

petition that they had presented to the House last session, in which the limitation of the dividend to ten per cent. was put forward as a strong reason why the House should refuse a charter to a rival company—the People's Gas Company. It was not contended that the Consumers' Gas Company, in common with other institutions, had not the right to accumulate a fund to provide against contingencies, which, like other institutions, they could place to the right side of the profit and loss account. He read Mr. Blake's opinion, and maintained that it was not laid down in it that the Company had already the power to accumulate a rest of \$200,000. He protested strongly against the passage of the Bill in the shape in which it was.

Mr. BELL claimed that the Company had not the right to make this rest notwithstanding the opinion of Mr. Blake, and it seemed strange if they had the power they should come and strongly urge the passage of a Bill granting them that power. He thought it would be well for the House to pass an Act allowing them to make this rest if they had the right to it under their charter. (Hear, hear.) He claimed that they had now property valued at \$900,000.

Mr. BETHUNE—I understand their property is worth only \$690,000.

Mr. BELL contended that they had a capital of \$600,000; they had written off \$215,000 for depreciation within three years; and they had the building on Toronto-street and other property, which practically brought the amount of their assets up to the figure he had named. He opposed this section of the Bill in favour of the amendment of the hon. member for Muskoka.

Mr. FRASER said he had opposed this section in the Private Bills Committee.

Mr. MAUDER—How did the compromise upon \$200,000 occur in Committee?

Mr. FRASER said this was not a compromise; simply, some members thought the rest should be granted in reduced form, which had been carried. This was by a vote. Under their charter all the profits over 10 per cent. had to be used in cheapening the price of gas. This rest would increase the value of their stock, and thus add indirectly to their profits, so that if they sought to wind up they would have \$200,000 to divide among the shareholders. If they had not the right under the charter they were trying to secure it thus indirectly, but the money came out of the pockets of the consumers. It had been told him by original stockholders that it was at first thoroughly well understood that they had not the right to lay up any funds under the name of reserve or any other. That the same view was held by the Company was plain from their conduct up to a few years ago. A fair construction of the paragraph of the petition quoted by the hon. member for Muskoka was that they believed they were debarred from making any profits beyond a 10 per cent. dividend, and beyond that the citizens should share in the profits by the reduction in the price of gas. Another clause of this petition asked that a clause should be introduced into the charter of the new Company preventing them from making any rest or paying any dividend larger than 10 per cent. This was what they were asking, and was the only petition asking for it. On the strength of this a clause was inserted in the charter of the People's Gas Company expressly providing as requested.

Mr. BETHUNE—That is not in the Consumers' Gas Company's charter.

Mr. FRASER said it was not quite so distinctly stated. He had a distinct recollection of the discussion which had taken place at that time, and it seemed to be generally accepted that the Company had no right to use for their own benefit any of the profits of the business over the ten per cent. dividend. It was said the people were really well protected, and no reason could be given for incorporating another company. It was now pleaded that the Company had the right to make this rest, the only object of the legislation now asked for being to give them the right to invest it, as it was stated they would otherwise have to leave it with their bankers. This suggestion was being made for the first time, and had not occurred to Mr. Blake or any of the other legal gentlemen connected with this matter. It was said they were willing to forego their rights to accumulate any larger amount on condition that the power be given them to invest. This he considered a rather strange proposition, and had another to submit. He proposed that a case should be submitted to the Court of Appeal by the Attorney-General, and if it were decided that this power of accumulating belonged of right to the Company he would grant them the power to invest this sum of \$200,000. This was a fair proposition, and if the Company were not prepared to accept it it would go to show that they themselves believed it to be a matter of doubt. If they would do so he would not oppose it any further. It was quite true that the City Council had authorized this in a way, but the City Council were not elected for this purpose, and had no right whatever to represent the citizens as gas consumers.

Mr. BETHUNE thought the whole case was given up when it was admitted that the Consumers' Gas Company had the right to accumulate a reserve fund. He thought it unreasonable that the House should assume to regulate dividends at all. The Dominion Parliament might just as fairly assume to regulate the dividends of banks. There was a restraint put upon the division of the profits of this Company. Whose were they before division? Clearly they were the Company's, for they made them. He believed they had the right to invest, except for the mortmain law. He was not interested in this Company. He looked at the matter as one to be dealt with upon principle. Surely the citizens had the balance of power in their own hands when they might start another Company. The contention of the Hon. the Minister of Public Works might be fair if the Company were a new one; but it was not fair to affect the internal working of an old-established concern by any summary legislation. They might just as well go to the bakers and fix the price at which they should sell their bread. He believed the Company had the right to charge what they liked for the gas.

Mr. FRASER said that if a number of bakers formed themselves into a company, it would be perfectly right for the Legislature to impose upon them any conditions that might be deemed necessary in the interests of the public.

Mr. BETHUNE thought it was questionable how far the power of the House would extend in such a matter. The hon. member for West Toronto had claimed this was a very rich Company. They had, he understood, made a valuation of their assets, and found themselves to be worth about \$600,000. The

hon. member for Muskoka had spoken of the rise in the price of their stock upon the action of the Private Bills Committee becoming known. He would like to ask how much it would fall if this section of the Bill were struck out? In view of the accidents to which their plants was at any time liable, of the new developments in the science of electric lighting which might be expected soon to be announced, it was no wonder that this Company desired to protect themselves from loss. It had been said they had unduly extended their mains and pipes. Who benefited by that? The consumers in sparsely populated localities of the city of course. This action of theirs was really a great benefit to the city. The City Council also, which represented the citizens in public matters of this nature, had decided in favour of the request of the Company by a very large majority.

Mr. MORRIS said they had passed a resolution that it would be well to grant the request of the Company on condition that in the event of the Company selling out to the city this amount would be reduced from the price exacted. This was done because it was held that the money was taken from the citizens for a specific purpose, and should be returned to them in case of the dissolution of the Company.

Mr. BETHUNE thought this really very kind on the part of the City Council, but if it were carried out it would be nothing more nor less than highway robbery (laughter) to allow the Company to form a reserve fund, and then deliberately take it away from them.

Mr. BELL—How about the robbery of the people by the Gas Company in making that reserve?

Mr. BETHUNE continued that reference had been made to the candle power of the gas in Philadelphia. He was informed by the report for 1876 of the Philadelphia Company that their gas averaged only 16.61 candle-power. He believed the average for New York was 17.

Mr. MILLER said the power in Philadelphia had greatly increased lately.

Mr. BETHUNE thought as a rule it was best to sustain the ruling of the Committees. It was impossible to bring before the House the information which could be brought before the Committee. He asked the House if they were in a position to deal with this matter as the Committee were when considering it. What use was there in referring anything to the Committee if they would not stand by their action? This was a matter where vested rights were concerned, and he trusted the House would act discreetly.

Mr. MOWAT said the hon. member for Stormont had formed very strong opinions upon this question. He spoke of it being wrong for this Legislature to interfere with the rights of the Company, but the proposition in this case came from the Company themselves, and if the House refused their request it simply left them where they were before. (Cheers.) The position stated by the last speaker was a very strong one for the Company to take—that they had the right to charge what they liked for gas to accumulate to an unlimited amount over their dividend of ten per cent. If this was the case, the ten per cent. clause did not benefit the consumers in the slightest degree. What was it the Company desired? Power to invest money, which they claimed to have the right to accumulate? The only advantage, therefore, to be gained was by the difference between the interest to be secured by leaving the money in bank and that of investments in other directions. There was a belief, which he thought had existed generally in the House, that something like the amount asked for had already been accumulated, and was only awaiting investment, and he was surprised to learn from the hon. member for Stormont that this was not the case—that very little if any of it was now actually in hand—and it seemed to him one of the strongest arguments against the application, for if the Company had had the power to accumulate they would surely not have allowed such a long time to pass without doing something in this direction. It was only human nature that they should lay up all they could and charge as high a price for the gas as the consumers would bear. In the petition quoted by the Hon. the Commissioner of Public Works the Company had urged that 10 per cent. was not too high a dividend, considering the extra hazardous nature of the business; but now they wished, while retaining the 10 per cent., to provide against any risk whatever. (Cheers.) It was quite clear that the opinion given by Mr. Blake was not a positive opinion, but it is rather in favour of the view that the Company have the right to accumulate. There was no opinion, as would be admitted by all the members of the House, more authoritative than that of this gentleman. He did not see that this right should be given to the Company, for there were objections to it that had not, and he believed could not, be answered. The proposition made to decide the matter in the Court of Appeal seemed to him a fair one, and if the Company really believed the representations they had made they should accept it. Upon these grounds he believed it is his duty to vote for the amendment of his hon. friend for Muskoka.

Mr. MORRIS said he was sorry he had been forcedly absent from the discussion of this Bill in the Private Bills Committee, but he had endeavoured to inform himself upon it since. There seemed to be a strong conflict of opinion as to the actual right of the Company in the matter of forming a reserve. He believed the action of the City Council was, under the circumstances, correct, and was sorry to hear them accused of highway robbery. His opinion was, that the correct course would be to give the Company whatever power their charter gave them, and no more, for the Legislature had no power to step in between the parties, as this was a matter in which private rights were concerned.

Mr. SCOTT said he was at the meeting of the Private Bills Committee, and the discussion there was ample. He agreed with the hon. member for Stormont that the suggestions of the Committee should not be disregarded without full consideration. The amount of \$200,000 was really a compromise between the conflicting opinions of gentlemen of the Committee. The grant under this Bill was restricted, for it was provided that the interest upon the reserve should go to cheapening the gas, and that nothing should be added to the reserve unless gas remained at its present price. He believed, with the hon. gentleman, that the Company had the right to form this rest, and was glad that so high an authority as Mr. Blake took the same view. However, the hon. member for Muskoka had given a contrary opinion, and of course the position taken had to be receded from. (Cheers and laughter.)