

for them pay all the expenses.

Municipal Debt Limitation.

No municipality should increase its debt beyond the limitation imposed by the consolidated revenue act. London, now carrying a heavy debt, in a moment of excitement, moved by the eloquence of its hon. member, might exceed its limitation. The situation in 1873 might be remembered, he suggested, when immense burdens having been assumed by the municipalities the Government had to remit heavy amounts. What had happened before might happen again.

One reason the municipal debentures of Ontario sold high was that the Government held control. If the credit of four or five municipalities became weakened in the markets of the world all would be affected.

He took exception to clause 2, which overrides the Conmee act. That act was a British act, and in force in the British Parliament to-day. Under it municipalities must dispose of existing vested rights before undertaking to compete in public utilities. On the whole it was an honest protection. It was a certain obstacle to municipal ownership, but such ownership must be honest and pay for what it takes, and it had been found not to be a serious obstacle. It would become unpardonable in the Province to ride roughshod over all rights in property, and the offence would be proclaimed from the housetops. This was an indefensible position whatever way it was looked at, and there seemed to be a lingering notion in the Government that they were doing wrong. Vested rights should be guarded by law and not left to the tender mercies of a commission, which as a big stick or a big broom would sweep everything away which stood in the way of its interests. An amendment to the bill in this respect was necessary if the House designed to protect its honor. He could not be a party to anything by which the funds of honest men should be swept away and ruined.

Expropriation Problem.

The bill provided for the expropriation of works at Niagara Falls. He thought when speaking the other day that the old act gave this power, but after further investigation he found it did not. By a revision of the original bargain what would have been a great wrong was overcome, but now the Government proposed in a way that was not fair to break an agreement ratified by the House, whose solemn word was pledged and upon which the company had spent their money. By a turn of the wrist by the new bill without their leave power was taken to expropriate their property.

Premier Whitney—Why not? We take other people's.

"I'll let my hon. friend say why not," replied Hon. Mr. Ross. "Of course it was not intended to take property without recompense, but was it fair to the investor? Was it not striking a blow at the enterprise of the people? Should they not exhaust negotiations, and see that the interests of the parties are reasonably protected. The speaker cited Sir John A. Macdonald as having three times vetoed a bill of the nature proposed, and quoted the speech of Mr. W. R. Brock at Niagara Falls on Tuesday on the injustice of the Government threatening to expropriate. Mr. Gordon, representing English capital, had spoken to the same effect. The serious part of the affair was the intimation given to every other man attempting to enlist capital. Do not go to England, they said, for the Government will expropriate your investment. Enterprise would be paralyzed, and the result would be to sweep into mediocrity the financial interests of this young country.

Possibilities of the Old Act.

They did not yet know what result would have followed the working of the act of 1903. There was not the slightest scintilla of evidence that the commission appointed by the Chief Justice would not have obtained power for the municipalities. Having received their report, the next step would be the appointment of the commission, but without waiting for that fructification the

Government stepped in and appointed a new commission. Suppose they had waited a few years, there was time enough. They did not know if this new scheme would succeed. Mr. Cecil Smith said in an article on electric power, in Queen's Quarterly, that the

problem involved the investment of many millions. If one-quarter of the Province was benefited the other three-quarters would have to assume that responsibility. Let those who used the power pay for it. There was a large area west of London which could not be reached. They must there use coal and get credit as best they may. He did not know that the seven municipalities would have agreed to a permanent commission. If so, well and good, but the fair way was to let them assume their own responsibility.

An Adverse Critic.

He quoted Mr. Stanley Richmond by way of warning, not being an expert himself, but giving the opinion of one electric engineer against another. Mr. Richmond stated that the cost of power in Toronto would be \$27.73 instead of \$17. The hydro-electric report based their calculations on a delivery of 50,000 horsepower at Niagara, but by the time it reached Toronto leakages would reduce it to 26,000 horsepower. He did not know if this was true, and perhaps did his case no good by mentioning it.

Hon. Mr. Beck interposed that he would have done much better not to have quoted Mr. Richmond at all. He was much surprised that the hon. gentleman should have quoted him. Mr. Richmond, he said, had only been employed by the commission to inquire into the industrial aspects of the question.

Mr. Pattinson—The very loss Mr. Richmond mentions is accounted for in the report.

Continuing, Mr. Ross declared that if he had not higher authority than the honor of the House he would condemn the expropriation clause. He was most anxious for cheap electric power, but he wanted it without any violation of the principles of justice. He wanted it at the earliest possible moment, for it would help the Province to compete in the markets of the world, but he wanted to have this wide outlook without sacrifice of principle. He could not see how eastern Ontario would be benefited. Toronto, with a demand for 50,000 horsepower, was anxious naturally, but smaller places would go slow in assuming such serious obligations.

Mr. Pattinson Explains.

Mr. Pattinson, a member of the Hydro-electric Power Commission, entered into an explanation of the work and findings of the commission. With the hope, he said, that the House might better understand the question under discussion. The country was now in possession of the reports on the Niagara and Trent districts, and, proceeding, he said that there were other districts whose water-powers would be reported upon in order to complete the commission's work. These embraced several portions of the Province, among others north and north-west of the Niagara district, north of the Trent district; the Lake Superior district, including the region around the Soo; the Nipigon River district and the Montreal River district. Mr. Pattinson quoted at some length from the figures and conclusions of the Niagara district report, showing the prices at which power could be sold to towns and cities within reach of the Falls, with details as to allowances which would have to be made for wastage in transmission, and the cost of operation and maintenance of transmission lines.

Mr. Preston (Brant) thought it a pity the House should be called upon in the closing hours of the session to discuss so momentous a question. The Liberal party, he argued, could not be charged with having neglected the interests of the people in respect to Niagara Falls power, which was the one specifically under discussion, because of the fact that such power was actually being developed. He sketched the steps taken by the former Administration in dealing with the problem with which they were confronted. It was a new and somewhat startling question, and Mr. Preston held that in making arrangements with pri-

vate companies for the development of that power the Government not only acted wisely, but secured the production of a far larger amount of power than would have been possible by a lone Government plant.

A Commission Not Necessary.

He emphasized the safeguards thrown around the contracts with the companies for the public interests. These were already resulting in a large yearly revenue to the Province; they prevented amalgamation of the companies, and kept a large part of the power on this side of the Falls. Mr. Preston, proceeding, said that if the Government had not disallowed the proposed second agreement with the Electrical Development Company the bill now before the House would not have been necessary, because 62,500 of the horse-power developed would have been reserved for the municipalities, and the Government would have fixed the rates. He protested against the appointment of another commission, saying there were so many commissions now that the Government would soon be doing everything by commission except drawing their salaries. Objection was entered by Mr. Preston to several powers given the commission. The bill was, he continued, unfair to the municipalities, because in the end practically all the risks were placed upon them, and that was not what they had expected. Referring to the Conmee act, he said he did not think the House could protect men against scientific advancement; they could not undertake to protect those who had invested capital under conditions now obsolete. His suggestion was that the Government ought to purchase—as they should have done when they had a chance—a block of power at Niagara Falls, build the main transmission lines and let the municipalities work out the rest, or deal with the municipalities as they were now dealing with them in regard to good roads, namely, contribute one-third of the expenditure the municipalities would be called upon to make to obtain cheap power.

The Minister of Power.

Hon. Mr. Beck, who resumed the debate at the evening session, thought the Government had reason to be gratified with the reception the bill had received from the people and the press of the country. The hon. the leader of the Opposition had said he was anxious to assist the municipalities to obtain cheap power, but it was worth noting that he had made it impossible for the city of Toronto, which had made application to develop power for its own use. Proceeding, he thought the assertion that municipalities entering into agreements for obtaining power would be assuming liabilities which might entail most serious consequences, was somewhat far-fetched. A revenue-producing liability would not hurt any municipality. He referred to the acquirement of public utilities by Port Arthur and Guelph and the success which had attended them as proof of the benefits which might be expected to accrue to other municipalities through the supplying of cheap electricity. Mr. Beck declared that no benefit had accrued to the Province through any of the agreements between the former Administration and the companies. The revenue from the latter had been spoken of with pride by Opposition members, but it was only a small revenue and should be at least \$2,000,000 yearly. Companies were ready to-day to pay a tax of \$5 per horsepower for the privilege of franchises to develop and sell power, and they could bear that tax and still sell power cheaply at a profit. By telephone he had again had a conversation with a gentleman representing a company which, if given a franchise, was ready to develop and deliver power to the places and at the prices named in the power commission's report.

Transmission Companies.

The transmission companies, with which the Government had no agreements, had, Mr. Beck declared at a later stage of his argument, been created to violate, if necessary, the agreements between the Government and the development companies. The transmission companies had the right to sell power at any price they could get. The companies