

# WOULD STUDY ONTARIO HYDRO FLAT RATE PLAN

Expect Decentralization  
of Industry if Scheme  
Is Approved by House

## CITIES IN OPPOSITION

Request for the appointment of a select committee of the Ontario Legislature to study the question of establishing a flat rate for Hydro power across the Province will be made today in the House, it is understood, by Provincial Secretary H. C. Nixon and Hon. Farquhar Oliver, Minister of Public Works.

The action, already has been interpreted by members as being one of the most significant moves that has occurred during the entire session, holding, as it does, the possibility of an entire reversal of the basic power at cost principle, of the Hydro-Electric system.

Mr. Nixon, at a recent dinner conference of representatives of the tourist and tourist outfitters' interests, placed on public record his opinion that such a flat rate should be established. At that time, he asserted that the St. Lawrence power project, giving promise to vast reserves of power, made the policy change more feasible.

Under the present system power rates vary from one end of the Province to the other and are governed by the municipality's distance from the source of generation and the density of the area served. The highest rate in the Province is said to be in the neighborhood of \$35 per horse power and the lowest, \$20.

### Change Industrial Set-up.

The density factor is particularly apparent in the rural districts when, in a mile, there may not be more than a dozen power users. Higher rural rates, it is argued, has drastically reduced the number of potential power users on farms and, backers of the flat rate system believe that a flat rate system would reduce rural rates and encourage a tremendous upsurge of energy in the rural areas.

It is admitted by members that any proposal to change the power at cost system would meet with strenuous opposition from the cities, particularly the major cities, on the ground that the universal rate would entail an increase of power costs in these urban areas.

Another factor that is being considered is the probability that a flat rate system would encourage industries to locate in the smaller centres and effect a decentralization of industry. In the long-range view, it is argued, such an effect would be advantageous to the Province on the ground that in times of depression, industrial workers would be better able to assist their living in garden crops.

Backers also relate the decentralization of industry proposal, and it has already been advocated this session by W. L. Miller (Lib., Algoma-Manitoulin) to the war lesson—that, as a measure of national defense, it is increasingly apparent that industry and communities must be spread beyond the reach of concentrated bombing attacks.

APRIL 4

# LARGE SURPLUS IS BOOMERANG, HENRY CLAIMS

Hepburn Talks of Aid in  
War, but Unduly Taxes  
People, ex-Premier Says

## URGES CUT IN LEVY

Continuing his address to the Legislature yesterday, in the debate on the Budget, Hon. George S. Henry (Con., York East) charged that the Government was following a policy of expanding taxation, year by year, instead of reducing expenditures and taxation, as had been promised by the Prime Minister during the last election campaign. He said that while the Premier had boasted of the estimated surplus of \$12,600,000 there had been little enthusiasm over the fact by the followers of the Government who had spoken.

"This unheard of surplus has proved a boomerang to the Premier and his supporters," continued Mr. Henry. "Ontario is not a corporation, where there is a laudable desire to carry on affairs and secure surpluses with which to build up reserves. That is not the purpose of a Government—it should only tax enough to carry on the services it renders to the people of the Province. The Prime Minister has taken from the pockets of the citizens of this Province over \$12,000,000, for which he had no need. There is no justification whatsoever for a surplus of this size.

"It is not a difficult thing to produce a surplus in this wealthy Province. It takes no wizard of finance to go on taxing beyond the needs, unless to prepare for an orgy of spending. There has been no business buoyancy in the past six years to justify the high taxation that has been imposed by the present Government.

"The Premier frequently speaks of the \$23,000,000 paid in taxes by the corporations but that is really paid by the consumers of the Province, including the farmers. Everything that is bought this year helps in a degree towards the payment of these corporation taxes.

"There has been an effort to build up the idea that the improved condition of the municipalities is due to the Government and that leadership is being given to the municipalities in leading them out of their financial difficulties. I say that if there is any leadership being given by the Government to the municipalities it is to 'go ahead and spend lavishly, it is easy to secure money by taxation.'

"The Prime Minister," he concluded, "speaks of war contributions and we are all with him in this. We should do everything that we can to help but I ask him what is he doing? Just playing. Wouldn't it be better to have left that \$12,000,000 he took and didn't need, with them so they could carry on as they judged best. He is a great patriot in words but what does he do?"

# HYDRO REVENUE TOPS RECORDS

Ontario Sales Reach  
All-Time High in 1940

Revenues and power sales of the Hydro-Electric Power Commission of Ontario reached an all-time high during the fiscal year ending Oct. 31, 1940, according to the commission's annual report presented in the Ontario Legislature yesterday.

Revenues for all systems totalled \$37,399,535.90. The largest individual increase was registered in the Niagara system, amounting to over \$4,000,000, the result of monthly increases in power demand ranging from 100,000 to 200,000 horsepower.

"Increased deliveries of power for war industries" were credited with the improved showing.

There was a falling-off of power demand during October, November and December of 1940, attributable to "the continuation of daylight saving time in many municipalities of the Niagara system."