

Hon. Mr. WILLOUGHBY: Under clause 2 the Government becomes the assignee of the powers conferred under the agreement with the Beauharnois Light, Heat and Power Company.

Hon. Mr. DANDURAND: Yes, but I should like to know what effect this cancellation will have upon the fortunes of the company, which has been granted powers by the Province of Quebec under a lease that entails a number of heavy obligations on the part of the company. For instance, there was to be an annual return of money to the province, and this would go on increasing as the development progressed. In what manner are the rights of the province in this regard protected?

Hon. SMEATON WHITE: Clause 4 of Bill 144 covers that situation.

Hon. Mr. DANDURAND: We are dealing with Bill 143.

Hon. SMEATON WHITE: But the two Bills go together.

Hon. Mr. TODD: I do not think the rights of the province are affected. It is only the water that is affected under the Order in Council.

Right Hon. Mr. GRAHAM: Quebec claims the water.

Hon. Mr. TODD: Yes, but they get part of it from here.

Hon. Mr. DANDURAND: I understand that in the matter of that development the Federal Government recognized but one duty—to protect navigation, which comes within federal jurisdiction. In conformity with the division of constitutional powers, the authorization given by the Province of Quebec is subject to the approval of plans by the federal authorities. That company, having obtained by Order in Council the authorization to proceed with the work, and having secured the approval of its plans, is now left without power.

Hon. SMEATON WHITE: I gather from what was said in another place that the plans were never approved. It was not shown that they had been approved by the Government.

Hon. Mr. DANDURAND: The general plan was approved, and there remained only the question of the diversion of the water.

Hon. SMEATON WHITE: I think the Order in Council called for the submission of plans for approval by the Minister. The Minister never approved of any plans. That was the statement made in another place.

Hon. Mr. TANNER: The Deputy Minister of Public Works, in giving evidence before the Committee, said very positively that these plans had never been approved by the Minister.

Hon. Mr. BELCOURT: May I draw my honourable friend's attention to a matter that has occurred to me by reason of what has been said by the leader on this side of the House? The rights of the Province of Quebec, whatever they may be, are reserved.

Hon. Mr. DANDURAND: In Bill 144.

Hon. Mr. BELCOURT: That is the point that my honourable friend to my left raised a moment ago. But it occurs to me, and I think it must occur to other members of the Senate, that there are other rights, which appertain to the public and which are not in any way guarded, saved or reserved by either of these Bills. By section 1 of Bill 143 the agreement between the Beauharnois Light, Heat and Power Company, Limited, and the King, dated the 25th of June, 1929, is annulled. Under the provisions of that agreement contracts and agreements probably have been entered into between the Beauharnois Company and persons who have supplied either work or material for the construction, and others who have bought the securities of this company. I would ask whether their rights are not wiped out by the cancellation of the agreement between the company and His Majesty. It is quite proper to protect the rights of the Province of Quebec, whatever they may be; but what about the rights of third parties who have had dealings with this company arising out of the agreement in question?

Hon. Mr. DANDURAND: And the bondholders?

Hon. SMEATON WHITE: The Dominion is to give certain rights to the water. The province granted the charter, and it is for the province to see that the rights given under that charter are protected in every way. I think the province is going to look after those rights. I do not think this legislation interferes in any way with rights granted by the province.

Hon. Mr. BELCOURT: I understand that. But does that mean, in my honourable friend's opinion, that the rights of third parties are not and cannot be affected by either or both of these Bills?

Hon. SMEATON WHITE: That you cannot say.