

Not "Saying Any More."

Mr. Raney—I do not think, Mr. Speaker, I will pursue this subject any further. One of the correspondents agrees that the correspondence should not be published. Beyond that I do not care to go.

Although Mr. Dewart asked if that referred to the communication from the Chief Justice, Mr. Raney declined to state, nor would he indicate how many such communications he had received.

In connection with his replies, Attorney-General Raney tabled the letter of May 29 to the O.J.C., announcing the exaction from that date of the \$1,000 per day penalty for failure to pay over race-track tax moneys.

KENORA MAN FIGHTS HOTLY AGAINST BILL

Accuses Premier of Surrendering Ontario's Water Powers to Manitoba

LAKE OF WOODS MEASURE

Denouncing Premier Drury's Lake of the Woods Control Bill as a surrender of Provincial rights and containing unwarranted concessions to the Winnipeg interests, who sought to secure power benefits from Ontario's northwestern water powers, Peter Heenan (Labor member for Kenora) last night pleaded with the Ontario Legislature not to enter into any such agreement as the Premier had submitted to the House.

Mr. Heenan commenced his address shortly before 11 o'clock and continued at great length, explaining, with the aid of a big diagram, the intricate details of Provincial and international obligations, and the relative importance and significance of all the different water areas on the Manitoba, Ontario and United States boundaries.

Premier Hoodwinked?

In effect the member for Kenora contended that Premier Drury had been hoodwinked by the Winnipeg interests, who, in the agreement before the House for second reading, sought to have Ontario consent to hold up her waters and store them in such a way as would permit Manitoba power interests to utilize them, without cost, when they were ready to do so.

"We in the northwest portion of the Province," said Mr. Heenan, "are utterly opposed to this—more opposed even than when the bill was before the House last year—because it will interfere with the treaty being signed.

"I am also opposed to it because it is an absolute surrender of Provincial rights, because it is Ontario that is surrendering. It is a reduction of power potentialities in the Province of Ontario."

There was no banking institution in the whole world, he said, which would take a bond issue of a million dollars for a development under certain clauses of the bill which he opposed. He impressed upon the House the importance of fighting the measure now, because it constituted an agreement from which there was no appeal.

Out of Private Hands.

Mr. Heenan declared that although Hon. Mr. Crerar said he had supported the Federal measure because the development was in private hands and he wanted to get it out of private hands, he was under a misconception, because it was already out of private hands.

Further, the Government member protested at the way negotiations had been carried on by Premier Drury and the Federal and Provincial authorities.

No opportunity, he declared, had been given to the people of Kenora and the residents at the head of the lakes to express their opinions or

their desires in connection with their own natural resources.

Mr. Heenan denounced the measure as one "to regulate Ontario water powers in the interests of Winnipeg," and declared it would have the eventual effect of killing industry up there. The way it worked out, the Winnipeg people were working one river against the other, and the deal was no good to them unless they could do it. So long as the Winnipeg people had no sale for additional power they would not develop it, yet they wanted Ontario to arrange for future needs.

Not Much Navigation.

Mr. Heenan said that if the Government wished to bring in a bill to the effect that the Dominion Government could regulate the waters in the interests of navigation, he would support it, because for eight months of the year up there it was 65 below zero, and the Dominion authorities consequently would not do much navigating. For Premier Drury's benefit Mr. Heenan stated that the Winnipeg River was a navigable stream.

Premier Drury plunged immediately upon the opening of his address into a review of the long and difficult story of the Lake of the Woods situation. The Lake of the Woods is an international and inter-provincial stream emptying into the Upper Winnipeg River, upon which is the White Dog Rapids, a power site. The power sites on the Winnipeg River in Manitoba belong to Canada, which controls the natural resources of the Western Provinces.

Control Vested in Province.

In 1898 a permanent structure, the Norman dam, was erected across one of the openings into the Winnipeg River, under an agreement between a company and the Province of Ontario. The Province had the right to control the dam, but the company could terminate this by one month's notice if it wanted to use the dam for power purposes. This control of the dam, as a result of an arrangement with Mr. Backus, the Premier explained (Mr. Backus having purchased the original company), was now vested permanently in the Province.

In January, 1919, Ottawa passed an Order-in-Council creating the Lake of the Woods Control Board, to consist of four members, two chosen by Ottawa and two by Ontario, the casting vote in the case of a tie being with the Dominion appointee. Mr. Drury claimed that Ontario, by an Order-in-Council of a month later, agreed to this, casting vote and all. Hon. Mr. Ferguson at this point maintained that this was not telling the whole situation.

Some Uneasiness Arises.

Meanwhile, proceeded the Premier, the question of development of power sites arose. Preliminary agreements were entered into between the Ontario Government and Mr. Backus by which, among other things, the control of the Norman dam was given to Ontario. Uneasiness developed, said the Premier, among power users lower down the Winnipeg and English Rivers, and eventually they took up the matter at Ottawa. The Premier said that, because of this uneasiness, he went to Winnipeg in December, 1920, and later to Ottawa, and eventually negotiations between