

(December 27th, 1907.)

The Power By-Law.

ADDRESSES BY MR. P. W. ELLIS AND MR. W. T. WHITE.

PROCEEDINGS at a special evening meeting of the Canadian Club, at which the City Council of Toronto and the Electrical Development Company each provided a speaker to discuss "The Power By-law." Mr. P. W. Ellis spoke in favor of the measure, while Mr. W. T. White spoke against it. The President, Mr. John Turnbull, presided.

Mr. P. W. ELLIS, who was received with applause, said: *Mr. Chairman and Fellow Members of the Canadian Club,*—When Mr. Thompson wrote me some days ago, asking me, on behalf of the Mayor and the Board of Control, to be present here this evening for the purpose of talking upon the power question, I found it necessary to decline for two reasons. In the first place, I dislike public speaking, and, in the second place, this is an exceptionally busy time, and I was aware that I would be able to secure no time for preparation. But I was pressed again to-day in such a manner that I felt it a duty to do my part. I was told that I practically represented Toronto and its manufacturers on the Government Hydro-Electric Commission and had had the advantage of receiving my information at first hand. I was also told that my position as a member of the Niagara Park Commission enabled me to know something more than the average citizen concerning the situation. For these reasons I am here to-night to place before you the facts as I know them and the many valuable reasons for the earnest advisability of the passing of the power by-law by the citizens of Toronto in their own individual and civic interests. Owing to the fact that I have had no opportunity for special preparation, I fear my address may be somewhat discursive, but I shall ask you to overlook such shortcomings in view of the circumstances.

In order to pave the way for the discussion and in order that we may be fully informed on some of the general facts which the situation holds, let me say, at the outset, that there are at Niagara Falls three companies generating power. I shall name them in the order of their coming into being and commencing their work. First, then, there is the Canadian

Niagara Power Company, which may generate 100,000 horse power. At its head is Mr. W. H. Beatty. Its vice-president is Mr. A. Munro Greer, while other gentlemen interested are Mr. W. H. Brouse, Mr. Wallace Nesbitt, and Mr. Rankin. This company received its rights in 1898 and 1899. Then there is the Ontario Power Company, which was chartered in 1900, of which Mr. Albridge, of Buffalo, is the president. And in the early part of 1903 the Electrical Development Company, composed of our own Toronto citizens, received their rights.

At that time, owing to the fact that rights had already been granted, as I have said, to two other companies, a growing sentiment made itself apparent that the rights of Toronto and other municipalities throughout the Province should be protected in the face of the charters granted to these companies. It was felt that the great possibilities of Niagara power were drifting away into private hands, and a general public agitation developed, particularly in the industrial part of the Province.

Curiously enough, the very same session of the Legislature which granted incorporation to the Electrical Development Company created the Power Act, whereby the municipalities were given the right to generate, transmit, and distribute electrical energy. Under this Act the city of Toronto had and has the right to generate, to transmit and to distribute. Let me read you just here what the *Globe* said about the bill of the city at the time. In its issue of February 3, 1903, it said: "It is evident the city must make a good fight if its rights and the rights of other Ontario municipalities are to be preserved. The real influence that was exerted to defeat the bill of the city was because some gentlemen intended to organize a company and apply for the franchise the city was seeking." The *News*, of April 23, 1907, discussing the position, pointed out that the Electrical Development Company have no monopoly and that they were not the pioneers in the field. Said the *News* of that date of the Electrical Development Company: "Its franchise was obtained during a period of great public agitation and of strenuous resistance to the provisions which secured the company from Provincial and municipal regulation."

These extracts emphasize the fact that the company went into the enterprise with its eyes open. It knew that the people of Ontario had been aroused on the question of Niagara power and that they had been aroused to some purpose. The company went deliberately into its investments with the full know-

ledge that the municipalities had the right to enter into competition with it and had been given the right to generate and transmit power for themselves and distribute it to consumers. The company was aware that the people of Ontario were aroused and determined to maintain their privileges.

So let us be frank and honest over these things. We are here, if we can, to clear the air on these matters, to consider the facts seriously, as serious-minded men, and to do injustice to no one. It has been charged that, if the by-law passes, the Electrical Development Company is to be practically deprived of that which brought it into existence, that the credit of Canada is to suffer and that the bondholders are to lose their money. I don't take that view. No one wants to see these gentlemen suffer, but rather to receive the fruits of their industry and their enterprise. If they enter, as they may, into competition with the public service, it will be a healthy, stimulating competition, in which they will have this advantage: They generate their power and consequently secure it at cost. The municipalities buy their power—or the Government does for them—and they have to pay the generating company's profit. From such a competition the people will greatly benefit and the shareholders will not suffer. Sir Henry Pellatt, in 1906, in his letter to the British press, stated that by October of the same year the company would have 50,000 horse power ready for sale, and would receive therefrom in net profits considerably more than \$800,000, sufficient to pay the interest on the bonds twice over. The money would pay for the installation of 100,000 horse power, and the remainder of the proceeds would be added to the reserve fund and applied to the common stock. Lately, too, they have received permission from the United States to export 45,000 horse power.

In an anonymous pamphlet which has been circulated far and wide throughout the city during the past few days, it is charged that an American company is dumping power into Canada. This is not true, in fact the reverse is the case. As a matter of fact, it is Canadian power that is being dumped into the United States. This power is generated in Canada. The company's rights were secured from a Canadian Government. It is amenable to the laws of Canada, and its employees are residents of Canada. This, I believe, applies to all three companies. We manufacturers say when an American factory establishes its plant in Canada, does its work here, engages Canadian labor, it is to all intents and purposes a Canadian company. If the Ontario Government made purchases from

the Westinghouse Company of Hamilton or the General Electrical Company of Toronto, it would not be charged with patronizing an American—or United States—concern. Thus it is with the Niagara power companies. As far as they are concerned we see no difference between them. They might be German, or Dutch, or French, or English people at their head, but when they locate in Canada and spend their money here, they become, to all intents and purposes, a Canadian company. Canada welcomes capital into this country of great possibilities, no matter where it comes from. I was exceedingly sorry to read the apparently sneering remarks made concerning the Ontario Power Company. They have proved themselves worthy citizens. They have been eager and desirous to beautify the Falls. They have taken special pains to co-operate with the Parks Commission in beautifying the Park. Let me give you an instance to show the character of this company in relation to Niagara Falls Park and its surroundings. Under their agreement they had the right to erect an elevator at the Falls adjoining the Park property, and, though the plans were prepared for a building of handsome design, such as would meet with approval from the eye anywhere, it occurred to the Commission that it would be a splendid accomplishment if we could persuade them to build it elsewhere. So we approached them and put the question, "What will you ask, instead of building here, to tunnel through the rock?" General Green, who represented the company, met us promptly. "Five thousand dollars," he said. "Done!" we cried at once. And that tunneling project eventually cost the company over \$50,000, while \$25,000 more went into the building. In this way the company has sought to meet our wishes in keeping the district beautiful.

Another accusation has been made during the course of this campaign that I should like to clear up here and now. It has been stated that the company had no intention to supply Canadian customers. Now I have been told by the officials of the company that it was their intention to build transmission lines seeking for the business that was sure to come. Moreover, there is a clause in their contract providing that half the power generated must be supplied to Canadian customers. The point is this. We see the growing public sentiment that says we must own our own trunk telegraph and telephone systems. These we have allowed to pass out of our control, and if ever we want them we shall be called upon to buy them back. What then about Niagara power? That question confronts us now.