

Interprovincial Power Transport Beyond Rights of Provinces, Attorney-General Tells House

Bonds of Companies Named Break in Price During Day—Agreements More Like Burglars' Raid Than a Commercial Transaction, He Comments—Claims Infringement of Dominion Jurisdiction

WHAT NOW? PUBLIC WILL DECIDE, HE DECLARES IN CONCLUSION

(See also Pages 11 and 12.)

I SUBMIT to this House that all three of these contracts are not only outrageous and inequitable, but illegal and unenforceable—beyond the legal capacities of Ontario and Quebec.”

Hydro's \$300,000,000 Eastern power contracts with Gatineau, Beauharnois and Maclaren-Quebec were denounced in these terms yesterday on the floor of the Ontario Legislature. The Attorney-General of Ontario, Hon. Arthur Roebuck, went on record with an opinion that they were illegal.

“They involve,” ran his main reason, “the construction of works and undertakings which connect one Province with another or extend beyond the limits of a Province.”

This, he held, was a Dominion jurisdiction. The contracting companies and Hydro were Provincial creations —“and the creatures of Provincial authority cannot do what the Legislatures themselves cannot do.”

Is “His Opinion.”

Mr. Roebuck admitted that his opinion would start lawyers' discussions, but it was “his opinion.” It had been supported by man whom he described as one of Ontario's ablest constitutional lawyers, Major Lewis Duncan, K.C.

As a corollary to the Attorney-General's series of Hydro speeches dealing with the private power contracts, Gatineau Power, Beauharnois and Maclaren-Quebec were beaten down in yesterday's market until closing prices showed an estimated \$14,000,000 lopped off the value of holdings in the past week.

The thesis of the illegality of the Hydro contracts climaxed Mr. Roebuck's nine-hour speech on the floor of the Ontario House. The contracts, he had held, were producing a Hydro crisis; they had been produced in a day of “incompetence or worse”; they were in, in his opinion, “illegal and unenforceable.”

Fate of the contracts was not forecast yesterday by Mr. Roebuck. “It is not for me to make a decision,” he said. It is up to public opinion, the Government and the Opposition.

But Mr. Roebuck used strong terms to denounce “this slaughter of the giant of light and power to make millionaires and multi-millionaires out of the financiers of St. James Street.”

Ottawa Jurisdiction.

His legal opinion yesterday was backed by a half-dozen legal citations mainly designed to show that control of interprovincial power transport was a matter pertaining to Ottawa.

In supplementary legal argument, the Attorney-General questioned the power of Hydro to buy power beyond Provincial boundaries; or of Quebec companies to transmit power to Ontario without an extraprovincial corporation license.

Before delivering his opinion yesterday he continued his raking of the history of the contracts. From Beau-

harnois to Chat Falls, the Attorney-General reviewed the Eastern situation. On two matters he dwelt with emphasis—the manner of negotiating the contracts and the history of the incorporation of the companies.

Want Statement of Policy.

Immediate statement of the Government's policy was called for by Hon. W. H. Price before Mr. Roebuck started speaking yesterday. The former Attorney-General alluded to the fact that the then six-hour speech might have allowed thousands to speculate. The Government policy will be announced in due course, was the reply.

The Opposition continued its hammering during the sitting, questioning the time of statements made by Hydro engineers still employed since the change in Government, and digging up an opinion of Arthur Slaght, K.C., who was quoted as terming the Maclaren contract legal.

From the Government came the charge that the confidential secretary of Mr. Charles Magrath had been employed very shortly thereafter by Beauharnois, and a suggestion that some day the Dominion Power and Transmission purchase might “be turned inside out.”

“Illegal and Invalid.”

“One may stand amazed at these companies,” said the Attorney-General, “who have apparently flouted the constitutional limitations of the provisions and entered into agreements which were illegal and invalid.”

It was not the only amazing instance in the whole amazing story.

These lawyers, charged Mr. Roebuck, “never thought it was possible that the powers that be might be changed and another Government come into power.” The Government, as he described it, was “all-powerful and deeply entrenched and the agreements themselves more nearly represented a burglars' raid than a commercial transaction.”

“There are the facts,” he said. “I have endeavored to lay before the House as fully as possible and as clearly as is within my power the impossible position in which the Hydro Electric Power Commission and through it the power users of this Province have been placed by the mismanagement or worse of the former Government.”

“I have endeavored to restrain the indignation,” the Attorney-General declared, “which one must feel at the slaughter of the giant of light and power.”

A quotation was called to mind—the words of Mark Anthony at the

funeral of Caesar, who had fallen beneath the knives of assassins. “Oh, what a fall was there, my countrymen. Then I and you and all of us fall down, while bloody treason flourished over us.”

“I have endeavored,” said Mr. Roebuck, “to restrain the outbursts of passionate denunciation which one must feel at the “deep damnation of his taking off!”

“The same words apply to the slaughter of the giant of light and power in order to make millionaires and multi-millionaires out of the financiers of St. James's Street.”

Contracts Termed “Iniquitous.”

“At the same time, I beseech this House to look the facts fairly in the face, neither minimizing the seriousness of the disaster, nor temporizing at the expense of the people of this Province with questions of right and wrong. These contracts are iniquitous. They are strangleholds upon the people whom we are sworn to represent. They will cramp the development of this Province and may ruin its commercial structure.”

There are those, Mr. Roebuck noted, who will plead for people who have invested in the bonds and securities of these companies.

“I am more interested in the poor people who have no bonds at all.”

“It is not for me to make a decision. It is up to public opinion. It is up to the Government. It is up to the Opposition—to join with us in some proposal to right the wrong.”

“Let's face the facts. Let's do justice—regardless of where the chips may fall.”

“I have already pointed out:

“1. The Gatineau Power Company is a Quebec company, incorporated by the Legislature of the Province of Quebec, and it has attempted to contract to deliver power beyond the borders of its own Province, ten feet within the Province of Ontario, at or near Chats Falls.