

# GAS CONSERVATION IN TOWNSHIP AREAS PLACED WITH BOARD

Legislature, by Vote of 59 to  
24, Adopts McCrea's  
Amendment

## TWO CONSERVATIVES BOLT

By a vote of 59 to 24—two Conservatives bolting and taking their stand against the Government measure—the Legislature yesterday passed through second reading the bill of Hon. Charles McCrea amending the Natural Gas Conservation Act, putting under the jurisdiction of the Natural Gas Board townships exempted by Clause 9 of the present bill, which clause was adopted by the Legislature in 1922.

The bill provoked a two-hour discussion, and the division was taken just after 6 o'clock. The two Conservatives who opposed the measure were R. N. Berry, Haldimand, and T. J. Mahoney, South Wentworth. Otherwise the vote was a straight party one, both Liberals and Progressives solidly opposing the act.

### Provisions of 1922 Act.

Clause 9 of the act, introduced in 1922, provides that townships which granted franchises to gas companies not primarily for the use of gas, but for the purpose of permitting the companies to lay pipe lines so that they might conduct the gas to urban centres, should not come under the jurisdiction of the Gas Board. It was argued then and also yesterday by the opponents of the Government measure that these franchises carried with them the right for farmers to obtain gas at certain rates if they laid their own pipe lines to the main pipe lines of the company.

Mr. McCrea, on the other hand, contended that investigations showed that the supply of gas was diminishing, and that the present system actually was working out so that those under the board were paying higher rates because of the low rates prevailing in the townships. In these townships also certain farmers on whose premises the wells were sunk had the right of free gas, and the new act sets out that they must make only reasonable use, as to quantity, of this gas.

### How They Voted.

On the vote the members divided as follows:

For second reading—Messrs. Ferguson, Price, Martin, Godfrey, Crawford, Jamieson, Macdiarmid, Finlayson, Black, Kennedy, McKeown, Grey, Nesbitt, Fallis, Bradburn, Clarke, Garden, Weichel, Acres, Joynt, Owens, Ecclestone, Chambers, Carr, Lyons, McCrea, Goldie, Ireland, Keefer, Currie, Trewartha, Wright, Spence, Kennedy, Chambers (Oxford), Sweet, Elliott, Belford, Graves, Wigle, Oakley, Jamieson (Simcoe), Stewart, Patterson, McKnight, Willson (Windsor), Monteith, McCausland, McBrien, Rowe, Harcourt, Thompson, Wilson, Collier, Stedman, Johnston, Hill and Hambly.

Those opposed — Messrs. Sinclair, Clarke, Lang, Belanger, Proulx, Fisher, Brackin, Bragg, Mewhinney, Tellier, Sangster, Doherty, Lethbridge, Widdifield, Carmichael, Taylor, Ross, Freeborn, Sewell, Carty, McCallum, Kemp, Berry and Mahoney.

Mr. Ireland announced the pairs as Messrs. Lewis and Nixon, Hilmer and Wallis, MacBride and Pinard, Nickle and Raney.

### Mr. McCrea Explains Measure.

Mr. McCrea, in introducing his measure, went extensively into the history of legislation in recent years respecting natural gas. In 1921 the Natural Gas Conservation Act had placed gas franchises and prices under a board, but in 1922 Section 9

had been inserted, by which were exempted from its provisions all contracts and agreements between the owners of land on which producing gas wells were situated, and the person or company operating the same; and also all contracts between the company and the municipality where, in the opinion of the Gas Board, they were entered into mainly to enable a gas company to obtain gas, or lay its pipes through any portion of the municipality with the view of reaching consumers outside of the same. It is this Section 9 which is being repealed in the Minister's bill discussed yesterday.

### Conservation Argument.

Mr. McCrea touched on the conservation argument, and said it was evident, to prolong the use of gas, especially for domestic consumers, that all possible economy should be exercised. Experience showed, he said, that the most efficient, and practically the only, check on consumption was price. He declared that, after viewing all the conditions, the Government had come to the conclusion that it was only fair and equitable, and the proper thing to do, to put all municipalities under the control of the Gas Board.

In the last analysis, he said, the Government came back to the fundamental proposition that every municipality that has given a franchise has given it to obtain gas at a certain rate. While there might be varying degrees of rights, subject to conditions in the fixing of prices, every franchise or agreement entered into had the same principle—to give the gas company a franchise for gas at a fixed price.

"Unless we have some system of control over everybody it will work back, in the last analysis, to the point where the man who is controlled, and whose prices are fixed, will be called upon to pay a higher rate because the man in the rural area is being served at a much lower rate, and perhaps at a rate less than cost," said Mr. McCrea. The bill, he said, was taking the power to see that the consumer of free gas used it in a reasonable way.

### Mr. Berry Is Opposed.

R. N. Berry (Conservative, Haldimand) announced that, in his first speech in the House, he would have to oppose the Government bill. He said he could see no necessity for the bill. Anything brought to the Minister's attention must have been brought by the companies, he said.

"Conservation of gas does not mean boosting the price so that it becomes prohibitory for people who use it, but to use it in reasonable quantities," he said. The operators knew, when they made the contracts, that the gas would play out in time, "and now they want the Government to make it a permanent industry." If Clause 9 was repealed the townships would have to fight the Board of Reference, he said, and would have no chance against the gas companies, with the latter's experts and engineers. "If you pass this act you work a hardship to the farmers. I think the members of this House should consider the interests of the farmers and not throw this matter to the Board of Reference," Mr. Berry concluded.

### Thinks Section 9 All Right.

"I personally think Section 9 is one that should remain law," said Hon. Manning Doherty, Progressive Leader. The township contracts should not be violated, he said. In the distribution of Hydro power throughout the Province none of them had any hopes, probably, of living to see the day when rates for the users of power on the farms would be as low as the rates for the users of power prevailing in the larger centres of population. If, in this matter of gas, it should work the other way, to the advantage of the farmer, he did not think it was a matter that should engage the attention of the Minister.

E. P. Tellier (Liberal, North Essex) said the bill ignored township franchises, bonuses paid in the past by ratepayers, and placed all under the board. "If we can conserve gas by passing bills, I suggest we pass ten bills a day, sit 365 days in the year, and then we'll have gas for many years to come," said Mr. Tellier.

### Meaning of Section 9.

R. L. Brackin (Liberal, West Kent), who was responsible in 1922 for the placing of Clause 9 in the bill, declared that there were real, cogent reasons for adopting that clause then. The townships protected by Clause 9 did not give a franchise for the purpose of obtaining gas at all, said Mr. Brackin. They gave franchises to enable the companies to take the gas through to the towns and cities. In return for this privilege, which the townships were not bound in law to give the companies said they would supply gas at certain rates to all who wished to lay a pipe line up to the main pipes.

After referring to Mr. McCrea as "without doubt the most eminently fair and just individual I have met in this world," Mr. Brackin went on to show that farmers themselves had laid their own lines to these main pipe lines. The only individuals to be benefited by the act were the companies, he said. "My honorable friend's bill is a bill to give the Natural Gas Board the right to raise the rates in the rural municipalities of this Province."

### Back to 1921, Says Willson.

F. W. Willson (Conservative, Windsor) said that by this measure they proposed to go back to the legislation of 1921, which was supported then by both Messrs. Doherty and Brackin. All this legislation said was that all municipalities should be treated alike. "I cannot see any equitable reason why our contract (in Windsor) should be set aside and we pay 55 cents—and, for all the interest these honorable gentlemen took today, might be paying 50 cents—and they got off with 15 cents," said Mr. Willson.

### Mahoney Is Doubtful.

T. J. Mahoney (Conservative, South Wentworth) stated that, the agreements having been entered into in full knowledge of the purposes of the obligations incurred, there ought to be no abrogation of contracts. If the matter were to be left to a board, as at the present time, the townships could not expect to receive justice. If he had any surety that the townships would receive justice, he would support the bill, but experience with the Gas Board had not been such as to give him that confidence.

Hon. Charles McCrea, Minister of Mines, twitted Messrs. Doherty and Brackin for changing their convictions on the legislative necessities of the gas situation, but Mr. Doherty said that it was then presumed that the Referee would take into consideration varying conditions.

### Views of Deputation.

Speaking of a gas deputation that had waited on him early in the day in regard to gas, Mr. McCrea said he asked them: "Do you think we should restore every contract that has been made by gas companies with the municipalities, and let the gas companies sell to anyone they like?" And, with the exception of one person, they said: "No, we are for conservation."

"To be consistent," said the Minister, "you must have control over all this gas, because we find that 9 per cent. of consumers are rural, and use 25 per cent. of the gas, while the 91 per cent. urban consumers use the other 75 per cent."

Mr. McCrea said that to handle the situation efficiently the Government must have control of all the field, and not a part of it.

### Mr. Brackin Curious.

Mr. Brackin—How is it proposed that to increase rates to these rural consumers will conserve gas?

The Minister quoted figures to show the effect of increased prices on gas consumption. At 25 cents per c.f., consumption was 161,000 c.f. per consumer; at 35 cents, only 128,000 c.f.; at 45 cents, 102,000 c.f.; at 60 cents, 25,000 c.f., and at \$1 only 39,000 c.f.

To Mr. Brackin he said he would not accept an amendment in committee to put in the hands of the Referee all methods of gas preservation, excepting increases in rates. No other method, he intimated, had proved efficient.

When second reading was moved by the Minister Mr. Brackin asked that the vote be recorded.