

MEIGHEN WARNED NOT TO SERVE HYDRO CHAIRMAN ALLEGES

Hon. J. R. Cooke Alludes to
Mysterious Message
From Friend

ASSAILS POWER CRITICS

Annual Report of Hydro
System Is Presented
to Legislature

Deprecating 'anti-Hydro propaganda,' the modern aspects of which he likened to the written and verbal assaults upon publicly owned power inspired by the National Electric Association of the United States, Hon. J. R. Cooke, Chairman of the Ontario Hydro-Electric Power Commission, startled the Ontario Legislature yesterday with the declaration that Right Hon. Arthur Meighen, one-time Prime Minister of Canada, and now Leader of the Senate, as well as Hydro Commissioner, had been warned: "Don't go upon that Hydro Power Commission, or they will get you."

Choosing a time in Legislature business procedure when he deemed his utterances would be received as non-political, the Hydro Chairman revealed a growth in Hydro reserves to \$69,000,000, an increase in reserves for municipalities to \$60,000,000, and a total capital investment by Hydro and the municipalities of \$400,000,000 as at the end of 1933.

Significant mention was made of the "Doherty luncheon" in 1932, at which the host was one who was represented by his friend, associated with him at the luncheon, as being employed as a lobbyist by United States power interests.

Sequence of Events.

"Now I believe that those interests denied it, but I say no adequate explanation has ever been made of the strange proposals that were made at that luncheon, and I just want to direct your thought—and keep the sequence of events. I have said this attack on Hydro was initiated in this House in March of 1931. These events all preceded any exposure in regard to Beauharnois developments at Ottawa, but just previous, in the first of June, 1931, the Hydro Power Commission was being reorganized.

"Senator Meighen—not then Senator; his name was in the public mind; he had not yet been appointed—to him, I have been told, a message by a mutual friend was sent: 'Don't go upon that Hydro Power Commission, or they will get you.' Now, who the mysterious 'they' were I do not know. But I may point out that this Hydro attack was just being made at that time. Mr. Meighen was a man of outstanding ability. The Commission was being reorganized. And that was the message that I am told was sent to him, and the man who told me would be believed by every man sitting in this room today. I don't know whether it had any significance or not, but I have been told that previous to that attack being initiated in this House three years ago, Mr. Sifton was at different times in communication with those who were making the attacks. And, whether it is of any special significance, you will remember this: that back in 1928, before these contracts were made for power, there was an application before the House at Ottawa for the renewal of the Georgian Bay charter, in which the supposed rights as to the development of power and the municipalities of this Province organized in protest against it."

Expressing the view that he had

been extremely patient under three years of criticisms based upon what he insisted was either ignorance or misinformation on the part of his critics, he demanded to be told how any organization could present to the public the successful balance sheet that Hydro today was presenting in its annual reports if it had not had honest and efficient management. He failed to understand, he said, how public men could choose to be associated with the assailants of an organization which was saving scores of millions of dollars annually to Ontario citizens.

Just once he mentioned the name of Ontario Liberal Leader Mitchell F. Hepburn, when he accused that gentleman of submitting anti-Hydro statements, not only at variance with the facts, but at variance with each other. He looked through his papers for the purpose of displaying what he alleged to be one glaring example of Hydro misrepresentation, but failed to find it, and rushed through the remainder of an hour and a half's speech, to conclude before 6 o'clock.

The Hydro chieftain chose the ten-year period since the advent to power of Hon. G. Howard Ferguson upon which to base statistical contrasts. For it was that decade, he said, concerning which principal criticisms were being made. And his statistical presentation showed that over 70 per cent. of Hydro's \$129,000,000 of reserves, as between Provincial and municipal bodies, had been built up.

He spent some time in an effort to refute the contentions of the critics who opposed the purchase by Hydro of power from private corporations, declaring at the conclusion of his power review: "The total commitments you have for all time to come is but 280,000 horsepower, and the day is not far distant when these persons will realize the wisdom and vision of those who made these power contracts."

His power review showed the eastern and northern systems bereft of reserve power, and only the Niagara with an unutilized store for new industries. Did the anti-power-purchase spokesmen, he asked, desire to have Ontario industry electrically rationed, so that a five-year notice of industrial power necessities would be required before power could be supplied?

Similar Attacks Alleged.

Mr. Cooke believed that "similar attacks" against Hydro have continued up to the present time, and read from recent publications to prove his point. He granted that, "it is quite possible that in some instances the injurious propaganda still being issued against the Hydro undertaking is not sponsored or paid for by private power interests, but results either from a reckless disregard for the welfare of Ontario citizens on the part of irresponsible, or, conceivably, from prejudice that closes the eyes of otherwise well-meaning persons to obvious and undeniable facts." Nevertheless, the Commission was aware that an anti-Hydro organization, which in the past had spent much money in its fight, was still operating, although under another name.

The Chairman warmly defended Hydro's rural service, remarking the advances made within the ten years on which critics were concentrating. In that time line-mileage had increased from 605 to 9,000, and customers from 7,700 to 62,000.

He noted recent statements from Opposition sources to the effect that Hydro's power reserves were large beyond reason. But neither the Eastern Ontario nor the Georgian Bay systems had any power to spare, and the sole reserve of 280,000 horsepower was in the highly industrialized Niagara system. The future had been estimated on power from the St. Lawrence development, "But can any one guarantee in the face of present conditions that you'll get it?"

Closing, he said: "The day is not far distant when the people of this Province will realize the vision and wisdom of those who made the Hydro contracts."

Report Tabled.

Mr. Cooke tabled in the House the Commission's report for the year just closed. The report stated that "load conditions and finances have materially improved during the latter part of 1933.

"The load supplied to the municipalities reached the lowest point since 1929 in February of 1933, and, further, the loss of large loads due to the curtailment of operations in the electrochemical and metallurgical industry materially affected the revenue of the Commission during the year. The loss of load was regained during the summer, and in the fall showed an improvement of the order of 10 per cent. over the previous year, with a gain in electrical energy of from 6 1-2 to 25 per cent., the latter figure including secondary power.

Additional Loads for New Uses.

"The Commission, in view of such circumstances, and the continued depression in industry, has been actively engaged in securing additional loads by new uses, and inaugurating a campaign for the use of electrical energy for the heating of water for domestic purposes, as also in the supply of power for the generation of steam for process purposes. This will result in an increase of revenue to the system by over \$1,500,000 per annum, which, however, could not be realized in sufficient time to affect the revenues of 1933.

"During December, the Commission supplied on all systems the largest load in its history to the municipalities and its customers. For all systems the electrical capacity at the end of the year was 1,893,000 horsepower, capable of supplying commercially continuous service for a peak load of 1,704,000 horsepower. The sum of the actual system peak loads of all systems was 1,521,472 horsepower, which includes the sale of secondary power and coincident peak of 1,514,040 horsepower.

"The firm power for which the Commission was under contract to maintain capacity available was 1,295,000 horsepower, and the special reserve power essential for the resumption of industrial operations and re-employment in Hydro municipalities was 410,000 horsepower.

"On some systems, not only was all of the commercial peak capacity utilized during the peak load, but even a portion of the minimum reserve for operating contingencies was being employed to earn a revenue. On all systems the commercially available peak capacity was utilized with the exception of about 175,000 horsepower.

"The revenue of the Commission derivable from the municipal utilities operating under cost contracts and from other customers with whom—on behalf of the municipalities—the Commission has special contracts, all within the Niagara, Georgian Bay, Eastern Ontario and Thunder Bay Systems, aggregates \$26,620,463.77, which amount is less than the amount received during the year 1932 by \$1,435,431.69, which is due to the reduction in the average load taken by the municipalities of 20,313 horsepower and for customers' contracts 57,521 horsepower. The total reduction of all customers and of municipalities amounted to 77,834 horsepower, which will account for an average reduction in revenue at a rate of \$25 per horsepower of approximately \$2,000,000.

Financial Reserve Policy.

"The Commission's financial reserve policy followed over a period of several years has been especially beneficial, and, as in the case of the year 1932, extra funds set aside for contingencies and other purposes in the years 1926-31 have assisted in carrying the additional expense brought about by the present provision of power reserves by the drawing upon these reserves for the stabilizing of the cost per horsepower to the municipalities. It has not been neces-