

on this side to-day. He believed it would meet with the approval of every member of the Legislature that the people in this locality have a right to insist that there should be at the earliest possible moment a development of power within the park. On the other side of the river there is a large development of electric power, and in the development of that power the company have spent large sums of money, the development having brought about the building up of very large manufacturing establishments. The assessment as a result rose from \$4,000,000 in 1890 to \$15,000,000, and the population from 9,000 to 23,000. On the Canadian side the place is positively at a standstill, without increase in population or assessment. If anything is sure to bring about the establishment of manufacturing it is the development of electric power there. This stagnation is simply because the very company which are making the large development, building up the assessable value and increasing the population on the American side have tied up the power on the Canadian side, and to all appearances intend to keep it tied up unless the Government and Legislature put their foot down and say, "You shall go on no longer unless you carry out the provisions of the agreement into which you have entered."

He had recently read in the papers, and had heard on the best authority, that the statement was correct, that one of the largest textile manufacturing establishments in Scotland, viz., Alex. Morton & Co., was going to locate on the American side of the Falls in order to manufacture there and export its products. In Mr. German's opinion that company could manufacture and export to better advantage on the Canadian side than on the opposite shore, and he firmly believed that if the same development of power existed on the Canadian side that was to be found on the opposite bank the firm in question would have established itself in the County of Welland. There was another fact to be borne in mind. Messrs. Rankin, Stetson and Shaw were the three gentlemen representing the company to be formed—the Canadian Niagara Power Company. But it was equally within Mr. German's knowledge that the company named was an adjunct to the concern on the other side of the river, the Cataract Construction Power Company. The latter was controlled and owned by the multi-millionaires of the City of New York, and the very prospectus it had issued provided for the payment of the Canadian rentals. The Cataract Construction Company had spent several millions of dollars on the American side, but had not, as he understood it, more than half completed the development there. Was it likely, he asked, that the company would spend three or four million dollars more to build up on the Canadian side an industry to compete with one already established just across the river? Under the agreement the Canadian Niagara Power Co. was bound to develop 10,000 horse-power, and to have water connections for 25,000 horse-power. There was not another clause in the agreement from beginning to end concerning the development of power in the future, so that if the company retained its monopoly and was not driven out by the Government it could

Whatever may be the opinion of the company's action, whatever the public may have been led to believe by reason of the failure of the company to go on with the work, the company has always insisted and given assurances that it did intend to comply with the letter and spirit of its contract until within the last few weeks, when it was known that it was impossible for the company to complete the contract on the scale which the agreement called for. The courts had given the company until the 1st of November, 1899, before the Government or courts could forfeit the contract. The Government felt that the Province was as much bound by that agreement as a private individual would have been. The Province could not afford to violate the contract by a stretch of prerogative, and the Government found itself tied up by the provisions of a contract entered into by the Province in 1892, when the development of electric power at Niagara Falls was in its infancy and a matter of experiment. The Government was met with the agreement made with the company; an agreement made not with the Government alone, but with the House and with the Province, assented to unanimously by the House, which the country assented to, and in respect to which there was scarcely a murmur. The Government had on three occasions—in 1897, 1898 and again in 1899— notified the company that the time would not be extended. In the latter part of last year the company was notified in view of the commencement of certain works at the Falls that no extension of time would be allowed. Later on and since the House has assembled notice was served upon the company, stating that time was the essence of the contract, and that the 1st of November, 1899, was looked upon as a reasonable time in which they must complete their contract or step aside. Mr. Hardy then referred to his reply to a question by Mr. German a few days ago in which he intimated the intention of the Government to enforce the terms of the agreement.

Sympathized With Niagara Falls.

He also reviewed the efforts of the new Canadian company to obtain the right to develop power in the park and the desire of the Government to grant it, but its inability to do so owing to the terms of the agreement. He heartily sympathized with the people of Niagara Falls and Welland County in their desire to see industries stimulated and invigorated by reason of that great natural power along the river on the banks of which they live, and while perhaps not able to take to the full extent as roseate a view of the possible result of that development as they did, he agreed with them as to

keep the power tied up for a hundred years, and only develop 5,000 electrical horse-power. It was perfectly proper for the Government to exact sufficient rental to pay the interest on the park debentures, and to make the park free in fact as it was in name, but that the question of rentals should be the prime object in the question of the development he denied. The Government need