

# CHORLEY PARK USED AS HOTEL, SAYS HEPBURN

Saving Does Not Warrant  
Closing, Conservatives  
Protest

TERMED BELITTLING

Premier Hepburn, defending the closure of Government House, yesterday in the Legislature, revealed that "former Lieutenant-Governors have complained to me that they had to run a glorified hotel for visiting British aristocracy who could well afford to pay their bills at the Royal York or King Edward Hotels."

Furthermore, in the face of continued attacks from the Conservative Opposition, bearing on the reported savings resulting from boarding up the mansion, the Premier declared that Hon. Dr. H. A. Bruce had told him, "that if he had stayed on he would have required another \$10,000 a year for entertaining purposes."

The clash was precipitated immediately after the House was opened when Hon. Leopold Macaulay, Conservative House Leader, emphasized that he wished to disassociate himself and the entire Opposition from the Premier's language, when he said Government House was "maintained for the benefit of visiting broken-down British aristocracy." It was continued by W. H. Baird (Cons., High Park), who, in his contribution to the Address in reply to the Speech from the Throne, belabored the Administration for effecting paltry savings at the price of "belittling" the King's representative.

Mr. Macaulay said he had no argument with the Premier's description of the executive mansion as an "architectural monstrosity." But as to the other, he claimed there were already too many people advocating subversive doctrines inimical to the British Empire without the Premier joining in the practice.

Mr. Hepburn said he was glad that Mr. Macaulay had agreed on the one point. The Conservative Leader corrected him, pointing out he had not agreed, but had simply said he would not argue the point.

"Well," retorted Mr. Hepburn, "it does not reflect well upon the Tory Government which spent a million and one-half to build it."

"Oh, make it \$2,000,000," suggested Hon. G. S. Henry (Cons., East York).

"Yes, or three million," suggested Mr. Macaulay.

The Premier then referred to the statements he attributed to former Lieutenant-Governors, and added a firm "I have nothing to withdraw."

"Shameful! Shameful!" interjected Colonel T. A. Kidd (Cons., Kingston).

"Go on and wave your flag," retorted Mr. Hepburn.

Mr. Baird later took up the attack by declaring that for the first time in the Province's history the King's official did not have an official residence. This should not have happened in this loyal Province of

Ontario, he claimed. The savings, which, he said was posted in Public Accounts as \$22,000, did not warrant the act.

"Maintenance alone was more than \$37,000, and the staff cost was over and above that. You had better have another look at Public Accounts," Mr. Hepburn advised.

# COMMISSIONER REVIEWS HYDRO, AVOIDS PACTS

J. Albert Smith Points to  
Deficit in 1934 and Sur-  
plus in 1937

MINES GIVEN CREDIT

J. Albert Smith, Hydro Commissioner, and M.L.A. for North Waterloo, gave to the Legislature yesterday an hour and a half review—system by system—of the Hydro situation in Ontario, without a single direct or argument-provoking reference to the recently negotiated contracts with Beauharnois or "power barons" of Quebec.

"Obviously," said Mr. Smith skirting the question, "the Hydro System was reaching a point where a readjustment of its contractual relations was necessary. Certain other circumstances surrounding our controversy with the companies made imperative a speedy settlement while the Commission was still in a position to bargain effectively."

Barring this reference; the declaration that considerably less power at a lower cost is being taken now than under the original agreements; and the assumption that "the people of this Province will no doubt rejoice with the Government and Commission" in the satisfactory settlement achieved," Mr. Smith studiously avoided the contracts issue, and left to his Hydro colleague, Acting Chairman W. L. Houck, the job of taking on the Opposition, when he speaks to the forthcoming contracts - ratification bill, or on the Hydro estimates.

**Profitable Year.**

The Commissioner faced the House with reports, which, he contended, showed that Hydro had had its most satisfactory year in history. Pointedly, he emphasized that while in 1934, the last year under Conservative Administration, the combined systems showed a deficit of approximately \$3,000,000, they in 1937 showed a surplus of nearly \$4,000,000.

Marked advances were made in all divisions but one of the most successful operations was the Abitibi section, which in 1934 and 1935 had contributed solely to the deficits of the Northern properties.

"The remarkable expansion of Northern Ontario's mining industry continued in 1937 and can primarily be credited with this tremendous growth in power load," he said.

The load in the Northern properties increased to 121,115 horsepower in October, 1937, or 19.7 per cent above the level of the corresponding month of 1936. Sales of power to the Abitibi division multiplied almost six times within four years.

Rate reductions in the various systems amounted for the year to approximately \$3,400,000. In the Niagara System, largest of the Hydro enterprises, the distribution of power increased 11 per cent during the year. In October, 1929, the primary load was listed at 931,261 horsepower. In October, 1937, it reached an all-time high of 1,036,997, an advance of more than 100,000 horsepower over the primary load in October, 1936. Two reductions in the interim rate charges to the municipality were ordered during the year, one of \$2.50 per horsepower, effective at the beginning of the fiscal year and a second of \$2 on Aug. 1. As a result of these two adjustments, said the speaker, the municipalities were saved \$2,028,676.

**Increases.**

Local revenue was decreased \$1,000 by these reductions of the greater power and the total revenue in the entire system topped that of 1936 by \$400,000, amounting to \$24,703,427.

In spite of rate reductions, the surplus of the fiscal year 1937 exceeded that of 1936 by \$243,178. Mr. Smith emphasized that the average cost of power in 1933, under the Conservative regime was \$31.66 per horsepower while in 1937 the average throughout the system was \$24.23 per horsepower.

For direct example of the effect of the rate reductions, the Commissioner referred to Toronto. "During 1937, this city paid in interim charges \$6,877,952 for an average load of 297,536 h.p., compared with \$7,059,955 for 270,461 h.p. in 1936. In other words, the municipality paid \$182,003 less in 1937 than in 1936 for 27,000 h.p. more power. Considering the additional usage of power, the saving was actually nearly \$900,000. In the current fiscal year of 1938, when the reductions will be applied for a full twelve months' period, this saving should approximate \$1,413,000."

**Expansion in Rural Areas.**

Rural Hydro showed the greatest expansion period when 13,000 new customers received service from 2,300 miles of new line. Through a network of 13,107 miles of line, 86,620 rural customers are serviced. Investment in rural works has reached \$25,000,000. He held it was significant that 8,443 of the new customers were within the small farm classification.

In summary of the Commission's financial condition as a whole, Mr. Smith said reserves have been increased in the year from \$90,285,772 to about \$103,450,000. Interest charges have declined materially, he said, because of the Commission's present sound financial condition. The Commission owed the Government \$189,994,133 when the Liberals assumed office. That debt, the Commissioner reported, has been reduced by \$39,502,336 to \$150,491,796.