

uary, 1903, between the Park Commissioners and the predecessors of the Electrical Development Company, 125,000 horse power of electrical energy was granted to the said Company upon certain terms. In my opinion, under these terms the Company was given privileges at an absurdly low figure. The mere fact that in the development of its plant it comes across conditions, which, if utilized, will add greatly to its output and earning power constitutes no claim upon the Government to grant, on these or any other terms, the right to take advantage of these new conditions. The conferring of any future privileges upon the Company is an act of grace upon the part of the Government. It is under no obligation whatever to add to the privileges the Company enjoys, other privileges good or bad. No hardship is imposed upon the Company by the flat Governmental refusal to give it any additional privileges, and the idea embodied in the Commissioner's report and in the agreement in question that the discovery of certain engineering conditions gives the Company a sort of moral claim upon the Government for further privileges is not based on any substantial ground whatever. The Government is not under any obligation in this matter no matter what the Company is prepared to pay for it. If, however, the Company proposed to pay a fair market price for the privileges embodied in the supplementary agreement, it might become a question of expediency as to whether they should be granted. But no such market price is offered, and, in my opinion, no such engineering conditions exist as are alleged; and further, even if they did exist there is not the shadow of a valid claim, moral or legal, resting upon the Government to grant additional powers because of them.

(c) *Visionary Municipal Benefits.*—Clause 5 of the agreement stipulates as follows: "It is hereby expressly provided that one-half of the power to be generated hereunder shall from time to time be available for the use of any municipality or municipalities within the Province of Ontario for the purpose of operating a municipal system of lighting, heating or other public utilities. * * The price to be paid for such municipality for the said power may be fixed by the Lieutenant-Governor-in-Council, who may also fix the price every fifteen years thereafter during the continuance of this agreement. On a superficial reading of the complete clause from which the foregoing is an extract, it would appear that provision had been made to supply municipalities with power at a price to be fixed by the Lieutenant-Governor-in-Council. This is a sop to the public sentiment, which has found for some years back vigorous expression in the newspaper press and in the resolutions of public bodies. The provision, however, is wholly misleading and illusory. First of all, the Company need not exercise its rights for ten years from the date "of the first output of power under the first agreement." In the next place, and provided that the Company does exercise its rights and does proceed with the development, the reservation for municipal purposes is limited to one-half of the supplementary development. In the third place, the power so reserved is to be restricted from the municipal uses of