

OPPOSITION LOSES BID FOR DELAY

House Rejects Move to
Await Inquiry Report
by 62 to 24

TACTICS DEPLORED

Roebuck Under Fire of
Conant—No Reversal,
Says McQuesten

Second reading validation of the new Hydro-Quebec power contracts was overwhelmingly voted by the Ontario Legislature yesterday in spite of Opposition efforts to delay approval until such time as the Special House Committee, recently authorized to probe the whole power situation, might complete its deliberations and report thereon.

A Henry-Macaulay amendment, providing for this delay, and to which former Hydro Commissioner and Attorney-General Arthur Roebuck gave his support, was rejected by a vote of 62-24. The main motion to give the validating bill second reading was formally adopted on the same division.

Charges "Torpedo" Attempt.

Attorney-General Conant, who furnished the Government's wind-up argument for validation, charged that the Opposition's tactics constituted a deliberate attempt "to torpedo the satisfactory settlement" which Hydro had reached with the Quebec companies. Nothing was to be gained, he said, by delaying sanction until after the Inquiry Committee had reported. Mr. Conant supplied the one startling note of a long afternoon of debate, when he implied that Mr. Roebuck, whom Opposition Leader Macaulay again sought to have named to the Investigating Committee, should be the last man to want to pass judgment on his own Hydro administrative record. Because, Mr. Conant implied, there were matters of insurance and of engaging counsel, that entered into the Roebuck picture.

"Are you making a threat?" demanded Mr. Macaulay.

"I'm merely making a statement," replied Mr. Conant; and there the incident halted.

Failure to post Mr. Roebuck to the committee, claimed Mr. Macaulay, was indication that the "mischievous manoeuvring" which, he said, had characterized the present Government's handling of Hydro affairs from the start, was going to be continued. The people, he said, were viewing the investigation as something that, for all time, might clear the air on the Hydro question and put an end to the "political machinations" with which the power enterprise had long been beset. Now the Premier, by virtue of his stubborn stand against Mr. Roebuck, was, he said, helping to defeat the purpose for which the inquiry, in the public's belief, had been called.

Former Premier Henry, who concluded the Opposition case against immediate validation of the contracts, charged that the so-called "iniquitous clauses" in the original agreements could not, so to speak, hold a candle to "the big joker" provisions which the Government and Hydro had permitted to be inserted in not only the new Beauharnois pact, but the other contracts as well.

Raps Step-up Clause.

The St. Lawrence development, he said, might be gone on with some day, if Premier Hepburn "sees the light," but at the moment, due to his opposition, it was definitely shelved. As a consequence, Ontario had to look to the Ottawa River for any major power supplies. Suppose, he said, that a Quebec company on the other side of that river wanted to be nasty and to "get even" for the Hepburn repudiation policy of the past, it could charge a high price, which necessitated acceptance by Hydro, would automatically raise the \$12.50 purchase price in the Beauharnois, the Gatineau, and the Maclaren agreements to the new rate.

"They talk about iniquitous clauses in the original agreements," rapped Mr. Henry, "but this step-up price provision that is in these new agreements is the worst I've ever seen. Let Hydro pay, say, \$16 or \$17 or \$18 for power under any new agreement, and up goes the \$12.50 price in all the other contracts. If that happens, where will be the \$92,000,000 saving you fellows boast of having made by your repudiation of the old contracts and your writing of the new?"

The Prime Minister and his one-time Cabinet colleague, Mr. Roebuck, came into sharp, bitter conflict at one occasion, when the latter dubbed the House Committee, which will look into Hydro affairs, as nothing in which the country could have confidence or for which it could possibly hold "respect." The Premier accused his former Hydro adviser of taking unto himself credit for being the sole individual in the Legislature who could lend "respect" to the committee, and added, "My honorable friend believes he is good, and wants to tell the world he is."

The long-looked for statement of Hon. T. B. McQuesten, Mr. Roebuck's one-time Hydro associate, with regard to the power situation—at the time of the cancellation of the old contracts, and prior to the October election when "Back-to-Niagara" was the avowed Government policy—was given to the House. Mr. McQuesten disputed the claim of the present Hydro Chairman Hogg that a power shortage had at one time existed in Ontario. He denied knowledge of any prospective Beauharnois contract, prior to the election, and stoutly maintained that his resignation from the Hydro Board, following the election, was due to pressure of overwork. There had never been, he said, any reversal of personal position on the need for Quebec power, and the whole question, as far as he was concerned, was now "a closed book."

Mr. McQuesten said he was opposed in 1937 to any settlement with Beauharnois, as long as the Hydro could save some \$225,000 a month, but when litigation devel-

oped—and he never at any time, said he had any confidence in litigation—he realized that some settlement might have to be effected.

"Didn't you have confidence in your own legislation, in this House, in 1937?" Mr. Macaulay asked him.

"Well, that gave us another string to our bow," Mr. McQuesten said.

"Was it good or bad legislation?" demanded Mr. Macaulay.

"I had no confidence in it," admitted Mr. McQuesten.

Mr. Henry took exception to one claim of Mr. McQuesten that, in the new agreements, there was no clause, as had obtained in the old, that would permit the Province of Quebec to stop exports of power to Ontario. "Omission of that clause won't prevent the Province of Quebec from shutting off export if it wants to," said he.

"Oh yes, it will," said Mr. McQuesten.

"Oh no, it won't," put in Mr. Macaulay. "The Province can do as it likes. You're no better off in this respect than you were before, in spite of what you may argue."

"Skated Around" Hogg, Claim.

Mr. Henry said that Mr. McQuesten had "quietly skated around" the speech made by Hydro Chairman Hogg to the Ontario Municipal Electrical Association, when he (Dr. Hogg) had admitted there had been inadequate reserves set up to deal with any shortage emergency that might develop. "Why didn't you," he asked Mr. McQuesten, "take the engineers' advice during the three years you were in office at Hydro?"

"About what?" clicked Mr. McQuesten.

"About the shortage of power."

"I didn't believe there was a power shortage then, nor do I now."

"Whose advice should you go to, but your engineers? You are not an engineer yourself. You are not a student of Hydro. Why didn't you listen to the Hydro engineers? Dr. Hogg says you didn't."

"Does my honorable friend always take expert advice in toto?"

"You didn't take any expert advice at all—that's what was the trouble."

Mr. Henry charged that had not Hydro, last winter, taken action to step up the delivery to certain firms in the Niagara area, an actual power shortage would have existed.

"Oh, there would have—there would have—that's childish stuff," Mr. McQuesten remonstrated.

The former Premier chided Mr. McQuesten for claiming that Hydro, when the Liberals assumed office in 1934, was "riding to insolvency."

"It was," said Mr. Hepburn.

"That's utter rot," declared Mr. Henry, adding that if Hydro ever was in financial difficulties the "very low" rates, as compared with other rates of private companies, could have been raised, without any protest from the power consumers.

"Did you contemplate raising the rates?" asked Mr. Hepburn.

"Now, I'm not going to get into any argument with you on that question," said Mr. Henry. "It's aside from my point. What I'm talking about is your mismanagement of Hydro over the last three years."

Exchanges Frequent.

"This group over the way," Mr. Henry further condemned, "couldn't ruin Hydro, no matter how far afield in its judgment it may get. Hydro is too strong."

"It is now," put in Attorney-General Conant.

Mr. Henry tried to make Mr. Roebuck responsible for some Government action, whereupon Mr. McQuesten said: "I'm in on that, too."

"And every member of the Government is," said Mr. Henry.

"Proud of it," said Mr. Hepburn.

"It doesn't take very much to stir some people's pride," Mr. Henry shot back.

"You couldn't have been very proud of the mess you left on our doorstep," said Mr. Hepburn.

"I'm not going to reply to that," said Mr. Henry, "except to say that your word 'mess' is not nearly as objectionable as the 'insolvency' which your Minister of Highways (Mr. McQuesten) just used. Apparently, I'm making some headway with my argument."