

regard to which is practically assumed by the municipalities. It would be suicidal to spend a dollar on account of this development, if these companies have a right to its diversion. It is necessary, therefore, to make the law clear," said Sir Adam, "and that we should have legislation without delay and that the matter should be considered from every standpoint. I, therefore, call the attention of the Government to the necessity of passing legislation if it can be passed."

Order Was Passed.

An order in Council was passed in 1913 declaring that the companies under contract should be notified, and an order was then made limiting the water that the several companies were entitled to take, not to exceed 9,985 cubic feet of water per second. "We undertook to prepare an estimate of the amount of water still available for the purpose of generating power with a view to supplying the future needs of the municipalities," said Sir Adam.

"The present Government passed an enabling act to develop this power as recommended by the Commission, based on the estimates prepared by the engineers of the Commission. No one had any conception or idea that these various companies would violate their agreement, would defy the orders in Council or the acts of this Legislature from time to time limiting the use of water. The first intimation we had was in the month of December, 1916, when Mr. P. W. Ellis, Chairman of the Niagara Falls Park Commission, advised the Chief Engineer of the Hydro Electric Development Company that the Electrical Development Company were exceeding their rights in the use of water and the development of power within the park. The Chief Engineer reported to the Commission as follows:

Complaint of Water Theft.

"I have the honor to inform you that on Saturday, December 16th, Mr. P. W. Ellis, Chairman of the Niagara Falls Queen Victoria Park Commission, telephoned to inform me that he had received a letter from Mr. Jackson, the Superintendent of the park, from which the following is an excerpt: "I have just had an opportunity to examine the records of the Electrical Development Company, which were taken for the six months ending July 31st after my leaving the office. It appears that the company has been exceeding its limits of 125,000 h.p. during the months of June and July, when it went upon occasion as high as 132,000 h.p. In August the record shows as high as 134,000 h.p., while in September power to the extent of 145,000 h.p. was developed. On October 31st the load charts show over 144,000 h.p." Mr. Ellis pointed out that this company was violating its contract to the extent of approximately 20,000 h.p. during September and October. Also we are verbally advised by the company (Canadian Niagara Power Company) that it proposes at an early date to operate the No. 10 unit, which is at present being constructed in its plant. This will give the company a rated capacity of 112,500 h.p. and an actual load capacity of approximately 108,000 h.p., or 8,000 to 12,000 h.p. in excess of the well recognized terms of the agreement for the generation of power within the park. This matter is brought to the attention of the Commission so that such action may be taken as is deemed advisable in order to protect the interest of the Commission in regard to the use of the surplus waters of Niagara.

Ellis Makes Confirmation.

"I called up Mr. Ellis and he confirmed the statement he had made to Mr. Gaby," continued Sir Adam. "I asked him what he purposed doing about the matter and he said he would consult with the Government and the Counsel of the Commission. He (Mr. Ellis) said it was preposterous and inconceivable to him that the company should undertake to divert this water and appropriate it without the knowledge of this Commission, yet Mr. Fleming says 'We concealed nothing, therefore we did not steal anything.'

"Let us see the actual value of the water they took," proceeded Sir Adam. "At \$16 per h.p. the figures are: June, \$9,320; July, \$9,320; August, \$12,000; Sept., \$24,000; Oct., \$25,300; Nov., \$29,400; December, \$29,400; January, \$26,750; Feb., \$31,700; March, \$33,200, or a total of \$230,000 water power disposed of

by the company in these few short months. That is estimated at \$360,000 a year at the present rate. And this is what Mr. Fleming jocularly calls 'a few buckets of water.' And then they say they are prepared to pay 50 cents per horse-power for the use of power amounting to 30,000 horse-power.

Very Profitable.

"They disposed of over \$360,000 worth of power without an additional investment of a dollar of money. The operating costs are exactly the same. They have no additional cost of administration or maintenance whatever, and there is \$360,000 clear profit to this company for the use of which they did not pay five per cent. of the total amount. The amount of water they used was approximately 14,000 cubic feet per second, whereas in the order in Council limited them to 9,985 cubic feet, or 50 per cent. more in excess of the quantity of water they have a right to use. And yet he calls this a 'few buckets of water'!

Beck Not Responsible.

Mr. Fleming had said the company was prepared to go to the courts, but that the moment such was suggested the Chairman of the Hydro Commission galloped to the Parliament Buildings to ask for mercy. "I suppose he refers to the legislation that was passed at the last session of the House, which enables this Government or the Province of Ontario to generate power at Niagara Falls," said Sir Adam. "I wish to say I am not responsible for that legislation in any shape or form. I am not responsible for the Attorney-General not issuing a fiat. I ask the Attorney-General if I asked him not to issue a fiat."

Hon. Mr. Lucas said the application for a fiat came from the Electrical Development Company to the department in the usual way. After consideration by the members of the Government, as well as himself and the officials of the department, they decided it was not a case for granting a fiat at all.

Mr. Carter (South Wellington)—Therefore this does not bear out the statement that such influence was used by the Hydro Commission for that purpose.

Sir Adam Beck—They may take his (the Attorney-General's) word. I do not ask them to take my word for anything. I am not responsible to Sir William Mackenzie or any of his henchmen or associates. I am responsible to the people of Ontario. I regard that as a sacred responsibility.

"These men do not obey the orders of the court," proceeded Sir Adam. "They say, 'Permit us to go into the courts,' but they do not obey the orders of the court. There was an order of the Privy Council to remove the poles from the streets of the city of Toronto, but these are just as firmly rooted and planted on the streets as they were on the day that order was issued. The orders in Council, the acts of this Legislature, the agreements and contracts are mere scraps of paper in the minds of these patriotic and holy gentlemen."

Gets After C.N.R.

Sir Adam again criticized the Canadian Northern, and said he would have nothing to do with any proposed cooperation on the part of these men.