

Cost Rising.

Behind this reason for deficit lay a cost of power now so high that steam plants had become potential and alarming competitors.

The Attorney-General cited authorities who estimated that in Toronto power generated by steam produced by imported coal would cost \$24 per horsepower. To Hydro the equivalent cost of production is \$32.31.

"The explanation," said the Attorney-General, "lies in the sacrifice of the systems to those interested in the

\$326,326,006

"Worked out from the beginning to the conclusion of their contracts, these companies are entitled to take from the people of the Niagara district a gross in payments of \$326,326,006.14, or \$40,000,000 more than the present entire investment in the Commission's whole system"—Mr. Roebuck on Hydro Private Power Contracts.

financial operations of the power barons of Quebec."

Contracts for virtually unused power cost nearly five and a half millions in 1934, and "this expenditure was unnecessary."

"In 1937," said Mr. Roebuck, "all the power is contracted for all the time, and the grand total which these companies are entitled to take from the power users or taxpayers of Ontario for power for which there is no present and little prospective use is the sum of \$9,525,000 per year for thirty years."

The gross payments to the Quebec companies, he said, would be \$326,326,006, on account of the contracts.

The Attorney-General would not overrate the prospects of increased consumption. There were few new municipalities to add to the Niagara System. There were few people in the municipalities served who did not have electric light in their house.

Small Growth Expected.

There had been some increase in rural districts, he said, but the reasonably expected growth would be comparatively small in a discussion of losses of millions of dollars.

"If the conditions in the next three years do not improve in the matter of power sales," he said, "the revenue will be approximately \$20,000,000 for the Niagara System. In 1938 we are obligated to pay \$9,525,000 for the power of these three companies, or one-half of our entire revenue."

"The early vision of Hydro," Mr. Roebuck said, "had been power at cost. Would that the Henry and Ferguson Governments had remained true to that vision."

Praise for Stewart Lyon.

There were good words for the Commission Chairman of Canada's third largest utility.

"A man of intense public spirit," Mr. Roebuck said, as he spoke of T. Stewart Lyon, "whose honesty and good intention has carried the approval of the people of the Province from one end to the other."

The Attorney-General directed attention to the major savings already effected under the new Hydro regime. But "notwithstanding the Commission's continued efforts to reduce expenses and to promote the sale of power by every possible device, the deficits of the system amounted to more than three million and a half in a single year."