in iron and woollen to be found in central Canada. It has the double advantage of supplying the canal and supplying these manufactures.

Mr. MILLS. The hon. gentleman says that this water is required for the use of the canal, but he has not stated to what extent the canal is used. Since the increased railway facilities between Ottawa and the front, the canal business is much reduced. The hon. gentleman has referred to the mills and manufacturing establishments at Gananoque, but I never understood the Government had made any contract with those parties, or had sold them, in perpetuity, a supply of water.

Sir JOHN A. MACDONALD. No.

Mr. MILLS. Then it is precisely the same as any other part of their business; it is for them to supply themselves with water. The hon. gentleman knows that in many instances, when dams are built, parties apply for damages, on account of the water overflowing their lands. Now, to what extent is this vote for the purpose of paying damages like that?

Sir JOHN A. MACDONALD. As long as the canal is kept open it must be supplied with water. It is quite true that it is not nearly so useful as it was when first built. I remember the time when all the trade between Lower and Upper Canada was carried through the Rideau Canal. But since the improvements on the St. Lawrence and the construction of railways, the canal has become less useful than it was. But still there it is. People are settled along its banks. Government cannot close it up, without great injury to that whole country, where the people have been in the habit of using it as their means of transport for two generations. The millers and manufacturers at Gananoque are not the lessees of the Government, but that is their river; the Gananoque River flows into Gananoque, and a considerable portion of the water of that river is drained away for the purpose of the canal, to the injury of the river. Government has no right to take away the water of the Gananoque River, which these people have been in the habit of enjoying. This, as I understand, will increase the quantity of water in the canal, and supply the people of Gananoque with an additional quantity of water.

Mr. MILLS. These mills were built before the Government diverted any portion of the waters of the Gananoque; but if they were built subsequently to the construction of the canal, and the Government had already been using the water, I do not see how the Government incur any obligations towards the mill owners. The hon. gentleman has not succeeded in showing that. Then, he must see that last year the expenditure was nearly \$50,000, and the revenue was but several thousand. People living along the canal may continue to utilise it, but they utilise the railways to a far greater extent. The canal has ceased to be of much commercial value, and it is a question whether it is to the public advantage to continue the expenditure of these large sums every year, for the purpose of keeping the canal open for navigable purposes.

Mr. MULOCK. The First Minister says that this expenditure is necessary, in order to add to the supply of water that is needed for the efficient working of the canal. Will the Minister of Railways, if he has it, favor the committee with the opinion of experts as to the need of this route?

Mr. POPE. I will read from the report of the chief engineer:

"Pretty full explanatory details have been given of what is necessary to be done to secure a greatly increased supply of water for the Rideau Canal, as well as for extending the line of navigation northwards to the series of lakes. It is intended to serve as an attachment basin, raised, according to circumstances, and lowered at times, when necessary to meet the requirements of navigation."

He goes on to recommend that it should be done, and says that the estimated cost will be \$20,000. Then he gives in detail the cost of each portion of the work.

Mr. MULOCK. Is that the whole evidence that the hon. Minister has?

Mr. POPE. There is more evidence here.

Mr. MULOCK. Is that the only expert evidence there is, showing that the supply of water for canal purposes is insufficient for the present exigencies of trade?

Mr. POPE. The experience is general, that the supply of water is insufficient. Mr. Wise, the superintendent, gives his experience, but I have not his report here.

Surveys and Inspections \$10,000

Mr. MILLS. Where are these surveys to be made?

Mr. POPE. At different places. Last year we did not spend the vote; but it is the usual vote.

Mr. WATSON. Is it the intention of the Government to place any amount in the Supplementary Estimates for the purpose of constructing a canal between lakes Winnipeg and Winnipegosis, or will any of this money be so devoted?

Mr. POPE. I will explain that when we come to the Supplementary Estimates.

Indians, British Columbia \$45,280

Mr. MILLS. The hon. gentleman promised to give some information with regard to the Indians of British Columbia, and the difficulties which have arisen there, and also with regard to this commission, which was appointed in 1875 or 1876, and whose labors it was supposed would be brought to an end before this time. Perhaps the hon. gentleman will say how far the Indians have been provided with reservations, and how far the work of the commission remains still to be performed.

Sir JOHN A. MACDONALD. That, I think, is contained in the report of the Indian Department.

Mr. MILLS. No; it gives some information as to what has been done, but not as to how far the Indians have been provided with reservations, I think.