

not fear the loss of rental. If the Canadian Niagara Power Company refused to go on and develop there were other companies that would. There was room on the Canadian side for two companies, each developing 200,000 horse-power. It was possible to develop power at Niagara Falls for transmission in profitable quantities to Hamilton and Toronto. At present electric energy was being transmitted to Buffalo, and in Mr. German's opinion transmission to Toronto could be profitably accomplished.

The Premier's Reply.

Hon. Mr. Hardy said that the Government was in accord with the resolution, and, further, he agreed with many of the arguments which had been presented to the House in the able speech of his hon. friend from Welland. If at any time there had been any difference of opinion between Mr. German and himself or the Government or the park commissioners with regard to the powers which the Government had under the agreement it had not been from any want of desire on the part of the Government to see power developed at Niagara Falls as rapidly as possible, or to see that the company performed its full duty according to the letter of the contract, and in default of so doing that it should give way to some other company which would take its place. The Government, however, were in the position that they were responsible to the Niagara Falls Park Commissioners. Six hundred thousand dollars of bonds which had been issued, endorsed and guaranteed by the Province were in the hands of the purchasers, and the interest upon these amounts to something like \$25,000 per annum. The rental received from this company, which, for brevity, he termed the Rankin Company, has met that interest, and without this rental up to the present time the Government would have been called upon to ask the House to provide for the interest from Provincial resources. The Government had, therefore, felt somewhat solicitous that when any step is taken either to force the company's hands or to deal with the company, so long as it was endeavoring to go on with the work and had not forfeited its agreement, that it should pay this rental. Beyond that and on that side of the question the Government have had no feeling, no solicitude. On the question of the development of power, however, another branch of the case arises, and another question is presented for consideration.

the desirability of the terms of the contract being fulfilled.

One might not take such a roseate view as the people in the immediate locality; but, on the other hand, it was impossible not to see that the development would be of the greatest good to the locality of Niagara Falls, that it would inspire new life and cause much prosperity.

The Monopoly Clause.

He believed Mr. German and the people of Niagara Falls themselves were not so much concerned about the cancellation of the agreement as about the cancellation of the monopoly clause so that other companies might come in. The clause of the agreement on this question provided that "the commissioners shall not grant or confer upon any other company or person the right to take or use the waters of the Niagara River within the limits of the park." When the second company first asked the Government to permit them to go through the park and empty the waters of the Grand River into the Niagara River the Government considered that was using the waters within the park, and the courts sustained the contention. Forfeiture of the monopoly clause would not necessarily imply forfeiture of the agreement, although it was not at all certain that the company would be willing to act upon the one without also retaining the other. The Government, however, must be in a position if it came within its power to abolish the monopoly and to take advantage of every opportunity tending towards that end. The company had had its time, or would have had its time, after the operation of the contract, whatever it might be, expired, and if it made default it could not complain. The statement of the Canadian Niagara Power Company to the Government was that it had put in machinery capable of developing 1,000 horsepower. The surplus power of the electric railway company was 700 horsepower. These statements Mr. Osler assured the Government were correct. The company was furnishing power to the extent of 500 or 600 horsepower on the Canadian side, but it was very positive in the statement that it could supply to the extent of the additional 1,000 horsepower any company that needed electric energy, on the usual terms. Mr. German and his friends did not agree that the additional 1,000 horsepower was there waiting for those who wanted it. When 30,000 horsepower was talked of it was, he believed, double the quantity that was used in Toronto, including the waterworks, electric railways and various manufactories. However, the Government as well as the country at large would rejoice at the possibilities of development at Niagara Falls. It had been hoped that the Judges would, when the question was submitted a few days ago, have come to the conclusion that forfeiture could take place immediately after the expiration of the 1st of November, 1899. They seemed, however, to have left it an open question, and perhaps another case might have to be submitted upon that point.