

'hands-off' policy. In this House, to criticize was an unholy thing; it was beyond the pale of possible wrong or misjudgment.

Beauharnois Contract.

"Let us see another contract. I refer to the Beauharnois contract. It is not my intention to recite the details of this fantastic dream, but to deal with in broad, open phase the statement taken from the prospectus on which this company sold its bonds, and as it affects Ontario through this Commission. It will be noted that, although their agreement with the two Governments at Quebec and Ottawa, calls for the development of 500,000 h.p., and the diversion of enough St. Lawrence water for this power, the corporation has laid its plans, filed its prospectus and floated its bonds on a basis of 2,000,000 h.p. to utilize the entire available water in the river. This is the strange and barefaced appeal which they do not even disclaim or attempt to conceal. It is on every prospectus. Here is their creed, quoted from the prospectus: 'Precedent tells us that prospective discounting of events is the astute investor's road to Eldorado.' They do not leave it to the imagination and astuteness of the investor. It is placed right in front of them. Let us examine the events leading to this Eldorado.

"1. They paint a marvellous picture. The hero of the drama is the Hydro-Electric Power Commission. On the strength of its present contract, and its future business which they anticipate.

Cheapest Power.

"2. They claim the cheapest power in the world, therefore proclaiming the largest profits in the world.

"3. They sell 400,000 h.p. initially, of which Ontario gets 250,000 h.p.

"4. The revenue from 400,000 horsepower: (a) More than pays all operating expenses; (b) pays the interest and sinking fund on both issues, which are for \$80,000,000.

"5. They have a surplus of 100,000 horsepower to market on the first installation.

"6. Almost the first word in their prospectus sounds like a birthday gift, as they immediately start off with the assumption that they are to develop at this site, 2,000,000 horsepower.

Final Summing-Up.

"7. Here is the final summing-up of the whole situation from their own Prospectus, 'As we have shown in this analytic study there is every reason to anticipate the progressive sale of the projected 2,000,000 horsepower as, and even before each 500,000 unit is completed, therefore we would estimate within ten years, an annual gross revenue of \$40,000,000. This will entail a mortgage capitalization well under \$200,000,000 which at the high rate of 6 per cent. would require \$12,000,000 as fixed charges, plus \$4,000,000 over all operating charges, resulting in a net surplus of \$24,000,000, equal to \$10 a share, earnings per share' and not a dollar of their own money invested. This statement of \$10 per share earnings on 5,000,000 shares of the company makes this company worth at that computation well over one-half billion of money, and it does not take much imagination to conceive how much further this might go. This company is initiating its works and making all preparations which are necessary for the complete installation of 2,000,000 of horsepower.

"More Eldorado. The need for electricity increases 100 per cent. in nine years, according to their estimation. Who is to buy the power from them? They do not disguise their keen sense of discounting events. There is little doubt but that they expect that Ontario is to be the goat. Quebec has the surplus. Where else is the outlet? Ontario has laid the corner-stone. Ontario is expected to build its walls and rear its challenging tower to the heavens. It talks of velvet. How soft and fear-dispelling a term this is. The cushion of the domestic rat-trap; the bait of the unwary; the shock-absorbing medium; the mirage which ends in the fictitious Eldorado.

"Yawning Mouth of Capitalists."

"Ontario needs power for its future needs, said Dr. McQuibban. "There are

great sources in the St. Lawrence and the Ottawa, as well as in Northern Ontario, and we know that industry follows the sparks of electricity. The Government, through its Commission, goes into Quebec. On the strength of its contracts, big companies spring into being. Ontario struggled long and valiantly to conquer private enterprise in this very branch of industry. The Legislatures enacted, Parliaments convened, but now, without a struggle, the Commission leaps into the yawning mouth of capitalists. Ontario goes shopping for power to give impetus to industry, but it does not go on bargain day; and how in the world is it going to give this impetus to Ontario's industries? Its contracts make super-capitalists out of millionaires, and the public funds of the Province pay the price.

Why This Rush?

"The question arises: 'Why this rush for power in Quebec?' The answer is: To provide for future requirements. This argument, perhaps, has some merit, if results were satisfactory. Is it true, Mr. Speaker, that we must look into the future and at not a very distant date, to see the last available economic head of water transmit its energy to electrical power?

"At home we have two of the mightiest streams that any land can boast, one international, and the other interprovincial. From exhaustive investigations by Continental engineers, the mighty St. Lawrence, father of waters, along whose shore and upon whose bosom much of the romance of Canadian history is written, has given up its measure of electrical energy. It has been computed from these reliable figures of the joint engineers, both for navigation and power, that power can be developed at \$10, and many place it considerably lower. The greatest drawback has been political controversy, and most surely there must be harmony and complete accordance with all parties concerned if this work is ever going to be a success. The Winnipeg convention gave the Conservative Party the waterway plank as follows: 'This convention is of the opinion that the St. Lawrence canal system, as an all-Canadian project, should be developed in the national interests, as and when conditions warrant.'

"This was Mr. Ferguson's creed. Perhaps one of the most bonehead plays in political manoeuvres. Why? Mr. Bennett called just recently on Mr. Hoover, who is the most enthusiastic exponent of the development of this river. There is silence so far. Mr. MacNider, representing the United States at Ottawa, keeps them ever mindful of their election pledge. That pledge, delivered from the same platform as the convention in Winnipeg, was to the effect that 'We pledge ourselves to improve the whole scheme of Canadian transportation, both to east and west, by the development of the St. Lawrence waterway.' Not a word was uttered in the Speech from the Throne at the opening of Parliament at Ottawa."

Who Stands Guard?

"One wonders, Mr. Speaker," concluded the Liberal Whip, "who stands on guard for Ontario at Beauharnois.

If this gigantic scheme is consummated it has postponed the seaway for one, or maybe more, generations. The splendid visions of Toronto Harbor, with the proud flags from every clime, the mammoths of the Seven Seas, is an idle dream. It is the cold, calculating touch of a Midas, ready to blight the budding bloom of industry, for which the great St. Lawrence holds the key. We are told that Nero fiddled while Rome burned, and, just as surely as day follows night, Hydro has hoisted the white flag of surrender. The works they build bar the way from Montreal to Toronto. More, if it goes through, it has sealed the fate of the great Hydro project, for it makes it but the vassal to feed the icy soul of greed. If we were in power, Mr. Speaker, this contract and these accounts would be speedily cut asunder.

"Mr. Speaker, we suggest that the Conservative Government join with the Opposition members of this House

and, by resolution, urge Mr. Bennett to forthwith proceed to culminate a treaty with the United States, and with all speed advance to the development of the St. Lawrence, both as to power and deep-sea navigation.

County Health Units.

Strong endorsement of the county health unit scheme, which The Globe has forecast, as planned by the Ontario Government for introduction to this Province, was heard from Dr. J. L. Simpson, Liberal member for Centre Simcoe.

"I fully believe that the Province is ready for a policy of this kind," he declared.

At the present time, said Dr. Simpson, the chief duty of a M.O.H. in the outlying districts is to visit the schools, look after the ventilation, and make his usual report. "Isn't it high time that they should be obliged to do some real work—for instance, the inoculating of the children with beneficial toxoids—instead of merely filling out customary forms and then going away?"

Dr. Simpson said that the Department of Health couldn't be as wonderfully efficient as it was cracked up to be, else the Ross Royal Commission report would have not taken the time it had. Of late, said he, there had been rumors of State medicine and health insurance. "Just let me warn the department here," he said, "that if Ontario is to have some form of State medicine or health insurance, let us have the best possible."

Disputing Premier Henry's contention that the verdict in the West Hamilton by-election was "a wonderful vindication" of the record of the present administration, Dr. Simpson claimed that the fact that the Liberal candidate was not a resident of Hamilton had more than anything else militated against his chances of victory.

Dr. Simpson believed that the mothers' allowance arrangement should be extended to include the widow with one child; and charged that there was no act on the statute books of the Province today that was as much abused as the Old Age Pensions Act.

Mr. Cote declared that Hon. G. Howard Ferguson had left the Conservative Party a heritage of a wonderful record of achievement. "It is fortunate," he said, "we have to solve the problem of the St. Lawrence development not with the King Government, but with a new Government at Ottawa."

Payroll Army.

Mr. Blakelock declared it was no wonder Northern Ontario could not be won to Liberalism when there was an army of 7,445 men there on the Government payroll. He based his estimate of this number of men from figures on Northern development showing the total paid in wages to be \$4,222,000. While he congratulated the Government on building the new wing to the Legislative Buildings, Mr. Blakelock suggested that only Ontario material be used. He said the building had gumwood trim.

Premier Henry—Gumwood? Why, that's Ontario birch. Not a dollar's worth of material in that building came from the United States.

E. H. Hutchinson (Kenora) expressed the hope that work for relief would not be distributed as a fact of patronage.

Free Speech Case.

He went on to discuss handling of unemployed demonstrations and Communist meetings. He commended a common-sense attitude in dealing with these conditions, to the Attorney-General.

"I feel," said Mr. Hutchinson, "that the Department of the Attorney-General might well spare the time

to investigate some of the examples of suppression of 'free speech' that have taken place this year in Toronto. The estimates not being down yet, I do not know what provision is made for more staff in his department, but I am prepared to support enough extra to take care of this matter. I do feel that the application of common sense to many of these disturbances that have taken place would have saved some money."

Mr. Hutchinson then read press reports of authorities in American cities who had allowed unemployed demonstrations and Communist meetings without interference, with the re-