

operation, probable revenue, etc. The municipalities will then enter into an agreement, which must be submitted to and receive the approval of the electors qualified to vote on money by-laws in each municipality whereby the proportions in which the cost of construction and equipment is to be borne by each municipality will be settled. The agreement must also provide for the construction of the railway either by the association or by the Power Commission.

"After the railway has been constructed the association may, if the agreement between the municipalities so provided, enter into an agreement with the Hydro-electric Power Commission for the operation of the railway by the commission as its agent, for a period not exceeding five years, but such agreement may be renewed for further periods of five years.

Financing by Bond Issue.

"The financing of the enterprise will be done by the association issuing bonds, which will be secured on a mortgage deed given to a trust company and secured upon the railway. Each municipality will also be required to deposit with the trust company its debentures for the proportion of the cost for which it is liable under the agreement, and these debentures will be deposited with the trust company as collateral security for the bonds issued and charged upon the railway. Such bonds and the debentures issued by the municipality will bear the same rate of interest, and will be payable in 44 years.

"The association must fix the tolls and fares so that the revenue derived therefrom will be sufficient to provide for the operation of the railway, the payment of the interest and sinking fund on the bonds, and all other probable charges. If there is a deficit in any year the municipalities must pay such a deficit within one month in the proportions in which they contributed to the cost of construction. If there is a surplus the association may pay it over to the municipalities in the same proportion, or may use it for improvements and additional equipment, or may build up a reserve fund to meet the cost of future operation or contingencies.

Must Vote on Extensions.

"Where the original agreement so provided, the association, with the consent of each of the municipalities, may enter into an agreement with any adjacent municipality for the extension of the railway into the latter municipality. Such agreement will require to be carried by the

electors qualified to vote on money by-laws in such adjacent municipality.

"Practically all existing legislation relating to radials is repealed, excluding, however, that relating to the Sandwich, Windsor & Amherstburg Railway and the York Radial Railway."

May Permit County Operation.

T. H. Lennox, K.C., North York, raised the question of providing a means by which counties could construct or operate radials, pointing out that the bill as drafted did not meet the situation in York, where the county desired to go ahead with the radial line in the event of the "clean-up" deal falling through. In admitting the point, the Premier wondered if the townships could not get together and operate, instead of the county. An alternative was a private bill. He could not see any particular objection to widening the present bill to permit a county to operate, and suggested that the question be brought up again later when the bill is before the House.

In further explanation of the financial provisions of his measure, the Premier defined it as a "clear-cut" proposition, one which would permit of no hiding of deficits.

Not included in the Premier's statement, but an important consideration, is a clause that provides that, where the by-law fails to carry in any municipality and the amount for which the corporation is liable does not exceed 10 per cent. of the estimated cost, the other corporations may assume the liability and enter into the agreement.

How Associations Are Appointed.

According to the measure as introduced by the Premier, in the selection of the members of the "association" or the board of directors, each corporation which is liable to contribute 25 per cent. of the cost has the right in itself to elect one member, and a second member if it contributes 50 per cent. or more of the cost. The balance of the body of five is elected by the votes of representatives of the corporations interested, on the basis of one vote up to \$250,000 of interest in the scheme, two votes on an interest between \$250,000 and \$500,000; three votes on an interest of from \$500,000 to \$1,000,000, and an additional vote for each additional million or fraction.

If the municipal representatives fail to elect the representatives because a majority in number and votes cannot be obtained, then each municipal corporation nominates one or more persons, and from these the Lieutenant-Governor-in-Council makes a selection to complete the membership.

INSURANCE BILLS MEET OPPOSITION

Too Much Power in Too Few Hands Is Argument

Second reading was given in the Legislature yesterday to the bill respecting insurance agents, brokers and adjusters. The bill respecting insurance rating bureaus also came up for second reading, but was not disposed of when the Budget came on.

The first bill, said Hon. W. E. Raney, embodied substantially the recommendations of Mr. Justice Masten, made in 1917. The bill, he said, had the approval of the companies and the agents. It provided licenses for two classes of agents, fire insurance agents and others. The bill provided also for revocation of a license to an agent. A man making a business of adjusting of insurance had to be registered.

Edgar Watson (North Victoria) said the bill made provision preventing the misappropriation of premiums by agents. This act made this a breach of trust.

Hon. Thomas Crawford thought the bill was confining the business to a small number of insurance brokers.

The Insurance Ratings Bill, Mr. Raney explained, proposed a limited character of supervision over rate-making bureaus. Where there was representation that rates were discriminatory as between the same kind of risks, the Superintendent of Insurance had power to act.

Opposition developed to the bill from H. H. Dewart and Hon. Howard Ferguson, in that they argued the bill tended to centralize power in the hands of one person, the Superintendent of Insurance.

Mr. Ferguson thought the whole principle of the bill was wrong. Legislation could be provided to prevent too high insurance rates as well as too high prices in anything else.

BILL IS INTRODUCED.

R. L. Brackin, West Kent, introduced a bill into the Legislature yesterday which, he said, virtually would have the effect of wiping out legislation of last session that gave a Gas Referee power to fix prices under certain conditions. Mr. Brackin's bill was given first reading.