

Province.

Municipalities Must Pay.

As previously stated, the cost of any works undertaken by the commission under the provision of the act shall be borne by the municipalities. Mr. Beck read from the bill the clauses providing for this. In effect they enact that in addition to the price per horsepower payable by any municipal Corporation entering into a contract with the commission (such price to include an allowance for generating, transforming, and transmission losses), every such Corporation shall pay its proportion of the following charges: Interest at 4 per cent, on the moneys expended by the commission on capital account, an annual sum sufficient to form in thirty years a sinking fund for the retirement of the securities issued by the Province for the cost of the works, the cost of operating, maintaining, repairing, renewing and insuring the works, plant, machinery and appliances. In speaking to these clauses, Mr. Beck said that while the price per horsepower would be a flat one at the point of generation, the cost of transmission would, of course, be regulated by the distance. A municipality at a long distance from the point of development would naturally have to pay a higher price to have power delivered to it than one near the development point. The capital investment and the expenses of delivering would plainly be greater.

The moneys received by the commission from municipalities, railways and other companies will be paid over to the Provincial Treasurer in retirement of the securities given for loans raised under the act.

Commission Fixes the Rates.

One of the last clauses of the bill is, in the words of its introducer, "a rate-regulating clause. It enables the commission to regulate all rates of light, power, heat and gas companies." It also gives power to regulate rates charged by the municipalities. "This clause," Mr. Beck added, "applies to such companies as those named, which are now in existence." On complaints as to rates being made to the commission, that body or a member thereof may appoint a time and place for the hearing of such complaints. The commission shall hear the evidence, and make an order dismissing or allowing the complaints and directing what rates shall be charged. The penalty for disobedience of the orders of the commission is \$100 for every day during which such disobedience shall continue.

Whenever so required by the Government the commission shall inquire into, examine and investigate water powers or water privileges in the Province and report on the value and capacity thereof, with such other information as the Government may require.

Power at Reasonable Rate.

Hon. Mr. Ross did not fully grasp the extent of the bill, which he thought rather comprehensive and somewhat complicated. It was not, he said, what he expected. It seemed to be a bill to raise money on the strength of a commission, which would have no power to proceed except on the motion of the municipalities.

Hon. Mr. Beck, in reply to Hon. Mr. Ross, pointed out that the bill provided machinery by which municipalities jointly or individually might make agreements for the development of power in their district in any part of the Province. In the Trent district, for example, a contract might be made for all the power required, with the option of taking more at the same rate. On the Severn River a company might get rights from the Province to develop power, with the assurance of a market at a fixed price and a sure return on the investment. At present any person or company might get power under the Niagara agreements at the United States price, where power is being sold at \$12. He had reason to believe that the companies were willing to sell at \$11 if anyone was willing to take it. He would go further, so as to show the reliability of the hydro-electric report, he said, for within the past fourteen hours a lawyer representing a party of capitalists of good standing had offered, if the Government were willing to give

them the right to develop power to make a contract to construct works and develop and deliver power at the price mentioned in the report. This justified the statement in the report that a block of 37,000 horsepower could be delivered in Toronto at \$16 or \$17 per horsepower. The Government under this bill were not interfering with vested rights, for if the power companies were willing to sell to Americans at \$9 or \$10 or \$11 or \$12 they would surely be willing to do so to Canadians. Under the bill the municipalities would receive power as the Premier had thought, not only a few weeks, but a few years ago, as near cost as possible. The municipalities would receive power at the figures set forth in report No. 1.

Premier Whitney explained that cost meant cost to the commission. He would be disappointed if the provisions of the bill could not be carried out without interference with any vested rights whatever.

Applied to Whole Province.

Hon. Mr. Beck repeated that the bill applied not to Niagara alone, but to the whole Province.

Mr. Preston (Brant) asked, in view of the fact that, notwithstanding any agreement, the Dominion Government could control or absolutely prohibit export, if there had been any agreement between the Government and the Dominion.

Premier Whitney said the Dominion Government had introduced a bill to license the companies, and he had assurances from the Chairman of the Waterways Commission—and he might say verbally from three Ministers—and he did not anticipate any friction or trouble.

Mr. Preston (Brant) thought it would help if the Dominion controlled the export.

Premier Whitney thought from their friendly attitude that the Dominion Government would.

Mr. MacKay asked if it was the intention of the Government to purchase or expropriate except for the municipalities, and was answered in the negative. Hon. Mr. Beck said that the commission would regulate the rates charged by municipalities to consumers.

Hon. Mr. Ross said from the explanations given he did not find anything new in the bill. If the municipalities had held up their hands in holy horror before, the Government would find tomorrow morning that they were holding them up again. In the act of 1903 to provide for the construction of municipal power works and the transmission, distribution, and supply of electrical and other powers he found by section 1 that it shall be lawful for any municipal Corporation or for any two or more municipal Corporations jointly, on such terms and conditions as may be mutually agreed upon, and under and subject to the terms and conditions hereinafter set forth, by and through the agency of commissioners and their successors to be appointed, to secure the acquisition, construction, maintenance, and operation of all necessary works, plant, machinery, and appliances for the development, generation, transmission, transformation, distribution, and supply of electrical and other power and energy, including heat and light for their own corporate use as well as for general public uses and purposes, and for the use of such persons, firms, and corporations as may desire the same.

What More Was There?

"What have you got more than that?" he asked.

Premier Whitney repeated that the commissioners under the new act were Government commissioners.

Hon. Mr. Ross, continuing, said the bill was merely a new edition of the old. The foundation of this measure, of which so much had been said, was laid in the act of 1903. He thought the Hydro-electric Power Commission had said power could be produced at a profit at \$4.95, and now \$12 was given as the rate. This was a very large increase. Great credit was taken for cancelling the agreement for 125,000 additional horsepower. He thought the Government were taking credit too soon, if they sup-

posed the Waterways Commission were taking account of the vested rights involved in that 125,000 horsepower. There was a clause in that agreement, that had been kept out of sight, by which the price of half of the power developed was to be regulated by the Government. The regulation of that half would set the pace for the other half, and practically set the price for all the power sold at the Falls. This was the best that could be done at the time when the question was in its infancy.

Premier Whitney expressed his surprise that the leader of the Opposition gave the opportunities to the Government which he did. Every business man endorsed the refusal to ratify the last agreement. By refusing to ratify it the Government kept the right to regulate all the power sold at the Falls. That was the difference between the fact and the statement. The hon. gentleman had said that the bill was founded on his old gold-brick bill. Suppose it was, was not that a good bill? And if it was a good bill, was the present not a good bill? The Government took power to develop and expropriate. Was there any power in the hon. gentleman's bill to do that? The bill was simply a printed deception.

Had Lost No Asset.

Hon. Mr. Beck denied that the Province had lost any asset in cancelling the last power agreement. There were three Dominion franchises in existence with the right to develop unlimited power. These would be worth several million dollars if they had to be recompensed for depriving them of their rights. The Government in the new bill were regulating the full development not only of Niagara but of Kakabeka and every other power in the Province.

Mr. Graham considered the mountain had labored and brought forth a mouse. The bill was not what his hon. friend from London intended, and he was only doing his best to defend an imposition. So far as the Opposition was concerned it was merely something in the air. The second report of the Hydro-electric Power Commission, he had been assured by several competent authorities, was simply bosh. He wished to ask if the limitations in the municipal act with regard to taxation would be overridden by any provisions in the bill allowing the municipalities to go into debt beyond the limit set. He also desired to know what the Government considered would be the reasonable profit which had been spoken of in connection with the rates to be charged, and whether it was proposed to appoint a new commission.

Premier Whitney said a new commission would be appointed. It struck him that the commission would apply to the various companies producing power here and there for their rates.

Provided For in Old Bill.

Hon. Mr. Ross, remarking upon the delightfully irregular way in which the bill was introduced, read section 14 of the act of 1903, which gives the commission power to acquire any power works already constructed or in process of construction, and all property, rights and franchises connected therewith, and to extend, improve and enlarge the same as may be required for their purpose, to acquire lands and waterpowers, and to acquire, construct, maintain and operate works for the development, production, transmission, transformation, sale and distribution of electricity and power. He could see nothing in the new bill that was not provided for here.

Premier Whitney replied that the late Government had tried to put the burden on the municipalities. He asked who appointed the commission under the old act.

Hon. Mr. Ross replied that the municipalities did.

Premier Whitney—There's the whole crux of the bill. The Government appoints this commission.

Hon. Mr. Ross—I can't conceive any difference between a commission appointed by the municipalities or by the Government.

After some further desultory discussion the bill was read a first time. It is expected to come up for second reading on Wednesday.

Some routine business was transacted, and the House adjourned before 5 o'clock.