

commission—one a member of this Government—and we are said to be deceiving the people. As to that, we are glad to stand on our record. But mistakes may be made, and I ask nothing better than to be shown those mistakes before they are made."

#### Can Sell or Scrap.

Sir Adam made no apologies for what had been done by himself and his colleagues in power development at Niagara. The work there, when completed, would, he said, be a credit to the continent of North America and a source of untold satisfaction to the people of the Province.

"If you want to, you can sell out to the Americans at a good profit," he declared. "Or you can jeopardize the whole system by following the suggestions of the report of this committee. By following that report you could in a very short time scrap the system, and, meantime, you would be making 'scraps of paper' of contracts made by you with companies that were acting in good faith."

Regarding the proposal of the investigating committee that the Hydro-electric system be taxed as an ordinary corporation and that a super-tax be put upon urban power consumption to bonus the distribution of power in rural areas, Sir Adam was outspoken and emphatic.

#### Selling Product at Cost.

"We are not a company making money," he stated. "We are selling our product at its actual cost. If you tax us, you simply take your money from one pocket and put it in the other. In New York companies are not paying a dollar of rental, nor do they pay a cent of duty on the equipment they require to use.

"Quebec is offering free sites for industry, and Ontario is proposing to tax—yes, super-tax. I warn you, gentlemen, you are jeopardizing the whole future if you do this. It is not in the interest of municipalities to tax them in respect to Hydro."

Touching upon the surcharge on urban users, the Chairman of the commission was no less explicit.

"What does this mean for this city of Toronto alone?" he asked. "It means that the city of Toronto cannot possibly take over this company it has decided to take over—nor could we justify its so doing—if you put on this two-dollar super-tax. Why, it would mean \$240,000 super-tax to Toronto! I am sorry to say that publicly, but I have to do it."

#### History of Achievement.

The Chairman of the Hydro Power Commission spoke for nearly three hours, and had for an audience some sixty or seventy members of the House, including most of the Cabinet and the Leader of the Conservative group. In response to a query by Mr. Halcrow, Labor, Sir Adam began his address with a review of the inception, growth and development of the Hydro-electric System from 1900 to the present day. This portion of his remarks consumed almost two hours, and it was in response to definite and repeated suggestions by Premier Drury, Hon. Peter Smith and Hon. Howard Ferguson that he finally turned to the original cause of the conference: the report of the Legislative committee appointed to report upon the distribution of Hydro-electric power.

#### A Municipal Enterprise.

From its inception, the speaker stated, the Hydro-electric enterprise had been regarded as essentially a municipal one. The act had been worked out so that the municipality would have no say whatsoever as to administration, but would be entirely responsible in a financial sense. The commission was, in effect, the trustee for the municipality and held a lien upon all property connected with Hydro enterprise. In its coming legislation, Sir Adam said, the H.E.P.C. had "the most extraordinary powers ever given to any public commission I ever heard of."

"The users of power—and there are now 264 municipalities using Hydro power—are paying for the service," he told the members. "You

are not paying for it; the taxpayers are not paying for it; you are not giving a bonus. Up to date the Province has not contributed one cent to this scheme in the way of assistance, beyond that in preliminary investigations."

#### Premier Gets Information.

Premier Drury—How much has been paid by municipalities toward the redemption of money loaned by the Province?

Sir Adam—About \$17,000,000.

Premier Drury—How much has been borrowed from the Province by the commission for Hydro development?

Sir Adam—I haven't got the exact figures. They are in our annual report.

Premier Drury—What is the amount of interest met by the Province due to the deferred sinking fund provision?

Sir Adam—We pay the interest from the date we get the bonds.

Premier Drury—If by any reason, now unforeseen, you fail to collect by power rates, is it feasible for the Province to collect in any other way?

Sir Adam—Yes. It is absolutely up to the commission. We are your appointees, and if we didn't institute suits and make collections it would be up to you to appoint men who would.

Premier Drury, following up his point of Provincial liability in case of failure of any Hydro enterprise, cited the losses incurred by the Province because of the municipal loans guaranteed by an earlier Administration. In view of that experience, he asked, would any system of collection by the Government be feasible?

#### Matter of "Good Politics."

"It may have been good politics to have done what they did with the municipal loans," replied Sir Adam. "I doubt if your Government or any other Government to-day would violate their trust. As long as a municipality is sound, it is all by the way to say that it may default. Anyway, this matter is different from municipal loans. Here we have a monopoly of a product. These municipalities have got to buy from us. You have a lien on all the property involved and the financial burden is directly on the municipalities."

Answering a question by Mr. Casselman, regarding the sums received by the Niagara Falls Parks Com-

mission from rentals charged upon companies generating power in that area, the Chairman of the commission flatly differed from the inferences drawn by the report of the committee.

#### Challenges Report.

"I declare that there is a total collectable revenue accruing to this Province of \$327,000," he said emphatically. "You can get every cent of that. It's not the fault of the commission if you are not getting it. Either there is gross carelessness in collecting the rentals or the statement in this report is incorrect."

Mr. Cook—I submit, Sir Adam, that the statement you are quoting from the report is your own reply to one of seven questions submitted to you by the committee.

Sir Adam—It is incorrect. You can get every cent of that.

#### Power on the Farms.

Regarding the extension of rural power lines, the speaker stated that little of this had been done during the period of war, when costs were at the peak. Frankly, he said, he did not recommend it as an economical investment unless a farmer were prepared to make full use of the power; for lighting alone, it was a somewhat expensive luxury. Six to eight hundred farmers, however, were using it and would pay two or three times the present charge to retain their service.

Questioned by Hon. Mr. Ferguson, Sir Adam outlined the one way, to his mind, whereby farmers might reduce the cost of installation and equipment. This lay in co-operation, he said. Let farmers buy the necessary materials in bulk lots; let them cut, haul and "spot" the poles; let them dig the holes and, to a large extent, erect their own lines. In many instances in the Province, farming communities had refused even to provide board for Hydro workmen, thus greatly enhancing the cost of their own line, in that the workers had to board in the villages and be transported daily to and