

Mar. 2.

form of bonds, or some tangible evidence of that debt. The only thing that the Province has to do is to see to the integrity of the Hydro-Electric Commission; to see that this great institution is not prodded around by men who don't know the first thing about it—so that those men cannot, with political counsel, conduct a fishing expedition."

"Hydro," he said, "is on a fairly sound basis. The interest of this Government is to see that that condition continues."

#### Says Criticism Is Welcome.

"No one," he went on, "welcomes criticism more than this Government. We want sound, constructive criticism. Much of the criticism that has been levelled against Hydro is from the member from Ontario South and the member from Brant." The Minister went on to cite remarks made in the course of the debate by W. E. N. Sinclair and Hon. H. C. Nixon.

Mr. McCrea asked whether it was bound to have in the House a Liberal Leader "who thinks that the question of the position occupied by Mr. Meighen should have a place in the debate." Mr. Meighen, Mr. McCrea stated, is presenting the picture of Hydro to the public, but "he finds it difficult," he declared, "to sit silent and hear false stories put out."

Mr. Sinclair—You and I are of different opinions. I submit that we should adopt our power to the benefit

of Ontario, as Quebec has adopted its own.

Mr. McCrea—What is that?

Mr. Sinclair—I intend to speak probably two or three hours on that when I get a hearing.

#### Dr. McQuibban Speaks.

Speaking of the members of the Hydro Commission, Dr. McQuibban said that C. Alfred Maguire must be assumed to have "straddled the goat and received the password into his most natural haven." Senator Meighen, he said, is not, because of his position as Senator, able to attend to matters which must daily make necessary consultation and co-operative judgment.

"I do believe," he said, "that many of the pitfalls into which Hydro has tumbled have been the consequence of abortive judgment and failure to appreciate public opinion. I do not think that any man can carry on a dual responsibility of such magnitude as Mr. Meighen's and believe he should relinquish one or the other post."

"Hydro," he declared, "was on trial in 1910. The market then was limited for many reasons." He added that the Commission had acted wisely in feeling its way and in not thrusting financial responsibilities upon the people before success was assured.

After summarizing the beginning of Hydro, Dr. McQuibban said: "These contracts became due owing to increasing demands for power. Last session the Chairman of the Commission remarked that I didn't know much about Hydro. I admit there was much to learn so far as the safety of this great enterprise was concerned."

#### Unaware of Pamphlet.

Of the Chicago pamphlet he said: "Most certainly the yellow pamphlet has never contaminated the pure ideals of this sturdy group, and I do not hesitate to say that not a single member even knew of its existence."

"Recently a much excited and alarmed Commissioner, Mr. Maguire," he went on, "stated at the Ontario Municipal Electrical Association that the inactivity of the Ontario Power and Toronto Power was due to the fact that it was more economical to put the water through the Queenston plant, because of a great head. Mr. Maguire then continued by pointing to other criticisms, saying cessation of operations occasionally by the Niagara Falls plants was used by some critics as a reason for attacking purchase of power outside the Province. Yet, he pointed out, they never explained that the Commission, under joint treaty, could only divert certain volumes of water at Niagara Falls, and that it was economically sounder to use this at the Chippawa plant to obtain greater power development."

"I wonder if he was really serious, or was it a last desperate stand? If his contention is correct, then we have an investment of some \$34,000,000 in these two plants which is of little value," he went on, "the Ontario Power and Toronto Power. While they are idle the power flows in from Quebec."

#### "Bold Gesture" Alleged.

"It is nothing but a bold and questionable gesture to allay suspicion that all is not well at Niagara," he continued. "By international treaty Ontario has been allotted 36,000 cubic feet per second, and it reads, according to Hydro literature, 'not exceeding in the aggregate a daily diversion at the rate of 36,000 cubic feet per second.' The full meaning of this is permission to conserve water during off-peak periods, to accomplish peak-load capacity by operation of all three plants, with an average diversion. The Canadian Niagara Power Company has a water diversion, but we receive 20,000 horsepower from their plant and reached a 22,000 peak last year, or 1930."

"Operating to its last kilowatt-hour capacity, the Queenston plant cannot utilize nearly all the water available, even without conservation," Dr. McQuibban stated. "Some 18,000 cubic feet a second is its complement. The flow of Niagara is uniform and constant and is 210,000 cubic feet per second and only 50,000 is diverted both by the United States and Canada. This gives the necessary latitude to create a daily average within the bounds of treaty. Therefore, I claim that we can utilize our own plants to peak capacity during peak demands."

"By conserving the allotted water, as I have pointed out, during off-peak load and keeping within its average, we can make the turbines of the three big plants hum and give their peak services to the Niagara system and can add to its local distribution by curtailing its export momentum."

#### Figures Are Presented.

"Let's figure this all out," Dr. McQuibban continued. "The total available on the Niagara system in 1930 was 1,170,000 horsepower. Deducting Gattineau, which is 250,000 horsepower, we have 920,000 horsepower to meet 867,963 demands, and, as I shall prove later, there was an item of 61,500 horsepower of surplus exported in 1930. Now, 867,963 minus 61,500 gives us a total of 806,503 horsepower, and 920,000 of Niagara production to meet it, and they call this scarcity; and then we have in the offing Beauharnois with 250,000 horsepower."

"If you visit Niagara and Queenston there seems to be a vast difference under present conditions," he went on. "The system, with its high-tension lines, receives large blocks of power from the contracts already in operation, and makes it unnecessary to keep our own plants busy."

"The great problem of peak power lies in the diversity of demand," he said. "It is not conceivable that all users ask for peak requirements at the same time, or for prolonged periods. The varied industries and varied types of domestic service indicate a wide range of peak distribution, and most surely at Niagara the control of water allotment and export to conform with peak demands is an established fact. The fact and truth is that the vast quantity of this class of power flashes along the export wires in broad daylight, and, in a measure, double, and almost treble, the contract of Ontario Power Company at different periods during the past few years."

"These are extremely serious matters, and the end is not yet," Dr. Mc-

Quibban stated. "I have no doubt that my honorable friend will hurry and procure figures with which he will attempt to disprove these statements, but what, I say to him, is to produce the files, not for one day or one month, but some years, since the hue and cry of scarcity left the pure ideals of Hydro far in the rear, and allow an investigating body to analyze the story."

#### Visits Paid to Falls.

Declaring that he had paid lately three visits to Niagara Falls and Queenston, Dr. McQuibban said: "We are signing contract after contract to buy power from Quebec, and that is power which is taking the place of power which is being exported in broad daylight from here to the United States." This power was being exported, he said, between the hours of 7 in the morning and 6 at night.

"This surplus power is the amount exported after the long-term export contract is deducted, and so, at one and the same time, we have a scarcity and surplus on the same system. This surplus export in 1930 was 61,500 horsepower," he continued.

#### Destruction Feared.

"The powers that be in this Province are rearing their towers to heaven across the boundary. The Mecca of their faith is the scarcity-doped Province of Ontario. They have built Gattineau, and are driving to operation Chats Falls, Beauharnois and MacLaren to connect with the friendly wires of Ontario."

"What is the result? It has closed the Toronto Power Company, has crippled the Ontario Power Company; it has entered the stronghold of Queenston, impelling semi-idleness of its big units. They say that we criticize Hydro. God forbid that we should stand idly by and watch the destruction of our entire system. We haven't a single cent of equity in the whole thing."

"And, though our own individual plants in Ontario may idle away their time, this imported power must be taken according to contract, and thus keep these power concerns in constant operation."

"At the same time, we pay for it whether we use it or not, and pay for it at the bid of Wall Street, which must necessarily, at the rate of exchange, cost the Hydro users of this Province a vast sum in one year's time," he declared.

#### "Patriotic Blindness."

"This is financial foresight on the part of the Power Corporation," Dr. McQuibban went on, "and patriotic blindness on the part of our Hydro-Electric Power Commission. We exported in 1930, 108,750 horsepower. We imported 250,000, and paid for it, from Gattineau alone, and used 100,725 horsepower out of this 250,000, and still we are faced with the necessity of fulfilling our contracts, which have been signed for some forty years."

"After one reads this statement, and compares it with the predicament the Commission finds itself in; when it has to settle in cold, hard gold dollars for its Gattineau contract for American power, one wonders just what it all means," he went on. "I haven't any doubt that, in reply, the statement will be made that it is a peak condition which we have to consider, and that we must necessarily provide for this peak. We have seen that we actually use only one-half which can be developed from Ontario's own plants in one year, and our peak danger point can be well handled; yet we go into the market and buy almost one million horsepower to control a peak load over a short period of time, and with these contracts, entailing a settlement in full, and not according to what is actually used. These contracts have involved Hydro users to the extent of nearly \$600,000,000 in the space of the next 40 years."

"The fact remains that we could have built a peak plant operated by steam and had plenty of money left to subsidize rural lines to the farmers of this Province by using only the funds so recklessly handled," he declared. "It is an absolutely vicious principle to supply the peak load of this Province by huge purchase of power contracts over long periods. If this Commission had been as diligent about its own welfare, the St.

Lawrence long ago would have been a reality.

#### Suggestions Advanced.

"The purchase of the Madawaska and the Dominion Power interests are also under fire, but the policy of complete control could still have been operated under the circumstances which would have led to a continued faith in Hydro and have undoubtedly saved tens of millions of dollars to the people," he went on, suggesting that space units be installed in our plants to anticipate trouble, and facilitate repair and so enable plants always to report at peak form; that there be conservation of the water at Niagara to permit the daily diversion being maintained and also establish peak detail in all our plants; that export should be abandoned which is not bound by contract—"abandon all this political bantering and political bunk which is put forth to explain delay in the St. Lawrence and other water sites," he said; that the Province acquire the available developments which can be linked up with our distribution; that it develop its own resources; that the Province, if necessary, establish a steam or fuel plant which could assume the role of an emergency and peak factor and could be financed by the funds now wasted in buying surplus power."