

March 30

HYDRO EXECUTIVES' SALARIES REFUSED BY COOKE IN HOUSE

Administration Not Under Jurisdiction of Government, Chairman Emphasizes

STATEMENT IS TABLED

Tendering Progressive Leader Hon. Harry Nixon, as the last act of the 1934 session of the Ontario Legislature, the amount of his own salary and those of Vice-Chairman Alfred Maguire and Right Hon. Arthur J. Meighen, Hon. J. R. Cooke, Chairman of the Ontario Hydro-Electric Power Commission, reaffirmed the Commission's independence from Governmental control by again refusing to submit to the Legislature the salaries of Hydro's higher executives.

These salaries already have been published, but through the medium of the association of Hydro municipalities, so they are already known to the public at large. But that course, climaxing more than a year's Queen's Park battle on the issue, is regarded as not involving Hydro in an acknowledgment of control by Government.

Statement Tabled.

"Can it be," asks Hon. Mr. Cooke in his statement of refusal, tabled in the Legislature yesterday, "that the object (of the salary question) is to implant in the public mind the doctrine that the appointment of Hydro officials and their salaries is not under the jurisdiction of the Commission, but of the Government? This doctrine is absolutely out of harmony with any proper conception of the rights and functions of the Hydro-Electric Power Commission and of the municipalities for which it acts. To yield to the demand would be to violate the basic principle underlying the Commission's administration."

The Hydro Chairman's statement, which affects a principle undoubtedly to become a keen Provincial issue, and which is likely to be a basis of assault by Hydro critics in the coming Provincial election, was as follows:

"In dealing with the subject of salaries paid the Commissioners and executive heads of the Hydro-Electric Power Commission, I trust the members of the Legislature will accord due consideration to my representation that a principle is involved which would be violated were the Commission to yield to the requests that have been made respecting salary details. I can assure you that there is no arbitrary desire to withhold information that is within the right of any member of this House to request. In very few words, I desire to explain the position the Hydro-Electric Power Commission takes in this matter.

"Not Government Department."

"The Commission is not a Government department, but has been constituted the administrator of an independent business undertaking owned by the co-operating Hydro municipalities. As trustee, the Commission has sole power to make its own appointments of officers and to determine their salaries. It should be remembered that the Commission's staffs are composed largely of persons trained in highly specialized fields of activity. The public utility field makes exceptional demands. Our employees have not only directed their talents and energies to carrying on the work of this Hydro undertaking, but they have made it their life occupation.

"The status of the Commission being what it is, the Commission would not be fulfilling its duty as trustee for municipalities if it were to give to individuals—even though they may be members of the Legislative Assembly—information such as it is appropriate to disclose only to the owners of the Hydro undertaking. The members of this Legislature do not regard the details of operation of municipal enterprises, such as waterworks, street railways, and other similar undertakings, as proper subject matter for questions in this House. Members do not inquire regarding salaries paid by even the local municipal electrical distributing utilities, and yet the Commission's undertaking is virtually a part of these local undertakings conducted co-operatively by a trustee for the owner municipalities.

"A year ago when the subject of Hydro salaries was raised and, through political effort, kept prominently before the public mind, with the implication that the salaries were unjustifiably high, and misstatements were being made respecting the amounts of the salaries, the Commission, in order to clear the public mind in the matter, published through the body representing the co-operative municipal electric utilities the salaries of the Commission and of the executive staff. Having regard to the magnitude of the undertaking—one of the very largest in the world—it is believed that the salaries are not only reasonable, but substantially lower than those in most—if not all—organizations of a comparable magnitude carrying on public utility business under private ownership.

"To Correct Misrepresentation."

"The Commission took even this course somewhat reluctantly. As a matter of general policy the Commission regards it as undesirable to make a practice of publishing the salaries of the staff. In this it is merely carrying out what is universally recognized by those in charge of other large business undertakings, to be prudent business policy. It was felt, however, that there was no other way to correct the misrepresentation that was being disseminated.

"The efficiency of the whole Hydro organization depends upon the maintenance of confidence, and this confidence includes confidence in judgment, in fair treatment, in insurance against undue disturbance and, of course, in the payment of remuneration adequate to leave the employee unharassed by curtailments or fears arising in respect of his employment.

"In view of the action taken by the

Commission having the salaries published through a proper organization, the information has been widely available through the public press, so that it can no longer be simply knowledge of the facts that is sought, because this knowledge is available. One wonders, therefore, why this question is repeated on the order paper? Can it be that the object is to implant in the public mind the doctrine that the appointment of Hydro officials and their salaries is not under the jurisdiction of the Commission, but of the Government? This doctrine is absolutely out of harmony with any proper conception of the rights and functions of the Hydro-Electric Power Commission and of the municipalities for which it acts. To yield to the demand that has been made would be to violate the basic principle underlying the Commission's administration, and for this reason I must respectfully decline to submit the salary information requested respecting the executive heads of the Commission's staff. There is no objection to giving data relating to the Commissioners themselves, whose salaries are determined by the Lieutenant-Governor-in-Council. These have previously been submitted to this House and to the municipalities, but for convenience I here repeat them for the present year, as follows: Chairman, \$13,175.04; Vice-Chairman, \$7,975.08; Commissioner, \$7,975.08.

"I may add that last year, in order definitely to correct the misrepresentation being made about the salaries of executive heads, I gave instruction that, for this year, these salaries would be recorded in the municipal section of the forthcoming annual report."