

March 15

POWER PACTS RATIFYING BILL BEFORE HOUSE

New Contracts With Quebec Companies Are Made Interdependent

FIRST READING GIVEN

Acts Passed by Legislature Will No Longer Apply to Litigation

First reading, without any question being raised, was given yesterday in the Ontario Legislature to a bill "to validate certain contracts entered into by the Hydro-Electric Power Commission."

Introduced by the Hydro Chairman, Hon. W. L. Houck, the bill ratifies the contracts for power between the Commission and the Gatineau, Beauharnois and MacLaren-Quebec Companies, despite anything contained in the Power Commission Act of 1935, which cancelled previous contracts entered into by a preceding Ministry.

"The main feature of the bill, which, with others, will be explained more fully in the House in my speech, is that the cost of power to Ontario is reduced from \$15 per horsepower to \$12.50 per horsepower," Mr. Houck told *The Globe and Mail*.

Exempt From Legislation.

The bill provides that the old contracts, as revised by the new ones of December, 1937, are to be declared exempt from all the Hydro legislation passed by the Government in its struggle with the Quebec companies.

These acts, designed to provide immunization from court judgments and from putting up security for costs in Privy Council appeals, will no longer apply to any litigation arising out of the Gatineau, Beauharnois and MacLaren contracts.

The new contracts with Beauharnois and MacLaren expire on July 1, this year, unless by that time ratified by legislation. The Gatineau contract expires Aug. 1, unless by that time the contracts with Beauharnois and MacLaren "have become fully and unconditionally effective."

The contracts are interdependent, and anything terminating one contract before July 1, 1938, will automatically terminate the others on Aug. 1. Should anything prevent the contracts becoming effective, all three companies retain their legal rights under the "original agreements."

Failing ratification, the companies thus would have the right to continue the litigation suspended last December.

PLAN TO EASE MORTGAGE AID TO BE OPPOSED

Opposition Leader Tells Legislature Principle of Plan to Be Fought

FORECLOSURES FEARED

Holding that the Government was "jumping a little too fast" in the proposed amendment to the Mortgagors' and Purchasers' Relief Act, Hon. Leopold Macaulay, Conservative Opposition Leader, served notice in the Legislature yesterday that the group he led would oppose the bill on principle in committee stage.

The bill, introduced by Hon. Gordon Conant, extends the provisions of the act, with the exception of Part 11 which has to do with the payments of interest, until June 30, 1939.

This, in effect, explained J. J. Glass (Lib., St. Andrew), protected mortgagors from foreclosure proceedings, in event they were unable to pay principal payments, if they maintained their interest payments.

The Part 11 section, which was designed to take care of those who were unable to meet their taxes and interest obligations, is being closed off by the bill on Oct. 31, 1938, with a saving provision which would permit an order made under Part 11 to be continued beyond Oct. 31 and to be extended for a period not exceeding six months.

Mr. Glass maintained that if the amendment was ratified, there would be a flood of foreclosures on properties, now held under the Part 11 section. He added: "But it can't be allowed to go on and on."

Mr. Macaulay emphasized there were some who have been fighting for four or five years to clear off arrears of taxes who would be put out under this clause. When mortgagors had made an honest effort to meet their obligations, he believed provisions should be made to give them relief from drastic foreclosure action.

J. H. Clark (Liberal, Windsor-Sandwich), contended that if mortgagors couldn't clear off their interest and tax obligations by this time, they never could, and that maintenance of the act was detrimental to both the mortgagors' interests and the interests of the lending corporations or individuals.

Sees No Favor.

"You're not doing them any favor at all in extending their hopes for another year," he said.

"Hard-hearted," suggested Mr. Macaulay.

"I'm not hard-hearted," protested Mr. Clark. "I'm probably as big-hearted as any one here."

He said the act did not apply to any one who assumed a mortgage after 1923. "Let's clean up the old dregs," he declared.

The bill received second reading. Dr. H. E. Welsh (Conservative, Hastings East), questioned the clause in the amendment to the Public Health Act that called for the segregation of disease carriers or persons suspected of being disease carriers. Hon. Harold J. Kirby, Minister of Health, told him it was proposed to consider each case on its merits when it came to compensating the person segregated.

Ontario Budget Held Back Till Next Week

Presentation of the Ontario Budget, scheduled for Friday, has been postponed until some day next week, Premier Hepburn notified the Legislature late yesterday.

The Premier did not explain why it was necessary to postpone the Budget speech, but emphasized it would be well to make an attempt to close the debate on the Speech from the Throne by Thursday night.

Mr. Hepburn, in answer to a question by Hon. T. A. Kidd, Conservative Whip, concerning the progress of the youth-training program, intimated that future expenditures on this line in forestry and mining training schools might be dependent on the possibility of securing jobs for graduates.

He said he was asking the Government departments to report on this phase of the training program.