

more, to cover the contingency of the cost being greater than the estimates. Instead, the Statute was absolutely disregarded and by-laws submitted authorizing the Council to pay so much per horse-power for power delivered at the municipality.

FAILURE AS TO TORONTO.

The Premier and the Government ignominiously failed to take occasion by the hand when Major St. Aubyn, on the 29th day of January, representing the British bondholders, appeared before the Premier and asked if he would consider a proposition. The Premier, according to his own statement, declined to listen to any proposition. He seemed to think it was strange that Toronto should be mentioned at all, although Toronto was the municipality particularly interested and was east of the Hamilton to Owen Sound line, which territory it was alleged had been reserved from the arrangement made with the Ontario Power Company. Had the Premier appreciated his position as an agent for the municipalities he would instantly have availed himself of the opportunity to place the City authorities and Major St. Aubyn into negotiations in order that if possible an arrangement satisfactory to the people of Toronto might have been made. In the contracts made with the Electrical Development Co. there is a provision in each which stipulates that in case any one of the companies fails the Queen Victoria Niagara Falls Park Commission, representing the Government, may immediately step in, take possession of the plant and works and operate the same. The bondholders were in a position to force an arrangement of this kind at the time that Major St. Aubyn interviewed the Premier. The Electrical Development Company was in financial difficulty. As a result of the agitation its credit was gone. A large payment was coming due on the first of March which the Company was unable to meet; the bondholders therefore completely controlled the situation. The company stood practically in the position of a defaulting mortgagor and the bondholders in the strong position of a mortgagee. The bondholders could have forced a failure within the meaning and terms of the contracts referred to and the Government could have immediately stepped in as a medium between the Electrical Development Company and the City of Toronto; and the city, if it so desired, could have obtained the extremely advantageous bargain Mr. McKenzie shortly after obtained whereby he got complete control of the Electrical Development Company and obtained \$3,000,000 worth of common stock practically for nothing. No satisfactory explanation has ever been given for the Government's strange conduct in this respect. The attitude of the Government at this particular time may serve to throw some light upon