

Nipigon water power by the Hydro were well known to the Government. There should have been no condition undertaken to grant water power to the successful tenderer, particularly in view of the public ownership policy of the people of Ontario regarding power."

Tried to Remedy Mistake.

The correspondence showed, said Mr. Dewart, that the Government recognized its mistake and set out to remedy it. He read a letter from Sir William Hearst to Carrick, March 27, 1917, and a letter from Mr. Ferguson the same day, in which, said Mr. Dewart, Mr. Ferguson said: "And as now agreed with you . . . the Government, through the Hydro-electric Commission, will arrange for the power. . . . We naturally infer that such will be satisfactory to you and your associates."

Two months later, said Mr. Dewart, Marks assigned to Carrick, and the next day the agreement between the Government and Carrick was signed.

"The acceptance of Hydro power through this arrangement was a condition precedent to the making of the agreement, and so understood by Carrick and his associates," said Mr. Dewart.

Would Get Power Elsewhere.

Four months later, proceeded Mr. Dewart, Carrick's solicitor wrote to the Government asking leave to take power elsewhere, "without seeking to alter the agreement reached by the licensee with the Government." Premier Hearst had then written to Sir Adam Beck suggesting a new arrangement and suggesting also that Carrick had completed his organization. Sir Adam replied that Carrick had not submitted the names of his company, though the Hydro was prepared to enter into a contract. Sir Adam pointed out also, said Mr. Dewart, the difficulty in the way of Carrick obtaining the Kam. power, and asked for the production of the option that Carrick had for power from the Kam. Power Co.

Mr. Ferguson, said Mr. Dewart, sent a copy of this letter to Mr. Carrick's solicitor. The only reference to any reply, he said, was in the memorandum of Mr. Grigg. Grigg stated in this memorandum, said Mr. Dewart, that Carrick acknowledged receipt of Beck's letter, but objected to furnishing securities and claimed that it was contrary to his agreement with the Government.

Denounces Mr. Grigg.

Mr. Dewart took a fling at Mr. Grigg. "If for no other reason than because of the gratuitous advice that Mr. Grigg gives to the present Government, evidently acting as counsel for Carrick and pleading a case for him that does not exist, he has proved himself unfit to occupy his present situation."

Mr. Dewart maintained that all through Carrick's correspondence showed that he was acting as a promoter, had no agreement with any real backers and was unwilling at any time to enter into an agreement with the Hydro.

"Ontario has not received what it should from these limits, and they are not entitled to consideration of this House and this Province," said Mr. Dewart.

Ferguson Raps Dewart.

Mr. Ferguson likened Mr. Dewart's address to one argued before a judicial tribunal. He declared that he was asking the Government to take a preposterous attitude. If the men did not implement their promises the Government could penalize them by cancellation or otherwise. Mr. Ferguson argued, however, that the company still had time to live up to its agreements and to be ready next fall when Hydro was ready. The Black Sturgeon River limit, he said, had brought the highest price of any limit up to that time. The Government had decided to proceed with the Hydro power development of the Nipigon because of the large block of power which would be taken by the company at the limits. Next came the financial situation resulting from the war. The previous Government, he declared, had used good business judgment. Addresses such as Mr. Dewart had made had an undesirable effect on

development. He wanted to know why the company couldn't be given consideration, and then, when the time came and it defaulted, it would be time to deal with it. Why should it construct the mill until it knew the Hydro power would be ready for it?

D. M. Hogarth (Port Arthur) made a statement before his address that, although he was a friend of Mr. Carrick's, and associated with him, he had never had five cents, and didn't intend to have five cents, interest in the Carrick land, the Pic or Black Sturgeon River limits. He wanted the present owners to get a square deal.

Agreement Improvident.

"The whole difficulty centres around an obviously improvident agreement," said Hon. W. E. Raney. There could be no doubt, he said, but that Mr. Dewart's criticism of the extension agreement was amply justified. The clauses of the extension agreement contained nothing binding Mr. Carrick to anything whatever, he said. This agreement should not have been signed without the municipalities and the Hydro being parties to it.

"The contention of the concessionaire is now that he is not compelled to do anything until the supply of power is on the ground," proceeded Mr. Raney. He then read a letter written by himself last January to the concessionaire's solicitors, in which he virtually served an ultimatum upon them either to take power at cost or to take it at a contract price. Since that letter had been written there had been conferences, but the department had made no great departure from the principle laid down in it. The Government would be willing to concede something to get the matter settled.

Mr. Raney then moved an amendment that the agreement be taken under the careful consideration of the Lieutenant-Governor in Council, after consultation with the Hydro.

Mr. Ferguson spoke on the amendment. He said that there were letters on file to show that the Hydro would be ready at a certain date, and that the company had to be ready, too, when the Hydro was ready. It was not right to say, proceeded Mr. Ferguson, that there was no obligation on the part of the concessionaire when he knew perfectly well that the obligation was the Government's right to cancel the concession at any time.

Drury Makes Denial.

No one letter was on file from these people to the Government to say that they undertook to use Hydro, said Premier Drury. The Government was holding them to the use of Hydro. They claimed that they could go anywhere they liked for power, and had asked for a fiat to test the matter in the courts.

"We must insist that they use Hydro power," said the Premier, "but before we resort to drastic legislation that might shake the faith of investors in the stability of the Province—for it would be told everywhere that the Province used its legislative powers to cancel an agreement—we will do all in our power to get an arrangement."

"If no arrangement can be arrived at," said the Premier impressively, "it may be time to take some other action."