

Legislature Legalizes Probe Into Difference Of Hydro Power Costs

Amendment Adopted
Promises Members
Report on Results

Development of the St. Lawrence River as a power project by the State of New York and the Province of Ontario was predicted in the Legislature last night by W. L. Houck, vice-chairman of the Ontario Hydro Commission. Mr. Houck spoke in reply to a resolution sponsored by Col. T. L. Kennedy (Prog. Con., Peel) asking for a flat rate for hydro.

An amendment submitted by Mr. Houck, to the effect that the Ontario Hydro Commission take steps to investigate the difference in power costs in the Province with a view to adjustment, was adopted by the House. The amendment also declared that a report would be made to the Legislature on the results of the commission's inquiry. The Kennedy motion was thus automatically defeated with acceptance of the amendment.

"I am firmly of the opinion, and it is my own idea, that the time will come when the State of New York and the Province of Ontario will develop the St. Lawrence as a power project," said Mr. Houck. "I believe we will discard the thought that four Governments must be concerned in the development. It is my view that we shall have to turn to this source almost before we realize it.

"Ontario stands ready to assume her share of the responsibility for this tremendous undertaking," continued the Hydro vice-chairman. "At the present time the St. Lawrence development is still a political football."

Coupled with Mr. Houck's St. Lawrence views was his statement a reduction in power costs was in the offing through a proposed amalgamation of the Niagara and the Eastern and Georgian Bay systems. Districts now paying more than the average for their power would receive a worthwhile reduction in their bills in the event the amalgamation came to pass, he said.

Cites Flat Rate Dangers.

Mr. Houck cited some of the chief disadvantages and dangers of a flat Hydro rate in Ontario. When Hydro was first started some 30 years ago there were about 30 municipalities which signed contracts with the Provincial Commission to buy power on a cost basis. Today there were 293 cost customers buying power.

"Would these municipalities tear up their contracts and ask us to have all costs pooled?" asked Mr. Houck. "The term 'repudiation' has often been referred to on the floor of this House. Certainly if we adhere to a flat rate business it would be nothing more or less than repudiation as far as these contracts with the various municipalities are concerned."

"Take the case of Toronto," continued the Hydro vice-chairman. "At the present time, Toronto is paying in the neighborhood of \$22.50 for power and if the flat rate were to be established, it would increase the cost of power to Toronto by approximately \$1.15 per horsepower.

"The flat rate for Hydro would be one of the finest things we could adopt in order to drive industry from this Province," declared Mr. Houck.

Advocating a flat rate for Hydro in all parts of the Province, Col. T. L. Kennedy reviewed the history of hydro in his own Toronto Township where hydro came in at \$4 per month, in 1909.

"The farmers damned hydro with fierce hatred," he said, "because hydro had come through their farm land, whether shale or fruit land, put up their standards and allowed the farmer only \$30 for a 30-year mortgage on the land used, then wanted them to sign up for power.

Rates Differ.

In those days the farmers said they wouldn't trust Hydro, said Col. Kennedy. "Later farmers had been persuaded to take power on a metre rate and even in two buildings on his own farm, the rates differed.

"So the farmers put up their own line after his appeal to Sir Adam Beck for a more even rate had resulted in further displeasure among them.

"So we dug our own postholes and put up our own wire at \$1,400 a mile while the Hydro paid \$2,000," he said. "Rates were evened up, always against the desire of the Hydro.

Col. Kennedy maintained that what his township had done, any one could do.

Opposition Leader Drew declared Mr. Houck's amendment that the Hydro Commission inquire into differences in power costs an effort to put the Opposition's uniform rates resolution into cold storage and avoid discussion. He castigated the Government for delay in calling the main resolution which meant its defeat. The "unique" amendment, he said, was moved by the vice-chairman and addressed to his commission and had the effect of telling himself he did not know how to do his own job.

Sees No Cost Rise.

There was nothing in equalizing power rates that would raise the cost to any municipality by one copper, Col. Drew said. A power transmission grid had been built up here as in countries which had brought about uniform rates.

Although a resolution could not be passed in the dying hours of the