

TORIES ASSAIL HYDRO EXPORT TO PLANT IN U.S.

Annual Loss \$175,000
on Transaction, House
Is Told During Debate

TILT WITH HEPBURN

The export by the Hydro Commission of 42,000 horsepower at Massena, N.Y., to the American Aluminum Company entailed a loss of "at least \$175,000 annually to the Hydro municipalities," George H. Challies (Con., Grenville-Dundas) charged in the Legislature Budget debate last night. In a tilt with Premier Hepburn, he challenged the Government to justify the agreement.

The attack on hydro policies was joined by George S. Henry, former Premier, who declared that the Government leaders who backed the Quebec power repudiation act and "robbed Hydro" of its reserves were "ashamed of it."

"Hydro has been the football for the last six or seven years, and now the game is up," said Mr. Henry. There wasn't a private corporation in America worthy of comparison with Hydro, which didn't carry more power reserves than the Commission, he said. Chairman Dr. T. H. Hogg has frequently warned the Governments that Hydro did not have reserves.

"Evidence that they are nervous is in the fact that they are calling this Massena export secondary power, when they know it is 90 per cent load factor power, the same as is delivered to any power user in Ontario," said Mr. Henry.

"The Premier seeks to cover himself with a flag, on the ground that it is going to a war industry in the United States. But that is no reason whatever that the Massena Company should not pay for its power."

Premier Hepburn, in explanation, stressed that the exported power was recallable power, and therefore figured in the Commission's reserves.

Mr. Challies, a resident of Morrisburg, claimed Hydro policies had left the eastern counties with a shortage of 38,285 horsepower. He claimed eastern municipalities were paying from \$1 to \$10 more per horsepower than municipalities in the western counties, and declared flatly, that as future policy, he would press unceasingly for a "universal" or flat rate over the entire Province. "I will get lots of converts in Eastern Ontario," he promised.

(The flat rate system has been advocated previously during the current session by Provincial Secretary Nixon and A. Holly Acres (Con., Carleton).)

The debate soared to a heated stage when Mr. Challies turned to the Massena export and asserted that Hydro was purchasing the power for \$12.50 per horsepower on a 70 per cent load factor and selling it at \$14.50 on a 90 per cent load factor with payment in Canadian funds.

'Atrocious' French On Air Says M.L.A.

Quebec, April 2 (CP).—Perreault Casgrain (Lib., Gaspé North) urged in the Provincial Legislature today that the Canadian Broadcasting Corporation be asked to exercise greater control over its programs.

During a debate on the Province's education system, Mr. Casgrain said children were being taught correct French in school, but listened to radio programs in which "atrocious" French was used when they went home.

"Are you aware that this United States concern is producing aluminum for British planes?" asked the Premier.

Mr. Challies charged that the same company, in 1918, "under the guise of a war effort," secured the right to instal a submerged weir in the river to divert St. Lawrence water into its power plant, on the understanding that the weir was to be removed when the war contracts pressure was relieved. This has never been removed, he said.

Mr. Challies, an advocate of the two-dam plan of the St. Lawrence development, instead of the one-dam project now under consideration, claimed that it was the Massena interests "who are asking 4,000 Canadian people, occupying 18,000 acres of land, to make a sacrifice in the new St. Lawrence development."

"Losing \$4 to \$5 Per H.P."

"I am surprised you are not interested in the war effort phase of this export agreement," said the Premier. "I am not disclosing a State secret when I say that the British purchasing agent asked us recently to send more power over there."

"I am not going to take second place to the Premier in patriotism," retorted Mr. Challies, declaring that his first duty was representation of the interests of the Eastern Ontario residents. "You can't justify this agreement."

"If my memory serves me right, you were selling secondary power at \$2 per horsepower before this Government took office," said the Premier.

"This isn't secondary power that you are exporting," said Mr. Challies. "On this deal, after you take care of the transmission loss and the loss in exchange, you are losing between \$4.50 and \$5 per horsepower."

He declared that the last 25,000 horsepower purchased from the MacLaren Power Company brought the total amount of purchased Quebec power up to 791,000 horsepower, the same total as the original contracts repudiated by the Government.