

(9) If the default of the Canadian Niagara Power Company in generating electricity or pneumatic power as agreed, namely, by works with water connection of twenty-five thousand horsepower and having ten thousand horsepower ready for supply and transmission continues up to the first day of November, 1899, will the Government on said first day of November, 1899, or immediately thereafter, declare the said agreement, liberties, licenses, powers and authorities thereby granted and every one of them to be forfeited and utterly void and of no effect whatever?

(10) Has the Canadian Niagara Power Company or anyone in its behalf applied to the Government or to the park commissioners for permission to develop ten thousand horsepower in the power house of the Queen Victoria Niagara Falls Park & River Railway Company in lieu of the developments stipulated for in the said agreement, accompanied by assurance of further development up to 50,000 horsepower or any other amount as demand for power arises?

(11) Has the Government received a proposition or offer from any other company or companies or individuals proposing to pay a rental for the privilege and to at once begin work on the development of electric power at Niagara Falls, and, if so, what rental is thereby offered?

Mr. Hardy's Reply.

Question No. 1—They have not.

Question No. 2—They have performed some work, the Government is informed, as follows: The cost of excavations and surveys made is estimated at between \$2,000 and \$3,000, the cost of preparation of plans is estimated at about \$5,000, and in furtherance of the contract that the company have acquired lands on this side at the estimated cost of about \$10,000 or \$12,000. That, in addition to these expenditures, they have in order to provide for the immediate supply of power pending the commencement of larger works spent about \$25,000 in electrical plant, and are now providing about 1,600 horsepower, of which they have sold 600 now in use, and they have 1,000 for which they have been unable to find customers. They have also paid to the park commissioners \$150,000 rental, making a total in all of about \$195,000. These figures, except as to rent, are estimates or are upon information from officers of the company, but are as near as can be arrived at with the information at our disposal.

Questions Nos. 3 and 4—The Government is informed that plans were submitted in 1894 and approved in 1895, that supplementary plans were submitted in October, 1898, for approval of the commissioners and that the commissioners replied that inasmuch as the court had not determined the questions submitted and it was not known whether the contract had been forfeited or not, that they could not then proceed with the examination of these supplementary plans.

Questions Nos. 5, 6 and 7—Applications were made for extension of time. No promise has been made or given to the company or to anyone on its behalf that such time would be extended, but, on the contrary, the commissioners on the 23rd of April, 1897, informed the

Canadian Niagara Power Company that an application made by the company to them for an extension of time to commence their work and have 10,000 horsepower completed, ready for use, supply and transmission on 1st May, 1900, had been considered, but that the approval of such application for an extension of time was not practicable, and, later, the company was reminded that the foregoing conclusion communicated on said 23rd April stood on record as the determination of the Government, and that the company knew before entering into any contracts the Government felt bound to hold the company to the terms of the agreement. Further, a notice with a view to making time the essence of the contract has within a few days past also been given to the company, and that in the event of default on the part of the company action will be taken for the purpose of terminating the liberties, licenses, powers and authorities granted or conferred by the said agreement, so that the same shall cease and determine and be void and of none effect thereafter.

Questions Nos. 8 and 9—A definite answer can hardly be given to these questions at the present time, involving as they do unknown and unascertained conditions. Should the company proceed in the meantime and spend half a million or a million of dollars, and the work be very near completion by the 1st of November, 1899, the Government would then have to determine what course would, under all the circumstances, be just, wise and in the public interest. But it is the intention of the Government to act in accordance with the spirit of the notices that have been given to the company. Further, it is the intention of the Government in case of default upon the part of the company in any case to do all acts and take all proceedings necessary to declare the right by the company to the sole use of the waters of the Niagara

River within the limits of the park at an end, under section 9 of the agreement, as soon as the law will allow.

Question No. 10—The application mentioned has not been received.

Question No. 11—The Government has received a variety of propositions from the Canadian Power Company, one of which was to pay 50 cents per horsepower in actual use. Another was made on the 6th of the present month of February to pay \$25,000 rental for such rights and privileges in connection with the waters of the Niagara River and the park as would enable that company to develop 150,000 horsepower. Specifications have not been presented, nor has anything definitely been done towards arriving at a basis of an agreement. No agreement granting these powers and rights could lawfully be entered into by the Government until after the termination of the existing agreement, or until after cancellation of the monopoly clause.

Mr. Bastedo and West Huron.

Mr. Matheson asked:—Is S. T. Bastedo an employee of the Ontario Government; and, if so, what is his position? Is he the same S. T. Bastedo