

# GAINS REPLACE HYDRO LOSSES, ROEBUCK SAYS

**Charges to Consumers Are  
Reduced, Revenues Rising,  
Legislature Told**

**CALLS IT BANNER YEAR**

**Contract Cancellations Cut  
Costs by \$5,000,000, Claim  
of Attorney-General**

Deficits had been abolished in every Hydro system in the Province, charges to Hydro consumers had been drastically reduced, and revenues were steadily mounting, Attorney-General Arthur Roebuck told the Legislature yesterday in a three-hour review of his Government's record since cancelling the Quebec contracts.

He reported a \$3,118,117 surplus in the Niagara System for last year, and forecast another \$3,000,000 surplus in the coming year. The policy adopted by his Government was \$9.23 per horsepower better than the policy of the previous Administration, he said.

"This," said he, in what he described as a triumphant mood, "is the banner year in the history of Hydro."

#### **Courage Said Required.**

The Attorney-General contrasted his optimism in 1937 with the "darkness and gloom" which he said had prevailed when he addressed the House two years ago on Hydro affairs. It had taken courage to do what had been done, but the Government's efforts had met "with unparalleled success."

Mr. Roebuck adjourned the debate on second reading of the Power Commission Bill and will resume today.

He was bitterly scornful in his criticism of the Opposition. "If I sound a note of triumph," he said as he presented the bright picture of Hydro, "perhaps I may be pardoned for some exultation in view of the character of the Opposition and the obstruction and misrepresentation which our policies and administration have encountered."

The members opposite had been "serving their masters, the Quebec power interests, faithfully and well," said he. The cancellations, however, were completed and they would stay completed to the extent of the Government's ability to hold the fort against all comers "by every lawful means within our power," he said.

#### **Costs \$4,993,089 Down.**

"It should surely interest the people of this Province to know that we have operated Hydro this year, 1936, at a cost of \$4,993,089.39 less than it cost in 1935. And do not forget that the cost of purchased power, had the contracts not been cancelled, would have been nearly two million dollars greater in 1936 than it was in 1935. It seems to me that a saving of approximately five million dollars in a single year is worthy of preservation by every lawful means within the power of this Legislature," Mr. Roebuck said, and continued:

"Our total revenue this year was \$24,368,511.25, while last year it was \$23,292,490.97.

"This is a revenue increase of \$1,076,020.28. This increase is not so much the result of an increase in load as it is the result of the elimi-

nation of unreasonably low prices for a substantial portion of the power sold, and the transfer of sales from secondary to primary as a result of the Commission's more business-like policies.

#### **\$6,000,000 Improvement.**

"The net result of this is that last year we had a deficit of \$2,950,932.54, while this year we have a surplus of approximately \$3,118,117.13," he said. The improvement over the year, considering the old deficit and the present surplus, was more than \$6,000,000, he stated.

The Attorney-General then turned to the year 1937. The Commission had passed its peak-demand time with a total of 180,000 horsepower purchased from Quebec, at a cost of \$2,705,972.18. Under the old contracts, the cost would have been \$10,965,000, so that the difference between what would have been paid and that actually paid was \$8,259,027.82.

Should the Hydro rates during 1937 remain the same as in 1936, the surplus would be substantially more than \$3,000,000.

A reduction of \$2.50 per horsepower to Hydro municipalities had recently been granted. This reduction was over and above an average loss on power previously sold of \$5.23 per horsepower. Nor was that all, he claimed, for the Commission this year would add at least \$1,000,000 to its reserves, in addition to the usual sinking fund and renewals provisions. This \$1,000,000 was the equivalent of approximately \$1.50 per horsepower on the total sales of the Commission to the municipalities.

#### **Better by \$9.23 Per Horsepower.**

"That is to say, the Liberal policy as applied to the management of Hydro is better than the Conservative policy, during 1937, by \$9.23 per horsepower," he stated.

Not only had the Provincial Commission benefitted by the new policies and the cancellation of the Quebec contracts, but so also had the Municipal Commissions, he said, selecting Toronto as an example. A \$637,516.53 deficit in the Toronto Commission over the past four years had been abolished last year. Due to the reduced rates passed along by the Provincial Commission, Toronto consumers would save \$735,000 this year. As other examples, he said that Hamilton was better off by \$800,000; London by \$265,000; St. Thomas by \$56,000, and Kitchener by \$148,000.