

March 8

The Betrayal of Hydro

Attempts to draw herrings across the trail in a Legislature debate will not divert public attention from the central point of Attorney-General Roebuck's analysis of the Hydro-Electric contracts. Those members of the Opposition who were associated with the late Government in the betrayal of Hydro's policies and Ontario's interests would make a better impression on the people arrayed in sackcloth and ashes, in a repentant mood, rather than by introducing pin-pricks and other trifles into what ought to be the most serious of deliberations.

The central point of the discussion ought to be how to rescue the consumers of Hydro-Electric current from a thralldom threatening the very foundation of the entire power-at-cost principle.

Have the Opposition—the members of the late Government—nothing whatever to offer by way of extenuating circumstances to show that they did not deliberately plan to hamstring the people's enterprise? This they have done, deliberately or otherwise. It would be more becoming of them to exhibit sorrow and regret, if they can muster up no plausible explanation for misdeeds from which Hydro patrons cannot recover for years. It is fortunate indeed for the small remnant left at Queen's Park that the knowledge now available remained a secret until after the election.

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Fixing a uniform price of \$15 per horsepower for current from all four sources of supply is not a coincidence. Nor was it ever made clear to the public why this price was determined in any particular instance. Even the novice in such matters would be inclined to question the thought that the cost of developing Quebec power in every location and under all sorts of circumstances is approximately the same, and that uniformity of selling price is inescapable. Will the supporters of the late Government, which made the contracts, tell how this computation was reached?

This is something the Hydro users of Ontario, believing that their current prices are, and are always to be, based on cost of production, have a right to know. To what extent has cost entered into the price they are compelled to pay for the importations?

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Did the Government make a blanket agreement with the Quebec power barons to keep prices up to this figure on all purchases, and, if so, why? Was this about the proper horsepower rate to make possible good-sized melon-cutting on the average development? Or was this a rate considered light enough to pass critical public inspection under ordinary circumstances, and yet heavy enough to destroy the vitals of Hydro reserves over a period of years?

It is absurd to contend—if any one should attempt to do so—that if a \$15 rate is required for sound business purposes at one plant it would be required at all others.

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Those responsible for making these contracts ought to be asked to explain the principle on which they decided to establish a uniform price.

That the figure was sufficiently profitable to enable the power companies to float huge stock and bond issues without interfering with ownership has been demonstrated. Some corporations, at least, have taken from the public in this way enough funds to pay for their developments, still retaining control with substantial margins for profits. The people of Ontario are paying the bills—paying for unwarranted gains on top of dividends. This was fixed under the terms of the contracts. Why?