

Labor Motion Passed; Power Bill Is Disputed

Speaker Will Head Select Committee—Drew Hints 'Hidden Agreement' in Hydro Deal

The Ontario-Quebec agreement on power, and the Government's motion to name a select committee on labor, provided the Legislature with two controversial issues yesterday and last night. The power agreement, which provides for development of power sites on the Ottawa River, was branded a "sell-out" by Opposition Leader George Drew, who charged there was a hidden agreement favoring private power interests in Quebec. This was denied by the Government spokesmen.

The labor motion was approved by a vote of 48 to 15, the House dividing on the Opposition's appeal against the Speaker's ruling. The same vote was applied to the main motion to name a select committee of nine members. Acting Speaker Roland Patterson ruled two Opposition amendments out of order on the ground they sought to delegate powers of the Legislature to persons outside the Legislature. Premier Conant this afternoon will announce the names of the five Liberals and Col. Drew will name the Progressive Conservative members of the labor committee. Speaker James H. Clarke of Windsor will be chairman.

Declaring that he did not believe the agreement "is worth the paper it is written on," Opposition Leader George Drew charged that the Ontario-Quebec agreement for development of power on the Ottawa River constituted a "sell-out of Ontario's interests to the private companies of Quebec."

The sudden attack delivered by Col. Drew came during a comparative lull while the House was considering the agreement in committee.

The power agreement was reported shortly after the flareup, and will be given third reading this afternoon. Lieutenant-Governor Albert Matthews will visit the

Chamber to give Royal assent to this and other measures and the House will debate a motion to adjourn.

"A lease for 999 years can't be termed anything but an outright grant," declared Col. Drew. "I am absolutely satisfied that no Government which follows this will ever be bound by law to recognize it as a lease or a binding grant. We are dealing away the property of Ontario, which the B.N.A. Act does not permit."

"I wish to dissociate this Government from any report which may go out of this House that an agreement entered into in good faith may be subject to repudiation in the future," protested Premier Conant.

"You dislike the term repudiation?" interjected Col. Drew.

"If that principle prevails, business between Governments cannot continue," retorted the Premier.

"No Government will repudiate a bargain made in good faith."

Hints "Hidden Deal."

"This is a new profession of faith on the part of Premier and Attorney-General," said Col. Drew. "This is a sell-out of Ontario's rights to private interests, and the Premier knows it."

"Nothing of the sort," countered Mr. Conant. "Any information I have is exactly to the contrary."

"Isn't there a deal on now to turn over the power rights to private interests?" demanded Col. Drew.

"Nothing of the sort," replied the Premier hotly.

"This is simply a continuation of the way things are being dealt with," asserted the Opposition Leader. "The area involved is an area where private companies have been for many years, and I am not at all sure that their rights have been extinguished. We are not seeing the whole deal by a long shot. I am perfectly satisfied that there are hidden agreements now in relation to the power. We have followed the principle of public ownership in Ontario and we have no right to hand over resources for possible development by private interests."

"Without entering into the merits of the power agreements repudiated by the Government, those contracts were the finest things that ever happened compared with this bill which barter away our rights."

The Opposition Leader said he believed there was a hidden agreement which would put private companies in Quebec in control of the power once the agreements were consummated and the Province of Quebec obtained the sites.

Denies Hidden Agreement.

W. L. Houck, Hydro vice-chairman, entered the argument with a warm protest against Col. Drew's charge that there was a hidden agreement in existence. He denied that there was anything underhand and declared that the most capable lawyers obtainable had worked for months on the details of the agreement.

"It is an insult to Ontario and to the Province of Quebec to say, in effect, that this agreement won't hold water," declared Mr. Houck. "I want to pay homage at this time to the splendid, whole-hearted cooperation of the Province of Quebec. They even went so far as to sign the agreement in the English language."

"My honorable friend does not need to take umbrage," said Col. Drew. "My remarks, which I intended to make as scornful as possible, were not directed at you or the Hydro Commission. I don't believe you know all the facts. Have you any understanding that there will be no private development of the power sites once Quebec gets them?"

"I have nothing that would in-

dicating any such thing," retorted Mr. Houck. "I have implicit faith in the character and ability of Dr. Hogg, one of the outstanding engineers on the continent."

Hepburn Enters Discussion.

Mr. Hepburn entered the debate when Col. Drew questioning possibility of development of Ontario waters leased to Quebec by private interests, demanded to know if there was any assurance that rights "extinguished" might not be "revived after the deal."

"Have you any undertaking from Quebec that they will not develop waters in Ontario by private interests?" Col. Drew asked.

"If he knows of a skeleton in the closet bring it out," replied Mr. Hepburn.

Col. Drew repeated that either the Premier or the Hydro Vice-Chairman or some one who knew should say if there was "any undertaking that the water won't immediately be turned over for private development and possible export of power to the United States."

"What strings can we hope to tie to their development?" asked Premier Conant.

Col. Drew urged that, since Ontario was putting up \$50,000,000 of the \$100,000,000 for the new 1,200,000 h.p. development on the Saguenay because the Saguenay development was a war necessity, then, if the Ottawa River plan was also a war necessity as claimed, it should be treated likewise and Dominion funds, "of which we again pay half," should be devoted to it.

In addition to 1,900 acres of land that will be flooded on the Ontario side of the Provincial border, in connection with the Carillon power development, another 4,600 acres in Ontario will be dealt with in this manner, W. L. Houck, Hydro vice-chairman, told the Legislature. Eight thousand acres will be flooded on the Quebec side, Mr. Houck said.

"We were told about the 1,900 acres, but nothing was said about 4,600 acres more," declared Opposition Leader George Drew. "A plan was presented to the members showing where the 1,900 acres were, but there is no plan concerning the 4,600 acres. What provision is being made for possible damages in that area? The Legislature should not be asked to pass on such an important matter without the fullest information."

The discussion arose during the committee stage on the Ontario-Quebec power agreement. Col. Drew insisted that the Government had failed to define the status of the Ontario residents now residing in areas to be leased for 999 years to the Province of Quebec. He described them as "subtenants of Quebec."

Premier Conant said equitable compensation would be paid to residents who would be forced to evacuate from the territories involved in the agreement.