

Debt to Province Paid Off by 1966, Forecast for Hydro

**Commission Chairman Bases
Prediction Upon Present
Rate of Increase in Sink-
ing Fund Accumulations**

BEFORE COMMITTEE

Hydro will owe the Province nothing by 1966 if sinking fund accumulations continue at the present rate. T. Stewart Lyon, Hydro Chairman, testified before the Public Accounts Committee of the Legislature, yesterday.

Excluding a sum of \$17,008,616 of sinking fund payments prior to July 31, 1934, in the hands of the Government at that time (Mr. Lyon's exhibit-filed figures indicated), there have been total retirements of advances by the Province to Hydro between July 31, 1934, and March 1, 1937, of \$38,421,189, leaving a balance due by the Commission on March 1, 1937, of \$151,572,943. This sum, Mr. Lyon said, included slightly over \$7,000,000 still outstanding as advances by the Government on Northern Ontario properties owned by the Government, leaving a net amount of \$144,404,923 of provincial advances still due from Hydro to the Government.

Under New System.

Between December, 1935, and March, 1937, testified Mr. Lyon, Hydro had made partial repayments to the Province on its advances of approximately \$24,000,000.

"On our sinking fund money," said he, "we get only 4 per cent., whereas, on our loans we were paying at least 4½ per cent. Therefore, by reducing our debt with payments out of the sinking fund we were making large savings."

Under previous Governments, Mr. Lyon related, Hydro had repaid its loans by annual payments out of sinking funds over a forty-year period. But under the Hepburn Administration a system of having Hydro pay its proportion of Provincial loans, as they matured, had been inaugurated.

On July 31, 1934, shortly after the Hepburn Government had taken office, Hydro's gross indebtedness to the Province amounted to \$207,250,258, of which \$8,272,477 was on account of Northern Ontario power properties. On March 1, this year, the indebtedness totalled \$151,572,943, of which \$7,168,019 was on account of Northern properties.

Estimates Thirty Years.

"When do you expect to pay off the balance?" asked Arthur Ellis, South Ottawa, Opposition counsel.

"Well now, I am over 70, you know," smiled the Hydro Chairman. In serious mood, he, however, calculated that in thirty years' time the complete repayment might be accomplished.

Vote Qualification Under Income Tax May Be Removed

**Municipalities No Longer
Collect Revenue From
This Source, Hon. D. A.
Croll Explains in Propos-
ing Amendment**

OTHER CHANGES IN ACT

Payment of income tax as a qualification for voting in municipal elections is eliminated in an amendment to the Municipal Act introduced in the Ontario Legislature yesterday by Hon. David A. Croll, Minister of Municipal Affairs.

The clause in the municipal franchise regulations was removed simply because the municipalities no longer collect income taxes or share in income tax revenue.

Is Complementary.

In a manner, the amendment to the Municipal Act is complementary to the legislation adopted by the Government for collection of a Provincial income tax. Some months ago, Premier Hepburn announced the treasury would keep all revenues collected by this tax, but would relieve the municipalities of contributions to the Old-Age Pensions and Mothers' Allowances funds. This is enforced in Mr. Croll's new legislation.

Another amendment introduced yesterday would prevent by-elections in municipalities holding their elections the first Monday in December, if a vacancy in a Council occurred after Oct. 1.

The individual municipal Council may now decide in its own discretion regarding the combination of the offices of Clerk, Treasurer or Assessor, according to another amendment. Previously the merging of such offices has been prohibited by Provincial law.

Must Be Permanent.

Another section stipulates that an acting head of a municipal Council, appointed in the absence of a Warden, Mayor or Reeve, may not sit on a County Council because of his appointment.

Similar bills, amending the Municipal Act, are introduced regularly at each session of the Legislature and cover points of difference which have arisen during the year.