

Hon. Mr. CASGRAIN: Then the book that I gave the right honourable gentleman is not right.

Right Hon. Mr. MEIGHEN: It is your book.

Hon. Mr. CASGRAIN: I did not write it. In any event, supposing it cost \$150,000,000—and I have seen it so stated in print many times—the Hydro is selling power at \$25, \$40, and \$72 per horse-power. The private companies of Quebec paid in taxes last year \$3,088,285. That money fell into the tills, some into the federal till, some into the provincial till and perhaps some into municipal tills. But if the private companies were wiped out, who would pay that three millions dollars? Not public ownership, because that pays nothing. The Hydro purchased from the Gatineau Power Company 250,000 horse-power, if I am right, and from Beauharnois 240,000 horse-power at a rate of \$14. Of course I always speak subject to contradiction by the right honourable gentleman opposite. Those purchases were in themselves an admission that private companies could manufacture power more cheaply than Hydro or other public commissions, because if the Hydro could make it as cheaply why did it not do so?

Mention of Beauharnois reminds me that we had an inquiry here and one senator lost his seat. I am afraid he has had a lot of other trouble as well. According to evidence presented to a committee at that time, Dominion bonds to the value of \$125,000 were given to a man named Aird, who I think is a son of Sir John Aird, President of the Canadian Bank of Commerce. Mr. Aird said he never parted with those bonds. But it was found, according to my information, that his bonds did not bear the same numbers as were on the bonds that Mr. Swezey gave him. How they could have shed their old numbers and got new ones in the meanwhile I do not know. It is very surprising. I do not want to say anything disagreeable, so I will let that drop.

Right Hon. Mr. MEIGHEN: That was private ownership, the Beauharnois.

Hon. Mr. CASGRAIN: Yes, but whom did they give the money to?

Right Hon. Mr. MEIGHEN: A private party.

Hon. Mr. CASGRAIN: And where was the sale made? To the Hydro. Do you think a private company would have paid that? If the board of directors of a private company

paid anything like that, they would be put out of office at the next meeting of shareholders.

Right Hon. Mr. MEIGHEN: Why?

Hon. Mr. CASGRAIN: Because the power was not needed.

Right Hon. Mr. MEIGHEN: The honourable gentleman does not know what he is talking about.

Hon. Mr. CASGRAIN: The Hydro did not need all that power and does not need it all to-day. Mr. Hepburn says that they have more power than they need to-day.

Right Hon. Mr. MEIGHEN: He does not know what he is talking about, either.

Hon. Mr. CASGRAIN: We will leave the Hydro and pass to another experience in public ownership. There is a lovely part of the country comprising Windsor West, Sandwich East, Sandwich South, Gosfield North, Gosfield South, Essex, Kingsville, Leamington and Windsor. Those municipalities conceived the bright idea that they would incorporate a holding company to buy out the Windsor, Essex and Lakeshore Company, which operated an electric railway. I want honourable members to listen carefully to this, because it is one of the best parts of my speech. The municipalities realized at the outset that they would need some money, so they went to the banks to borrow the sum of \$1,000,000. The banks said they could not lend that without some security, and the municipalities had to deposit \$1,000,000 of their own debentures as a collateral guarantee. As the enterprise declined, the company, finding itself unable to meet an obligation of \$300,000, transferred its property to the Hydro. I may tell you, in parenthesis, that it owed the Hydro money it never paid, for power. But this was a public ownership business. The Ontario Hydro-Electric Commission, which had not been able to collect for electric power furnished, decided to operate the railway on its own account. But it did not operate that very long. It found that there was deficit after deficit; so it scrapped the whole thing, and there it is to-day. The rails are there, but nothing goes over them and nobody even bothers to pick them up.

The Hydro suffered a loss of credit and the outlay disbursed in connection with the operation of the railway, but the municipal corporations are responsible in the last resort and they will have to pay both the capital and the interest represented by the debentures, which I will now enumerate: