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# POWER DEVELOPMENT IN NORTHERN AREAS QUERIED BY LYONS

Thinks Paper Mills and  
Mines Might Finance  
Own Electricity

## DEFENDS VOTERS AT 'SOO'

The wisdom of the Ferguson Government developing water powers in Northern Ontario for the purpose of supplying paper mills and large mines with electric energy, was questioned in the Legislature yesterday afternoon by Hon. James Lyons, Conservative member from Sault Ste. Marie, and former Cabinet Minister of that Government.

And not only did Mr. Lyons spring a surprise on the House by taking this stand, but he also defended, at length, the action of the voters of Sault Ste. Marie who turned down the Hydro Commission for the Great Lakes Power Company.

Mr. Lyons made it clear that he was no enemy of Hydro. He declared himself to be an ardent supporter, but he wanted to tell the House, frankly, his personal views of certain affairs involving power developments.

### Able to Finance Own Power.

"I question," said he, "just how far a Government really ought to go in the development of water power in Northern Ontario for the purpose of supplying paper mills or large mines with electric energy. They are large institutions and the Province gives them power at cost, and finances those institutions by developing power for them. I question whether the Province is justified in going to that extent." Those strong, powerful organizations, he felt, should well be able to finance their own power development.

He emphasized that there was an interesting phase of the Government extension of electric power to mining companies. "If," he said, "Hydro develops power for a mining company and carries it 30 or 40 miles, somebody must be responsible for it." And he believed that under the existing laws the responsibility fell on some municipality traversed by the lines, and if the mining company ceased to operate, that municipality would be shouldered with the power load.

### Cites Instance.

He knew, he said, of two different cases of mining companies served by the Great Lakes Power Company which should be considered with regard to this particular point. "One power line," said he, "was extended 40 miles to the Goodreau Gold Mine, which didn't use the power more than 30 days when it failed, and there has been no renewed effort. The cost of that line was \$130,-

000. The Great Lakes Power Company took all the responsibility. If that had been a municipality, it might have been a serious matter."

Mr. Lyons first touched on Hydro matters by denouncing the reports that the people of Northern Ontario were anti-Hydro. "The people of the North country," said he, "are in sympathy with Hydro and strongly support this Government in the developing of water powers by the Hydro Commission."

"Have the people of the Sault changed their minds?" Hon. H. C. Nixon (Progressive, Brant) interjected.

"I'm glad you mentioned that," Mr. Lyons retorted.

"Well, tell us all about it," Mr. Nixon shot back.

### Mr. Lyons Explains.

And so Mr. Lyons did. "The situation," said he, "wasn't that the people of the Sault were trying to oppose Hydro. Scores of people voted for Hydro because they were loyal to Hydro, though they knew the other proposition offered them was a better one."

"Ha, ha, ha," an Opposition member laughed derisively.

"And," Mr. Lyons continued, "if the Government wants to develop water powers it will get the support of the people of Sault Ste. Marie."

He went on to say that he thought he could convince the House that the voters of the Sault had taken a logical position in what was termed the power fight there. And so he reviewed the development of electric energy at the Sault from the days when the town went bankrupt trying to carry on the initial development, up to the present. And in the recent power fight the question centred on the possible development of 100,000 second cubic feet.

### Favors Great Lakes Offer.

"And I think," said Mr. Lyons, "that the proposition of the Great Lakes Power Company was the most advantageous for the Sault, and this was proved by the vote."

That power company, he said, offered to continue to supply the city with 4,000 horsepower at \$22, and additional horsepower at \$20. The Hydro would supply power at \$17.16. But this Hydro offer, he said, was on the basis of 10,000 second cubic feet developed, or approximately 12,000 horsepower; and the city would be obliged to take that for 40 years, and pay continuously for the full amount of 12,000 horsepower at the \$17.16 rate. The city, he pointed out, required only 3,500 horsepower in continuous service at any time, and so when the cost of this at the Great Lakes rate was compared with the cost of the 12,000 horsepower at the Hydro rates one could see that it was advantageous to the city to take the Great Lakes offer and not be obligated.

Moreover, he said, the Great Lakes Power Company paid the city \$50,000 a year in taxes, and the city paid the company only \$61,000 a year in power rates. Also, people of the Sault thought that the Hydro might take away from the Great Lakes Power Company the power it had, and that the city would lose that \$50,000 revenue, and that this was perhaps the outstanding reason for the vote against Hydro.

### Differences in North.

Mr. Lyons emphasized that the people of the North country were in a different position from those in Old Ontario, when it came to Hydro matters. In the newer sections of the Provinces there were not the closely related municipalities to shoulder the burdens and make possible developments as were found in the old sections of the Province.

"You people down here," Mr. Lyons declared, "are in a happy position. Hydro is a good thing for you, and you can make a good thing out of it."

Then he referred again to the power fight at the Sault, and objected to the "insinuations that the Sault people have tied themselves to a great American corporation."

"A great deal of the stock of the Great Lakes Power Company," he said, "is held by Canadians. And so far as Mr. Insull is concerned he is a British subject. He was born in London, England, and came to the States years ago. I met him only once, but on that occasion he said that he was a British subject still, and that a British subject he intended to remain. And so far as this great corporation is concerned, you are dealing with your own flesh and blood, for he is still a British subject."