

MR. R. J. FLEMING WRITES TO SIR ADAM BECK

Mr. R. J. Fleming yesterday forwarded to The Globe the following open letter:

Electrical Development Company of
Ontario, Limited.
Toronto, March 26, 1917.

Sir Adam Beck, M.P.P., Chairman
Hydro-electric Commission, To-
ronto, Ont.:

Dear Sir,—At one time or another you have made many statements about the Electrical Development Company, all of which have been ignored. Presuming upon that experience of our forbearance, it may be that you suppose the remarks made by you from your place in the Legislative Assembly upon the 20th instant will be similarly passed over. That, however, would be going far in the way of presumption, for those remarks are so outrageous, they are so ruthless an onslaught upon the business honor of myself and the company I represent, that to treat them with silence would be to leave us in a shameful position. I therefore send you this letter.

As a member of the Provincial Legislature, taking part in the proceedings there, you have used your position to influence the public to the detriment of private corporations, carrying on business in competition with the Hydro-electric Commission. There is no one in that Chamber to present the facts in behalf of those companies.

You have based your charges on the interpretation of a contract between the Electrical Development Company and the Commissioners for Queen Victoria Niagara Falls Park, representing the Ontario Government. This agreement is dated in 1903, and defines our rights to the use of the waters of the Niagara River. We would be willing to have this agreement interpreted by the courts. We have sought upon more than one occasion to bring the agreement into court for an interpretation. You, however, have consistently refused to have any other interpretation put upon our agreement than an arbitrary one made by yourself or your Commission. On the basis of this arbitrary interpretation you have accused me or the company of which I am Manager of stealing water from the Niagara River. This is a very grave charge, and in defence of my company I beg to present the following facts, which facts are susceptible of proof before any impartial tribunal:

(1) You are quoted as saying, (referring to the company of which I am General Manager): "We found them stealing."

The facts are: Neither you nor your officials found anything.

We keep daily records of our plant operation. These records are on file for inspection at any time by the Government's representatives, and always have been. At the request of your Commission we gave your representative certain information that he asked for about our plant operation.

(2) You say—"Without notifying anybody or asking permission of anybody they have used the reserve equipment for the purpose of increasing the amount of power generated. Investigation by the Government official had shown that the Electrical Development Company had broken the agreement every month since June, 1916."

The facts are:—The agreement under which the Electrical Development Company has its rights is with the Commissioners for Queen Victoria Niagara Falls Park, and was ratified by the Government of Ontario in 1903. The Government of Ontario is represented by this Commission and their inspector has access at all times to our plant and makes frequent and regular inspection of our load and operating conditions. Our charts are regularly read by them and have been since 1906, and during the period "since June, 1916."

In addition to this each month we send a sworn statement to the Department of Inland Revenue at Ottawa showing the power output of

the plant for the previous month.

Neither of these Governmental departments has ever even suggested that we were exceeding our legal rights.

On February 12, 1917, we were notified by the Hydro Electric Commission that the Government had created the anomaly of appointing you, our main business competitor, as inspector, under the legislation known as the "Act to regulate the use of the waters of the Province of Ontario for power purposes." By this power given your Commission you override the International Waterways Commissioners, and the Queen Victoria Niagara Falls Park Commissioners with whom we have our agreement, and without a hearing of any kind, without any adequate knowledge of the facts, you publicly pronounce judgment on us and charge us with stealing water.

(3) You are quoted by a newspaper as saying that we had written Ottawa—

"In connection with a license to export power, stating that the power they were exporting was surplus power made by a steam plant for the purpose of supplying customers in the city of Buffalo. That surplus power had not been developed in a steam plant at all, but had been generated from the water stolen by the Electrical Development Company."

Another paper quotes you as follows—

"Taking up the statements made by R. J. Fleming in their letter to the Inland Revenue Department, in regard to the position of the Electrical Development Company, Sir Adam went over them one by one, branding them as incorrect and misleading, particularly the claim that they were only exporting 30,000 horse-power, the equivalent of what they generated in their steam plant. The steam plant, said Sir Adam, developed only 15,000 horse-power."

The fact is—

We generate in our plants at Toronto 28,150 horse-power; in addition to this our storage batteries can give us 10,000 horse-power more, making a total of 38,150 horse-power available for peak load conditions.

(4) You are quoted as saying:

"He branded as incorrect the statement that they had offered to supply power to the Hydro at a lower rate than they were receiving for power from other people. They had asked the Hydro for \$13, and they are now selling power for delivery in the city of Buffalo at practically that rate."

The facts are—

In reference to the contract with your Commission and the rate charged the Hydro of \$13 per horse-power year, the evidence will show that we urged you to take the 16,000 horse-power for a five, three or one year period. You positively declined to take it for a longer period than six months. We believed your decision as shown by your letters and communications was final, so sought a purchaser for this power to take effect at the expiry of your contract. This we succeeded in doing, and the rate obtained was \$16 per horse-power year, or an increase in our revenue at the rate of \$48,000 per year.

The further facts are—

My statement to Ottawa was as follows:

"The power we are exporting (at present about 30,000 horse-power) is merely the equivalent of the output of our steam plant at Toronto, but for which we would be unable to export any power at present, owing to our contracts in Canada. We are the only generating company at Niagara owning a steam plant."

We quote further from our letter of January 8th to the Department of Inland Revenue, Ottawa, on which your remarks were based:

"We are the only Niagara plant selling in Canada power totaling 100 per cent. of the nominal capacity of our Niagara generating plant, which we do by reason of our steam plant."

"In the second place, we desire to point out that we are under no obligation whatever to supply the Hydro-electric Commission with power to