

OPINIONS OF MR. E. R. WOOD.

LETTER FROM MR. E. R. WOOD, PRESIDENT OF THE CENTRAL CANADIAN LOAN & SAVINGS COMPANY, VICE-PRESIDENT OF THE DOMINION SECURITIES CORPORATION, AND DIRECTOR OF THE CANADIAN BANK OF COMMERCE, TO THE RIGHT HONORABLE SIR WILFRID LAURIER, K.C.M.G., P.C.

Right Hon. Sir Wilfrid Laurier, K.C.M.G., P.C.:-

MY DEAR SIR.—In calling your attention in this personal way to the power legislation (9 Edw. VII, ch. 19) of the Ontario Legislature last year I feel fully warranted by the importance of the issues which have been raised. The matter is of great moment not only to those on both sides of the ocean who have in good faith invested their money in Niagara power development, but to all enterprises requiring the investment of British capital, and to the Dominion, the Provinces and the municipalities as extensive borrowers abroad.

The situation need not be recounted at length. The Electrical Development Company is a Canadian concern and has developed power at Niagara Falls with Canadian and British capital. When the demand for public or Governmental control arose, the Government did not see fit to regulate prices nor to take over the property, but created the Hydro Electric Commission and entered into competition with the private company. In that competition the Commission was protected from all legal actions without the consent of the Attorney-General (7 Edw. VII, ch. 19, sec. 23). It was freed from liability for errors in the estimated cost (section 24), the cost of the works, whatever that might be, being put on the municipalities (7 Edw. VII, ch. 19, sec. 23). The municipalities were thus allowed to assume certain debts by votes of the ratepayers. They were empowered to enter into contracts with the Commission which would have been illegal with the Electrical Development Company. After these uncertain bargains had been approved by votes of the municipal ratepayers they were varied by the Legislature to the injury of the municipalities. For example, the agreement, Schedule B, 8 Edw. VII, c. 22, clause 2*b*, requires the municipalities to pay interest and sinking fund on the cost of the transmission line. This is varied (Schedule A, 9 Edw. VII, ch. 19, sec. 2*b*) so as to make the municipalities pay interest and sinking fund on cost of transmission line, transformer stations and "works for nominally 30,000 horsepower with total capacity of 60,000 horsepower." Against this change in the agreement the ratepayers are denied redress by legislation providing that "the validity of