

Mr. JOHN HAGGART. Is it true that the works of the Power Company cause such a current that it interferes seriously with the operation of the canal?

Mr. GRAHAM. We are informed by the engineer-in-charge that that is not the case.

Mr. WRIGHT. When was this lease entered into?

Mr. GRAHAM. In 1902.

Mr. J. HAGGART. That is a renewal of the contract.

Mr. GRAHAM. That is the time they gave me, the lease will expire in 1923.

Mr. SPROULE. Was this contract let by tender or by private agreement?

Mr. GRAHAM. I shall have to look up the files of the department to find that out. The last renewal was made seven years ago, but the first contract was made many years ago. The contracts are for twenty-one year terms, renewable, and at the end of each term the rates are subject to revision. My hon. friend from Grenville (Mr. Reid) asked for certain information in regard to the cost of electric power on the Welland canal. For light and power on the canal itself, the Lincoln Electric Light and Power Company, Limited, agrees to supply electric current for the needs of the canal, dated June 27, 1903, to August 31, 1913, at \$14 per horse-power per annum.

Cost of power for year 1906....	\$9,826 59
Cost of power for the year ending	
December 31, 1907..	8,996 44
Cost of power for the year ending	
December, 31, 1908..	8,713 20

During the year 1907 the current was used for lighting purposes only; during the year 1908, for light and operating gate mechanism. The reduction in cost is due to improvements made by the electrical engineer of the department installing a synchronous condenser.

Mr. FOSTER. Has the department a record of all the water-powers it has leased, the dates of the contracts and the reasons for them?

Mr. GRAHAM. I think I can find that for my hon. friend.

Mr. FOSTER. To-day a great deal of interest is taken in the conservation of water-powers, and we have along our canals a large amount of surplus power. We have gone to all the initial expense of constructing canals and making the water-powers available, and the question that occurred to me was whether we were getting our fair share out of them or not. Here is a concrete instance where you are letting thirty thousand horse-power for a dollar per horse-power, while throughout the province of Ontario this water-power ultimately

sells for \$25 or \$30 per horse-power when converted. When you deduct the cost of the original plant for converting the power and the cost of the up-keep, you have the whole margin over that between one dollar and \$25 or \$30 per horse-power. The people who have contracts of that kind must be making money hand'over fist. If they are, does the minister believe that the country is getting its fair share? From the canals you are getting nothing, while you have to bear the cost of capital repairs and current account repairs. Under these circumstances, what justification is there for allowing corporations or individuals to make such immense amounts of money out of the people? In old times these things were winked at, they were not thought much of; but people are getting awake nowadays. Is the department getting awake? Is it attempting to establish a proper basis for the revision when the time for revision comes? I think we ought to be alive to that sort of thing. If a man were a trustee of an estate, and were as much asleep as the department seems to be, he ought to be hauled over. It seems to me that the government is in that position with regard to the people's franchises. It would be instructive if in the book of Railway and Canal statistics you made a tabulated statement of all the water-powers which are utilized and the rates which are paid for them.

Mr. GRAHAM. I think that is a good idea. As the hon. gentleman says, a few years ago the question of water-powers was not considered of as much importance as it is at the present time. But recently, just before my time, a commission was appointed to go over all the leases we have on the Welland and Lachine canals, particularly on the Lachine canal, and they brought in a report as to the proper rentals for these, and we are carrying out the recommendations of that commission as far as possible. Wherever we have had a lease that was not for a stated term, we have cancelled it, and asked the lessee for the increased rental recommended by the commission. In some cases the rentals have been doubled, in some quadrupled, in the last year and a half.

Mr. R. L. BORDEN. Are these leases perpetually renewable?

Mr. GRAHAM. Some of the old ones are, I think; but the general form is for twenty-one years, renewable for two other terms of twenty-one years each, subject at each renewal to a revision of the rental paid.

Mr. R. L. BORDEN. How is the revision accomplished?

Mr. GRAHAM. By the Governor in Council. My idea would be to have it done by the Board of Railway Commissioners; I have not worked that out. But in new