

HYDRO DEAL CALLED GIFT FOR BARONS

**Power Export Proposal
Sacrificing Industry,
Says Roebuck**

OVERBUYING SEEN

**Move for Resale Plain
Admission of Excess,
M.L.A. Charges**

Unqualified disapproval of the Hepburn Government's proposal to export power to the United States, on the ground that, apart from the saving to Hydro, export was not "in furtherance of this country's industrial development," was voiced in the Legislature yesterday by Arthur W. Roebuck, Toronto-Bellwoods.

In his first considered public utterance on the present power situation since the negotiating of new agreements with the Quebec companies, Mr. Roebuck accused the Queen's Park Administration, of which he once was a member, of establishing this Province as sales agent for the "power barons," and of pleading a financial disaster to Hydro—"which it has voluntarily accepted"—as a reason for changing the national power policy of Canada.

Sees Advantage Sacrificed.

None could possibly deny, submitted Mr. Roebuck, that the Government had purchased greater quantities of power than Hydro could use. The application for export privileges, as made to Ottawa, was, he said, a plain admission of the fact. "And it is quite obvious," he warned, "that once the privilege of marketing power abroad is conceded, it will never again be sold here for less than it will command there, and the advantage which industry is now supposed to enjoy in cheap and abundant power will have been sacrificed for the enrichment of a few wealthy promoters and owners. Whether the financial condition of Ontario's Hydro, as a result of these new purchase agreements, is sufficiently desperate to warrant the sacrifice of national interests is for the Ottawa Government to decide, in the face of political pressure from Ontario and a private lobby from Quebec."

Mr. Roebuck spoke for an hour and a half in the dispassionately cold style so characteristic of him. Confining his complete attention to power affairs, and, indirectly, to a strong defense of not only his own record as Hydro Commissioner, but that of former Chairman Lyon as well, he charged that the Government had completely reversed its election-campaign policy of "Back to Niagara," and by virtue of the new contracts (that were not required) had committed Ontario to an added cost of \$7,000 per day—in his judgment "a pure gift to the power barons."

Says Hogg Sympathetic.

The present Hydro Chairman, Dr. T. H. Hogg, had always been sympathetic to the Quebec companies, even to the point of holding a retainer from Beauharnois while carrying out his engineering duties with the Commission, Mr. Roebuck further alleged. In a recent public address, declared Mr. Roebuck, Dr. Hogg had said that the former Hydro Commissioners had to accept full responsibility for the conclusions they had reached while in office.

"Well, my answer to Dr. Hogg and the sneers of the pro-power company press," said Mr. Roebuck, "is a saving of \$14,000,000 in public money in two years' time, or over \$700,000 per hour for all the time that I have occupied on this question in this House during the past three years."

There was clearly no need for any immediate increase in Ontario's power supply, at the time of the negotiating of the last contracts, said Mr. Roebuck. And yet, with ample power at hand, and notwithstanding the utter failure of engineers' estimates in the past, and the pessimistic forecast by the Premier of another near-at-hand disastrous depression, the Government and Hydro had about-turned on public ownership, and had again dealt lavishly with the Quebec interests.

Points to Mounting Cost.

"We paid last year \$3,592,000 for all the power that we needed, generously supplied," said Mr. Roebuck. "In 1944 we will pay \$8,825,000, to be paid whether we need or do not need the power. With all due regard to the not too disingenuous guesses of interested technical advisers, I ask the business men of this assembly to stop and think."

Mr. Roebuck took another rap at "the pro-power company press" for its persistent effort to justify the new power purchases by the recent ice jam at Niagara. "Had Dr. Hogg demonstrated his foresight," he giped, "by placing shutters on the windows of the generating plant below the cataract, he might now perhaps be more highly regarded as a prophet. The loose ice which flowed into the building has reduced the capacity of the Commission-owned plants temporarily by 175,000 horsepower."

The former Commission, he argued, would have met the "temporary emergency" without the least embarrassment. And however spectacular may have been the fall of the Honeymoon Bridge, no temporary emergency such as an ice jam, submitted Mr. Roebuck, could afford any justification for the purchase of hydraulically generated, transmitted stand-by power at a cost of \$25 per h.p. (Beauharnois) when steam plants could be reasonably built at strategic locations to idle at less than \$6 per horsepower.

Draws Government Fire.

Not until near the close of his address did Mr. Roebuck's persistent prodding of the Government draw fire from the front benches. Then, on several occasions, the Premier and Provincial Secretary Nixon clashed briefly but belligerently with him, bringing the House and the crowded galleries up on edge. One of the sizzling incidents developed when Mr. Roebuck, during a discussion of the court's attitude toward the contracts legislation situation, was asked by Mr. Hepburn if the Judges of the Ontario Supreme Court, in ruling that the original contracts were valid, had done so "to oblige the power barons."

"I might recall to the honorable the Premier," retorted Mr. Roebuck, "many things he said about these same Judges."

The Conservative benchers pounded their desks, and Opposition Leader Macaulay shouted, "Quid pro quo."

"Got Good Return."

Later, Mr. Hepburn reminded Mr. Roebuck that he and Lewis Duncan had given the Government a lot of advice on the power question.

"And you got a good return for your money," Mr. Roebuck flared.

"That's what you think," Mr. Hepburn declared.

A further brush occurred—a two minutes' skirmish which brought the white to the faces of Mr. Hepburn and Mr. Nixon—when the last-named asked Mr. Roebuck to define the extent of the "temporary

emergency" which had occurred at Niagara.

"Oh, as long as the engineers want to dawdle over their work there," Mr. Roebuck said.

"What do you mean, dawdle?" demanded the Premier, jumping to his feet. "I am informed that it will take three months to repair the damage to that plant."

In criticizing Dr. Hogg, the former Attorney-General recalled that in a recent speech before the Municipal Electric Association the new Hydro Chairman took occasion to dissociate himself from the record of the former Commission and to repudiate its policies.

"He says that we, the former members of the Commission, must accept full responsibility for the conclusions we reached," said Mr. Roebuck. "Let me say on behalf of Mr. Lyon and myself that we are nothing loath to do so. That Dr. Hogg's sympathies were with the power companies throughout was never any secret to us. He approved the estimates of anticipated power growth upon which the original contracts of 1929 were based. He enjoyed a retainer from the Beauharnois Company while holding office with the Hydro, and it is quite obvious should he at any time leave Hydro it would be to the private interests he would necessarily look for future employment."

"Let me assure Dr. Hogg that Mr. Lyon and I have never shirked responsibility of any kind, and least of all responsibility for the administrative record of Hydro for the past three and one-half years, but may I point out to him that responsibility and credit go hand in hand. I acquit him of the one as completely as I do of the other."

Depleted Reserve to Pay.

"When we took office we found the Niagara System tied for many years to ruinous power-purchase contracts with Quebec companies. In 1935 we actually paid these Quebec companies the sum of \$7,936,893, and to do so we depleted our contingency reserve by \$2,870,870. In 1936 we would have been obligated to a payment of \$9,517,500, and had we made such a payment we would have depleted this reserve by a further \$3,500,000."

"But in 1935 this Legislature, at our instance, passed an act in cancellation of these iniquitous contracts, and we actually paid for all the power we required, together with 160,000 horsepower held in reserve, the sum of \$2,823,906, a saving of \$6,685,583."

"In 1937 we would have paid \$10,965,000. What we actually paid was approximately \$3,592,000, a saving of \$7,372,000."

"My answer to Dr. Hogg and the sneers of the pro-power company press is a saving of \$14,000,000 in public money in two years' time, or over \$700,000 per hour for all the time that I have occupied on this question in this House during the past three years."

"In 1937 we were obligated under the old contracts to a purchase of 731,000 horsepower, and we actually received and used 180,000 horsepower, and during the year we purchased a further 117,000 horsepower peak capacity from the Ottawa Valley Company against a probable increase in this winter's demand, thus leaving intact the 120,000 horsepower which we held in reserve at the Gatineau. We had