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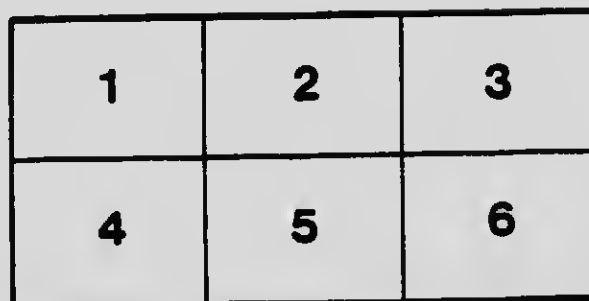
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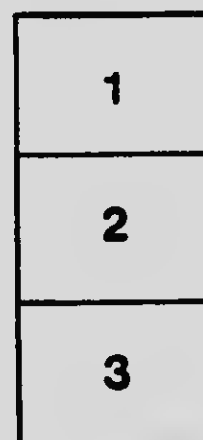
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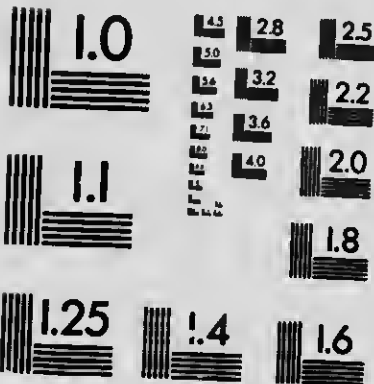
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Proceedings of the Conference

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**Western Ontario  
Power Organization**

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**At Galt, Ont., July 24th, 1906.**

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# Western Ontario Power Organization.

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## PROCEEDINGS OF CONFERENCE.

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GALT, July 23th, 1906.

In pursuance of a motion passed at a regular meeting of the Executive of the Western Ontario Power Organization, held at Galt, June 20th, 1906, a general meeting of the organization was convened here to-day.

The meeting opened at two o'clock. President Fryer, of Galt, in the chair. An address of welcome to the visiting delegates was delivered by Mayor Thompson.

The Secretary read the letter calling the meeting, also a letter addressed to the Boards of Trade where there are such bodies in existence.

President Fryer, before calling on Hon. Adam Beck to address the meeting, briefly reviewed the work of the Association. He recalled the initial conference of representatives from the cities of Guelph and London, and the municipalities of Bridgeport, Tilsonburg, St. Thomas, St. Marys, Berlin, Wilmot Township, St. George, Palmerston, Preston. At that conference a delegation was appointed to go to Toronto in conjunction with the organization being perfected by Mayor Coatsworth, of Toronto, and urge legislation on Niagara power. As you are aware, the Bill has now become law.

As to what further steps should be taken the executive thought best to call a meeting of representatives from the municipalities embraced in the power plan. The original idea was to carry the invitation only as far as London and St. Thomas, but we received communications from places beyond that asking that they be included in this invitation and so we thought it best to include all the towns named on the plan from Toronto to Windsor.

Now we have done this and the result you see here this afternoon. We have representatives here from most of the municipalities of Western Ontario. The object of this meeting, as the Secretary has stated, is to go into the Municipal Power

Bill and see what further steps are necessary; if it is to be taken advantage of by the municipalities interested. The work of the organization, which was completed on March 23rd, is done. Municipalities are represented who were not here on the 23rd March, and some included then are not here to-day. Consequently it will be our duty this afternoon to appoint a Chairman and conduct the business of this afternoon's meeting apart from the old organization, whose work I feel now has been completed. Whether you continue the organization is a question you must decide for yourselves. The idea of the Executive was that we should ask a member of the Commission to be present to answer any questions and go into the clauses of the Bill that will affect the municipalities represented. So if you will now appoint a Chairman the business of the meeting can be gone on with.

Moved by Mr. Lyon, of Guelph, seconded by Mayor Coatsworth of Toronto, that Mr. Fryer be Chairman of this meeting. Carried.

Moved by Mr. Hughes, of Waterloo, seconded by Mr. Brown, of St. Marys, that Mr. Goldie be Secretary of this meeting. Carried.

Chairman Fryer.—The first item of business is to record a correct list of the municipalities represented and the names of the representatives.

Mr. Goldie, the Secretary, called the roll and the following gentlemen answered to their names:—

City of Toronto.—Mayor Coatsworth, Controller Shaw, Mr. Keeler. Board of Trade: President Howland, Mr. Meek.

Hamilton Board of Trade.—Messrs. Whitton, Birge and Breckenridge.

Georgetown.—Mr. Williams.

Galt.—Mayor Thompson, Messrs. Fryer, Dr. Cameron. Board of Trade: Robert MacGregor, Sr., Robert Scott, Joseph Stauffer, F. S. Jarvis, A. G. Donaldson.

Preston.—Mayor Clare. Board of Trade: C. Dolph, C. E. Yates.

Guelph.—Mayor Sleeman, Ald. Newstead, Ryan, Lyon.

Berlin.—Mayor Aaron Bricker, Messrs. Louis McBrine, C. C. Hahn, Ferdinand Walter.

Waterloo Board of Trade.—Mr. Hughes.

Baden.—Mr. F. Holwell.

Stratford.—Mr. E. T. Dufton.

St. Marys.—Ald. Dickson, Ald. Brown.

Paris.—Mayor W. W. Patterson, Mr. A. H. Baird.

Woodstock.—Mayor Butler, Ald. I. G. McBeath, Ald. Saw-  
teil. Board of Trade: Col. McQueen, T. L. Clarkson.

Tilsonburg.—Mayor W. B. Hogarth.

London.—Ald. Saunders, Ald. Cooper, Messrs. Gerry and  
Matthews. Board of Trade: Mr. Samuel Stevely.

Ayr.—Mr. G. E. Goldie.

Elmira.—Messrs. George Ratz and F. C. Meyer.

S. Cathroy.—Mayor Henry Owens.

Bothwell.—Messrs. Thomas Haller and W. H. Bradley.

After the roll call the Chairman called on the Chairman of  
the Hydro Electric Power Commission to speak.

Hon. Adam Beck.—Mr. Chairman and Gentlemen,—I am  
pleased to be here at the invitation of the municipalities as Chair-  
man of the Power Commission, and to have associated with me  
my colleague, Mr. Cecil B. Smith. Mr. Hendrie, I regret to  
say, is unable to be present. We are here at your service.  
Anything you want to know about the Bill passed at the last  
Session of the Legislature, or our powers, so far as the Bill is  
concerned, we are anxious and I hope will be able to explain  
satisfactorily to you. I am gratified at your continued interest  
in this great undertaking. I think you have the machinery to  
carry it on successfully, and if not you have the assurance of the  
Premier and the Government, if it is lacking in any respect, that  
the Bill will be so amended as to make it workable. You evi-  
dently have faith in the Bill and in the report, else you would  
not go on so enthusiastically as your presence here to-day indi-  
cates, which, of course, is gratifying to the promoters of the Bill  
and my fellow Commissioners. So far as the press comments  
are concerned, I, as a Commissioner, have not felt it advisable  
to answer or take notice of letters that are anonymous. I hope  
our position is a little beyond that. Time will enable us to prove  
whether our figures are correct and whether the persons whom  
you have elected are worthy of the position they occupy. I am  
at your service as a Canadian and as one interested in the wel-  
fare of the Province. Anything I can do personally I will be  
glad to do. I will be glad to give you my time and any assist-  
ance that is in my power. As to any engineering questions you  
wish to ask, Mr. Smith is to a great extent responsible for the

figures contained in the report—he and his staff of engineers. I think he will be prepared to answer you anything you wish to know and give you such information as in the short time available, he can do.

Controller Shaw, of Toronto, asked for a brief outline of the Bill.

Mr. Beck.—The Bills of 1903 and 1906 have repeatedly been compared. The difficulty we found in the old Bill was that we were operating under the Conmee Bill. That was one of the objections. Of course we had no power. We had power to acquire electricity for light and power purposes, but unless a company wished to supply it we could not get it; but under this Bill we have power of expropriation. Another feature lacking in the 1903 Bill was the requisite machinery. This independent Commission will deal and act for all municipalities jointly. The Province finances the undertaking. Of course the municipalities assume the liability, that is, they will be responsible in the contracts for the moneys advanced. Another feature is this: The municipality that assumes this debt is protected. The Commission control the rates for power and light. That is an assurance to the ratepayer assuming the liability he does under this contract, that we will see the municipality charges a rate that will pay for the power, meet the interest on the money borrowed or invested, and provide a sufficient amount to create a sinking fund to retire the whole of the indebtedness in thirty years and a sufficient amount to pay the operating expenses.

A Delegate.—Suppose the ratepayers had to be taxed directly for deficiencies?

Mr. Beck.—That is impossible under these conditions. Likewise, if the rates are exorbitant it would at once bring the Commission into operation and they will fix a rate fair and just to the producer and consumer. Although assuming the responsibility it is in reality not a bond the municipalities may fear because there will be a revenue to pay for the outlay and a sinking fund. Of course it is entirely in the hands of the people. It requires their vote to say whether you will undertake the liability. You get the benefit of the borrowing capacity of the Province, 4 per cent., which is about as low as can be got. The regulating of rates also prevents giving a large corporation a low rate and the small consumers a high rate which might be considered unfair. Proceeding Mr. Beck cited the case of the city of Ottawa, where the long standing dispute between the city and the Electric Light Company would be adjusted by the Commission under powers conferred on it by this Bill. The Bill will save a lot of litigation and trouble.

A Delegate.—Have contracts been drawn to be used in municipalities?

Mr. Beck.—Several have been drawn. It is hard for us to get down to a specific form of contract till we know your requirements. The city of Toronto asks us for power. We asked for specific detail what they wanted. As soon as we get that we will give them full particulars. In the meantime we have asked the present existing companies, three at the Falls and the Cataract one, to give us prices for power stepped up at the Falls in quantities of 10,000 h.p. or over. We hope to have these figures by the 1st of August.

A Delegate.—Has it been intimated you would get these figures?

Mr. Beck.—I had letters before we became a Commission expressing a desire on their part to treat with us. They have given us an idea of the figures which are not higher than those mentioned in our report. It depends very much on the quantity used, of course.

Mr. Huwland.—Has the Commission thought of any manner in which the municipalities could combine to get power in the cheapest possible way?

Mr. Beck.—If a trunk line was built from the Falls, the right of way would be the same cost whether you transmit 10,000 or 1,000 h.p. You understand that. The cost to the municipalities would be very much less if a large number joined in securing power instead of only one or two.

A Delegate.—Supposing the city of Toronto asked for a certain amount of power and you made up your reply to them. Would it be best on their part to bear the whole cost of the transmission?

Mr. Beck.—I think our report gives that information.

A Delegate.—If the municipalities join together what proportion should each one bear?

Mr. Beck.—We can't decide until we know how many are coming in.

A Delegate.—You have not made up your mind as to any suggestion?

Mr. Beck.—Our report does, as to Toronto alone. I would suggest that you keep this Association active; have a representative from each municipality so that you could work jointly. You could keep in touch with one another. You might decide to submit a by-law to the people all at the same time, so that we

would know when the vote was taken the number we could depend upon. If you all submit at the same time we would have an accurate idea of the number who would join.

A Delegate.—If the city of Toronto felt they could take the whole of the power, and sent independently and asked for it and became responsible, then afterward for instance the others joined, is there some plan for distributing the financial burden?

Mr. Beck.—The Commission will have a staff of accountants and they will from time to time adjust the proportion of the expenditure to be borne by each municipality.

A Delegate.—The liability, too?

Mr. Beck.—Certainly. They are for no other purpose. As you know the Bill enables us to enter into contracts with railway companies, street railways or electric companies.

A Delegate.—Independent of the municipality?

Mr. Beck.—Yes. Take a suburban road. We can make a contract with that road; a contract that should produce a profit. That profit goes to the credit of the municipalities. Take the city of London, a contract with the Western Traction Co. The profit would go to the credit of all the municipalities participating in it, not to London alone.

A Delegate.—You are the bankers for all?

Mr. Beck.—Yes, and the agents. We will secure power as cheaply as we can, ready to put on the transmission line and transmit it. In case we buy power from the developing companies at a price and you accept it, then it is another matter whether we shall arrange with an existing company for the use of their poles and wires to transmit the power. Our object will be to get it there as cheaply as we can.

A Delegate.—Do I understand you to say that the transmission company is entirely different from the developing company?

Mr. Beck.—Yes.

Mayor Coatsworth.—I think we should do something first. We don't know where we stand. The movement has taken distinct steps. There was first the appointment of the Municipal Power Commission, then the Hydro-Electric Commission. Subsequently the report came out of the Hydro-Electric Commission. Then our deputation at Toronto waited on the Government. The passage of the Bill by the Government followed, and here we are to-day prepared to go on with the scheme. I'm glad we

are getting Mr. Beck at work talking about it. He is always full of it and always ready to give us plenty when we get him started. What are the best means to go about getting the power? I think we have all made up our minds that this is a movement in the right direction. I notice in the Hydro-Electric Power Report the municipalities are grouped. Take Toronto for instance. We are grouped, I think, with Georgetown and other municipalities. Suppose Toronto and Georgetown said we are ready to go on. Toronto has already served its notice on the Commission and asked for the necessary information to get power. Suppose some of the municipalities hold back and don't come in, how will that be adjusted? Will the Commission get into touch with the other municipalities? It seems to me the cost to us would depend on whether all the other municipalities come in in that group. The question would be how to get them in. If all are ready to go right on it is a simple matter to get at the cost. Suppose they don't. Will the Commission come in touch with them or reserve a charge as against that municipality or do the other municipalities have to pay up the whole amount in the meantime?

Mr. Beck.—So far as the actual cost of power is concerned it will be the same to all municipalities at the point of production, whether 100 or 1,000 h.p. is taken. It will be whatever price we can buy it at or develop it at.

A De'egate.—Will not the amount that you, as a Commissioner, are prepared to order determine the price largely?

Mr. Beck.—We will contract for a minimum amount. The power companies have led me to believe they can give us a price from 5,000 h.p. to any amount, and the small municipality will buy at the same price as the large.

A De'egate.—At the point of production will the Commission get the same price for 100,000 h.p. as 200,000?

Mr. Beck.—I can't say definitely, but in conversation with two of the companies we are led to believe we can have any amount we want from 10,000 up, at a certain price.

Mr. Coatsworth.—So far as you have studied the question, wouldn't the expropriation of the transmission lines appear the safest course?

Mr. Beck.—So far as the price of power is concerned, if we can buy power at \$12 per h.p., Toronto using 10,000 and Galt 500, they will pay the same price at the point of generation; then the cost of transmission will depend on the capital invested. If you have to spend \$100,000 to bring 500 h.p. to Galt

and you can bring 10,000 to Toronto for \$200,000, it will be cheaper for Toronto. Of course we are not going to assess you at so much per horse power at the point of delivery, but at the point of production; the expense of bringing it over and operating expenses added.

Mayor Coatsworth.—Suppose the municipalities don't all join at once, what would be the effect on us?

Mr. Beck.—You would have to build the whole line to Toronto.

A Delegate.—Suppose one joined after?

Mr. Beck.—We would assess them with their proportion of the part they use.

Mayor Coatsworth.—We will be credited with that.

Mr. Beck.—Yes. Supposing London wants it after you have gone on and paid for transmitting it. London will benefit as far as Hamilton in your right of way. London will assume that proportion of liability and you will be credited with it. Should London pay for the whole right of way or should Galt, Berlin and others join, they will assume their part of the liability. That is a matter of accounting.

A Delegate.—Unless there is a union of municipalities in applying for the power it would be such a large amount on one municipality that it would be utterly impracticable for them to submit a by-law. Is that right?

Mr. Beck.—In one way. You would have to take a maximum. You would have to submit a by-law.

A Delegate.—Any of the cities could take a lone hand at it?

Mr. Beck.—Certainly they could. The first thing I fancy you would do you would pass a resolution and ask us for the price of power, etc., ask for particulars. When we have that we give you the estimated cost of power and of the expenditure necessary to bring it there. Then you would submit to the people. You would have to submit the contract too for them to approve of. We submit it to the Governor-in-Council and if he approves we go on and make the expenditure.

A Delegate.—Would it not be the proper thing for each group of the municipalities represented here to get together. I see all the groups referred to here lie west of Hamilton, so that all the groups together would have to bear the cost of the transmission as far as Hamilton?

Mr. Beck.—Yes.

A Delegate.—Then as each group branches off by itself it would take its own share?

Mr. Beck.—Yes, the additional liability for the money invested. Five groups here: Toronto, Hamilton and Dundas; Toronto, Hamilton, Brampton, Georgetown and Orangeville; Brantford, St. George and so on to St. Marys; Paris to St. Thomas; Windsor to Sarnia. All would participate as far as Hamilton.

A Delegate.—As they branch off each would pay for its own line?

Mr. Beck.—Yes.

A Delegate.—Say division No. 2. That would be impracticable unless Toronto took it up?

Mr. Beck.—Yes.

A Delegate.—So that the largest municipality in each group would have to control the situation in that sense?

Mr. Beck.—I think Toronto and the west are given independently in our report.

A Delegate.—It would be essential for the large municipalities to go into it?

Mr. Beck.—Yes.

A Delegate.—Supposing a municipality should proceed along the basis of cost as per report issued by the Commission and it was afterwards found there was a mistake, that the cost was considerably more than had been supposed (as some say it will be), what then?

Mr. Beck.—I think we would have to appoint another Commission. We have given you the report of the best engineers in this country. We believe these figures as authentic as can be secured. The municipality under the Bill has a right to use them to give us individual estimates. You are quite at liberty to engage your own engineer and see whether he will confirm our figures or not and when you are convinced these figures are practically correct you can honestly submit the proposition to the people. We can only give you power at the point of production and we then give you the capital to be invested and the operating expenses as near as we can and what it would cost you to bring that power there. If you increase your consumption it would reduce the cost very materially.

Mayor Butler, of Woodstock.—I think we should not consider this as an individual municipality but as a whole; affecting

every municipality represented here to-day; and in that way I think if there was a by-law submitted to the people we would be able to get at the cost much more easily.

Mayor Coatsworth, of Toronto.—You would have to get the amount first. For instance, Toronto has served a notice on the Commission asking for the power and asking them to give the estimate of the cost. The Commission responds by stating that they desire to know the amount of power we will want. We have not answered that communication.

Mr. Beck.—You have referred our request to your engineer. As soon as you take a census you notify us you are prepared to take so much power.

Mayor Coatsworth.—Will it be sufficient for us to say we require so much power in Toronto? We are willing to take that as a basis. Will that be a sufficient answer?

Mr. Beck.—We will be guided by what your reasons are. You will come to the conclusion.

A Delegate.—The Mayor says you have already made an estimate. Will you be satisfied with that estimate if we are?

Mr. Beck.—Certainly, you assume the responsibility. The census we made was as correct as possible. We took the individual census. In the town of Berlin we had a signature from each consumer what he would take, and Galt as well. The users or consumers signed a sort of declaration saying if they could get power at a certain price they would take a certain amount. The municipal report afterwards and our report came together very closely. The cheapness of it will soon increase its use.

A Delegate.—Is there any doubt existing in the minds of the Commissioners as to the real cost of this power at the Falls? I notice in the different papers that one side takes the view that it will cost a good deal more than you estimate. What do you base this upon other than your engineer's report? Have you any figures or facts that would lead us to believe it is correct?

Mr. Beck.—These criticisms have taken place. We don't know where they originate. We are here as Commissioners to answer questions. We may not be prepared as we probably should be, but I think we can convince an unbiased mind that our figures are as reliable as capable men well paid, the best we could secure, can give us. Not my figures at all; not those of the members of the Commission. I am not an electrical engineer. I don't pretend to know what it costs to build a dam or a water wheel, but I do believe the men we engaged were able to tell us, and I don't think they had any purposes to serve ex-

cept those who engaged them to give an estimate of producing, transmitting and distributing power. We can only abide by their figures. If wrong they are either incapable or dishonest. I believe they were the best men available and did their work well. We had to stake our reputation as public men on these figures. (See page 14 of the report.) Some of the men we employed had been in the employ of the big companies. Their personal knowledge was sufficiently convincing to say they were correct.

A Delegate.—What about the transmission costs and the distribution costs and all that, after you have the price for the production itself? What about these prices? Some writers have stated your figures are entirely too low. Whether anonymous writers or interested parties (I would assume some are disinterested), we have to get the public mind satisfied that these are the figures you will have to pay. Veritas makes an estimate it will be double that amount?

Mr. Beck.—As to the land values. There is a great difference in land values, whether you run through the garden of Canada or over the rocks and hills. Of course you might have one very low and one very high estimate.

Controller Shaw.—I have been one of the oldest advocates of public ownership. I believe in the scheme, but there are others who will ask questions.

Mayor Sleeman, of Guelph.—I understand the Commission has received offers from some of the companies now established at the Falls. Am I correct?

Mr. Beck.—That is quite correct.

Mr. Sleeman.—If that is the case this is not going to be such a stupendous matter for the Government to take hold of. Simply the construction of the lines. If that can be obtained it will be much better for those requiring the power. Most of those plants are now ready to operate. I understand the application was from the municipalities to have absolute control. Is it proposed to buy the power from those companies?

Mr. Beck.—When we get prices. It is for you to decide. If you want it cheaper you may ask us to expropriate or develop.

A Delegate.—Instead of asking you to produce it we ask you to protect us?

Mr. Beck.—Yes. You must say whether you wish us to enter into a contract at a certain price. We have power to expropriate the plant or initiate a new plant.

Mr. Sleeman.—I think we are quite safe in leaving the matter in the hands of the Commissioners. I feel satisfied and will accept the Commissioners' report. I understand they know for a fact what it will cost these other companies to transmit and what they can buy the power for.

Mr. Goldie.—I wish to draw the attention of the meeting to the object of the meeting. It is for the purpose of organization; to discuss the Power Bill and the report systematically and intelligently amongst ourselves as municipalities with the Commission. We can't do all that this afternoon, only a general outline of it. In the meantime would it not be well to have a committee drawing up resolutions regarding the organization. We don't have to compromise any municipality in any way, simply have some sort of machinery organized to go on with the discussion after this meeting breaks up. I think if the municipalities here represented would be willing to join any organization for the simple matter of enquiring into the getting of power, if they are prepared to enter into an organization of that kind let a nominating committee go out and get to work. That committee would bring in a resolution defining the organization, what it should be, what the committees should be and so on.

Mr. J. W. Lyon, of Guelph.—The old organization is out of existence. We are going on now with a Chairman and Secretary. No longer any Executive. As Mr. Goldie has said, it is quite impossible that all the technical conditions, the arranging of prices and threshing out details, etc., can be done by this meeting as a whole. Therefore, I think it necessary that there should be an Executive to take hold of the work, get facts, some of them visit the different towns, etc., speak to the Boards of Trade, etc. There should be some plan of work. It is the duty of the Resolution Committee to formulate the work; and to go on with the work there should be a small central committee and subsidiary committees in the different places, all working together. I believe a Resolution Committee can take up the resolution part, and as Mr. Goldie has said, the meeting can go on talking while they are working. I would suggest that Alderman Keeler, of Toronto; Alderman Matthews, of London; Mayor Thompson, of Galt; Mayor Clare, of Preston, and myself, be a committee. I have named some of the old Executive Committee because they had a good deal to do with it and are more familiar with the details, perhaps, than some others; that these should be a committee on resolutions.

The motion carried and the committee retired.

A De'legate.—Does an enquiry for power on the part of a municipality involve any liability on the part of that municipality? Who pays the cost of making the estimate?

Mr. Beck.—As soon as the municipalities enter into contracts they assume the costs involved. Previous to that I think we are working in the interests of the Government.

Mr. Coatsworth.—We have served our notice in Toronto. The Commission has asked us to get information as to how much power we want. Mr. Beck says to-day if we send back word to them that we are willing to accept we have assumed no liability, but if we want to make another calculation, that is at our own expense. After that they will make an estimate at no expense to us.

Mr. C. B. Smith.—Mr. Chairman,—I have read somewhat carefully a large number of communications to the press; most of them anonymous; others giving actual names. Just a few days ago I went through these letters to see the points they had attempted to raise, to see whether there was anything worth answering in them. To my mind there is nothing of importance to answer yet. At the same time there are questions which might tend to confuse the lay mind, and these may be referred to briefly. Mr. Wright, of the Electric Company in Toronto, in a criticism in which he referred to their lighting rates, had said their own rates were 8c. per k.w. hour, and the Commission's 7½c. This was a misstatement. As a matter of fact their rates are 8c. for residential but 12c. for business, and those estimated on by the Commission were 5c. for house and 6c. for business lighting. Mr. Hawkins, of Hamilton, was quoted as saying that the rate shown in the report was very high, that they were selling power in Hamilton at \$12.30 per h.p. The only explanation of this is that he refers to selling power on motor capacity where it is known a customer does not use nearly the capacity, only a part of the power being used. Mr. Richmond, at one time an employee of the Commission, had showed animus because he had been dismissed. He commenced with a calculation of 50,000 h.p. plant at Niagara Falls, then writing off 10,000 h.p. because he said we had not allowed for a spare machine. As a matter of fact the estimate was 60,000 h.p., with one spare machine. Mr. Richmond stated in his letter to the press that he had not read the report. Then also he made a wrong impression by stating that he was aware of the intentions of the Commission. Beyond his own work he knew nothing of the estimates of the Commission or anything else. He never was in the office except to get his pay. The editor of the Canadian Engineer,

evidently posted by the same man, I would judge by his text, sets forth certain figures. High tension power at Niagara Falls, instead of costing \$12, he states should cost \$22; this is well known to be erroneous. It simply cuts away the whole criticism he makes. When he states it costs \$19 at the Falls and \$3 additional transmission, he states what the facts don't bear out. Customers are supplied at the Falls for \$15; also at Welland, with power delivered on the premises. As to Veritas. His criticism was that Shawinigan was a very low cost development. He made a slip in this respect; he spoke of 100,000 h.p. As a matter of fact Shawinigan is only delivering some 30,000 h.p., so that the annual charges should be based on this delivery, making about \$6.00 per h.p. per year instead of \$1.80 as quoted. The same criticism holds in reference to Hamilton, Cataract plant. It will be cheap when the development is complete, but at the present time the company has all its head works, permanent works, power house and machinery built for a 40,000 h.p. development. Their fixed charges at the present time are charged up against the sale of 13,000 h.p. Hamilton power prices are not necessarily high under present conditions.

A Delegate.—What are they getting it for in Hamilton now?

Mr. Smith.—Speaking generally \$22.50 per h.p., 10 hour power.

A Delegate.—Your power would not be sold in proportion to the capacity of the motor, but in proportion to the amount used?

Mr. Smith.—Yes. The amount used.

A Delegate.—You arrive at that by meter?

Mr. Smith.—Yes.

A Delegate.—Provided the minimum amount asked for is as much as yours, those figures you give us are correct. It doesn't matter whether one city takes it all?

Mr. Smith.—Unless a large proportion of the towns in the same district act together you will have to pay more for the power.

A Delegate.—Supposing the towns in group 3 for instance, combine together and apply for power, would they be supplied at the figures named here without the other?

Mr. Smith.—The only difference would be a slight one on the right of way; costs otherwise they are perfectly independent.

A Delegate.—Each group would have a separate line right to the Falls?

Mr. Smith.—Yes. To have each group independent of the other I think is advisable; however, some companies think differently. One line will be a matter of economy but it doesn't work for safety.

A Delegate.—If any of these groups increase this estimate of power required it will decrease the cost of transmission, not of production?

Mr. Smith.—Yes. That is my idea.

Mr. Coatsworth.—I want to raise a question to satisfy some of us of the means by which these costs will be paid. I understood that the proposition would be this, that when we had arrived at an estimate of the cost we would pass a by-law for the supply of the funds and that we would issue our debentures, and that these debentures would be handled or financed by the Commission and that it is anticipated that the revenues would discharge these debentures as they fall due. That although the municipality passes its by-law for the appropriation of so much money, issues its debentures for that amount as the debentures fall due, it is anticipated the revenue from the scheme itself would take up the debentures and that in point of fact the municipality would not have to put up any cash.

Mr. Beck.—You would have as far as the distributing plant is concerned. We have nothing to do with the distributing.

Mayor Coatsworth.—You bring it to our door and leave it there?

Mr. Beck.—Yes.

Mr. Coatsworth.—Am I right in regard to the probability of the way the financial part will work out?

Mr. Beck.—It is anticipated that the debentures will be negotiated by the Commission and the Commission will then expend the moneys for the building of the works and it is anticipated the revenues from the work will retire the debentures as they fall due. The Government loans the money; you assume the liability.

A Delegate.—And the money will be repaid it is expected, by the benefit derived from the undertaking.

Mr. Beck.—Yes.

A Delegate.—The municipality as a matter of fact will not have to put up anything except for distributing?

Mr. Beck.—They would simply enter into a contract to purchase so much power, pay 4 per cent. on the moneys the Government expends on bringing it there and sinking fund to retire the debt in thirty years and the expenses of operating.

A Delegate.—Whom does it belong to?

Mr. Beck.—To the municipality. If the municipalities make the whole thing at the end of the thirty years they must not forget that the manufacturers have been receiving the benefit as well. The consumer is going to get the benefit of the investment at a very low rate of interest, at cost practically; therefore, he should pay sufficient to retire that debt at the end of thirty years, on the credit of the Government of Ontario and the town he lives in.

Mr. MacGregor.—A part that has been overlooked is that all the municipalities must go into it. Some will hesitate. All must go in to get the benefit of the price that the Commission have made, or nearly all. Toronto, of course, could go on and get their power and they could be quite independent of the municipalities between Toronto and Niagara Falls. Galt or Berlin could not do that. Outside of the large cities all the municipalities should make up their minds to go in and get the power at the right price.

Mr. Beck.—As the consumption increases the cost is reduced.

Mr. Coatsworth moved a vote of thanks to Mr. Beck and Mr. Smith. Mr. Sleeman seconded the motion. Both speakers expressed satisfaction at the valuable information received.

Mr. Beck.—That is what we are here for. It will be the fault of the municipalities; they will have themselves to blame if they don't secure all the information they require. We are here to work. We have means and powers available I think to comply with all that you have asked of us. It will be a matter now as to the success or failure whether you unite, work together and I think you will confer a great benefit upon the people you represent.

Mr. Hughes, Waterloo.—You spoke a little while ago in relation to the position of municipalities under the Conmee Act?

Mr. Beck.—Yes.

Mr. Hughes.—What position do they occupy now? Say the town of Waterloo; what position would we be in with regard to the plant Mr. Snyder has there?

Mr. Beck.—Yuu secure yuur contract, submit a by-law to the people. We put in the transformer station and the line for yuu. You have to distribute it. If there is an existing plant and they feel their interest will be affected, they will, I presume, offer their distributing plant. If not you will be able to go on and install your own plant.

Mr. Hughes.—They are not bound to purchase now?

Mr. Beck.—No, not bound. Why should you buy a plant that is obsolete when another order of affairs has come in. No doubt about it when a company sees you are going into the business and they have something valuable that will be valueless if you do, they will offer it. But you are not compelled to take it over.

Mr. Hughes.—Do I understand you to say that the present legislation will legislate the man's property right away from him; that the municipality can put in all sorts of plant and say to Mr. A. or B., take your old plant and do as you like with it?

Mr. Beck.—No.

Mr. Hughes.—Would it be right for the municipality of the town of Waterloo to enter into competition with Mr. Snyder? I don't believe the people of Waterloo would ever enter into any such a slow down agreement.

Mr. Beck.—It would finally rest with the Commission to say whether the old plant should be acquired or a new one built. They would see that no injustice was done.

Hon. James Young spoke at some length in defence of existing electric light and gas companies, urging that these companies were entitled to some consideration. He declared that due regard should be had for vested interests. He considered the legislation of last session of a very grasping character. There were difficulties he thought in the way of carrying out the scheme—among them the getting of municipalities united on a plan. Cheap electric power would unquestionably, in his opinion, be a boon to all manufacturers and the Dominion as a whole.

## REPORT OF COMMITTEE ON RESOLUTIONS.

That the municipalities here represented and such others who hereafter join desiring to co-operate in the getting of proper information regarding the Niagara power with the object in view of obtaining cheap power from that source through the Power Bill do form an Association for that purpose; and

1. That this Association be known as the Western Ontario Municipal Niagara Power Union.

2. That the officers of this Association shall be a President, Vice-President, a Secretary-Treasurer, elected from the Executive.

3. An Executive Committee to be composed of eight members elected by this Association.

4. The object of the Union is to secure the co-operation of the different municipalities interested in obtaining the purchase and transmission of electric power, through the Hydro-Electric Power Commission as provided in the Act to provide for the transmission of electric power to municipalities.

5. A quorum of the Executive shall consist of three members.

6. Place of meeting of this Executive shall be Galt or such other place as the Executive shall from time to time determine.

The report was adopted.

## RESOLUTION NO. 1.

That the municipalities here represented desire to co-operate in order to avail themselves of the benefits of the Act passed at the last session of the Legislature of the Province of Ontario, being an Act to provide for the purchase and transmission of electric power to municipalities, and for that purpose be it resolved that each municipality here represented, and such others as may from time to time join, do furnish to the Executive Committee as soon as possible an estimate of the amount of power it will require under the Act, or will use for public lighting, heating and power purposes; and also for manufacturing and other purposes; and that the Executive Committee be authorized to take all necessary steps to procure from the Hydro-Electric Power Commission of Ontario estimates of the various items of cost and other particulars under Section 6 of the Act, and to lay before the Municipal Councils full information as to the same

so as to enable the councils to submit to their electors by-laws to authorize them to enter into contracts with the Commission for the transmission of electric power, under the terms of the Act.—Adapted.

### RESOLUTION NO. 2.

Your Committee would recommend the following persons as an Executive Committee :

ALD. J. H. FRYER, President Galt Board of Trade.

E. COATSWORTH, Esq., Mayor of Toronto.

ALD. J. W. LYON, President Guelph Board of Trade.

ALD. R. F. MATTHEWS, London.

D. B. DETWEILER, Esq., President Berlin Board of Trade.

D. WOODS, Esq., President Brantford Board of Trade.

FRED. CLARE, Esq., Mayor of Preston.

W. A. BUTLER, Esq., Mayor of Woodstock.

Mr. Lyon, in moving that the above resolution be adopted, said : This Central Committee will deal with the Power Commission, find out all the ins and outs, form a plan, and present it to the different cities and towns. It will also have subsidiary committees—one in each group.

Mr. Lyon's motion was seconded by Mr. Shaw.

Mrs. Coatsworth requested a second reading of the resolutions, which request Secretary Goldie complied with.

Mr. Coatsworth.—Add to the first resolution "That the Executive Committee shall have power to call general meetings of the Union when necessary." Carried.

Moved by Controller Shaw, seconded by Mayor Butler, of Woodstock, that the names as read by Mr. Goldie constitute the Executive.

The meeting then adjourned.

## \*MEETING OF EXECUTIVE.

A meeting of the Executive of the Western Ontario Municipalities Niagara Power Union was held at Galt, July 24th, after the adjournment of the general meeting. The following officers were elected: President, Ald. J. H. Fryer, Galt; Vice-President, Ald. R. F. Matthews, London; Secretary-Treasurer, Ald. J. W. Lyon, Guelph.

The Secretary was ordered to secure from the Power Commission pro forma contracts for power users and municipalities to sign, showing amount of power required.

The Secretary was also asked to have a synopsis report of the general meeting printed and to mail the same to the various municipalities, enclosing also blanks for the various municipalities to sign, providing they wish to become members of the Union and stating whether they would be immediate users of power or not.



