

## PART I

### INTRODUCTION

# The Hydro-Electric Legislation of the 1916 Session of Ontario Legislature

The Acts concerning Niagara Power which have recently been passed into law by the Legislature of the Province of Ontario have again brought the whole question of the exploitation of power into the field of public controversy. The circumstances attending the passing of these Acts were such that so far from settling anything, the legislation has in effect unsettled the credit of the province at a most critical moment in the history of the country. The Acts in question were brought in on the very eve of the close of the Session of 1916 and passed without amendment and practically without discussion. Important alterations in the Provincial law have thus been effected in haste and without the consideration for which the very institution of Parliament was devised to provide. Moreover, steps have been taken which are designed to add largely to the public debt of the province and at the same time to depreciate the value of investments in works of public advantage which have been made by British and other investors.

Although the controversy over Niagara Power has been proceeding for many years, important legislative steps have been taken again and again in this haphazard manner. The powers of the Provincial Executive have been repeatedly strained to carry into effect projects which were assumed to be in the public interest, without any apparent attempt on the part of those who promoted them to preserve any continuity of public action or to meet the obligations into which the same or previous Executive Governments had deliberately entered.

### Condensed Narrative of Events.

The Executive Government through the Niagara Falls Park Commissioners entered into agreements with certain companies, among them the Ontario Power Company and the Syndicate which afterwards became the Electrical Development Company of Ontario. In general terms these agreements permitted the respective Companies to take specified quantities of water from the Niagara or Welland Rivers for specified rentals payable to the Commissioners. The latter bound themselves not to lease similar powers to any other "Company or person" at less rentals than those payable under the Agreements by the Companies in question.

The Commissioners also bound themselves (under Clause 16 of the Agreement of 29th January, 1903, ratified by the Government on 30th January, 1903), as follows: "The Commissioners will not themselves engage in making use of the water to generate electric, pneumatic or other power excepting for the purposes of the Park." The only other exception mentioned in the clause relates to the case of failure on the part of the licensees to carry on the work.

Under these Agreements the right to take water and to generate power from the Niagara or Welland Rivers was sold to the Companies for a certain consideration, the Government on its part agreeing to refrain from taking water or from generating power, while at the same time the control of Niagara Falls in so far as it comes within the jurisdiction of the province was fully reserved