

"NIAGARA IN POLITICS"

By the Late Dr. James Mavor.

The above book which has reached the editorial desk of The British Whig, and which has been read with a good deal of interest, presents the Hydro situation in a new and critical light. The book is attracting a good deal of attention, and the following interesting review is taken from "The Nation's Business," a business man's magazine published at Washington.

The late Dr. James Mavor, eminent professor of political economy in the University of Toronto, completed "Niagara in Politics" a little while before his death a few weeks ago, in which he analyzed from the viewpoint of a scholar, the political background and meaning of the government-run hydro-electric power system of the Province of Ontario, Canada.

This power system is the model which advocates of similar government activity by the United States would follow in the development of Tennessee River. Dr. Mavor's publication came on the scene about the same time that Senator George W. Norris, of Nebraska, was announcing that he would renew his fight in Congress for this project, having but recently visited Ontario for a personal inspection.

"Niagara in Politics," dealing as it does with the parallel of what is proposed at Muscle Shoals, but without mentioning that American problem, is full of striking illustrations of particular interest in the United States at this moment. In it, Dr. Mavor, fully reviewing the history of "Hydro" in Ontario, unequivocally condemns its system for a long list of fundamental reasons. Its chairman he describes as having been the "Dictator" of that Province for twenty years. The methods adopted for suppressing criticism and controlling public affairs, the courts, the press, and even the pulpit, are pictured plainly as "a reign of terror."

Dr. Mavor claimed that the Hydro-Electric Power Commission of Canada from its beginning "has acquired a strange hold upon Ontario, plunging it into over two hundred millions of debt and embarrassing its finances and its credit." He declared it had swallowed up its opposition through the popular method of lower-than-cost lighting rates, that the people and the press "have placed their necks blindly under the yoke of the politicians," and that by monopolizing the political interest it had succeeded "in effectually displacing of the two-party system by which provincial governments had previously

been placed in power and dismissed."

Last winter Samuel S. Weyer, for the Smithsonian Institution at Washington, made a scientific study of "Niagara Falls. Its Power Possibilities and Preservation" in which he pointed out, among other things, a number of matters in opposition to the public-owned system of Ontario. His pamphlet was vigorously criticized by Senator Norris in the Senate, the Smithsonian Institution was assailed, and Nation's Business was attacked because it published an article by Mr. Weyer. Sir Adam Beck, head of the Hydro-Electric Power Commission, replied at length in an offended tone.

The conclusions by Dr. Mavor, while they bear out those held in this country by opponents of government operation of industry, are decidedly not those of a man of big business. All of his life Dr. Mavor has been identified with higher education and with pure research problems. In addition to his professional duties he was at various times entrusted by the British Board of Trade and the Canadian Government, as well as by important charitable and economic organizations, with investigations of labor conditions, immigration, railway rates, copyright, grain production and transportation, and other subjects.

Because of the term "progressive," which is sometimes applied to those favoring government ownership, or operation, there is a bit of interest in Dr. Mavor's introductory reference to the history of national policies of that sort. He stated that "in the Middle Ages, before the growth of capital had reached any great dimensions, the exploitation of natural resources was in general undertaken by governments," but that in modern times the growth of capital under private enterprise, and its distribution has made such action unnecessary.

Opposes Government Operation. "Thus," he added, "for a modern government to embark in the operation of industry in a developed country is not only unnecessary but so far from being an indication of progressiveness, is an indication of reversion to long abandoned and even archaic practice."

"Niagara in Politics" has reviewed the situation surrounding the famous scenic spot on the American-Canadian border long before the development of hydro-electric power, and the picture embraces both sides of the national boundary line during their growth.

"For more than fifty years," said Dr. Mavor, "every observant tourist who found his way to Niagara Falls has been impressed by the vigorous industrial development on the American side and the complete absence of any such development on the Canadian side of the Falls. While some of the reasons for this difference lie in the general economic history of the respective countries, importance must be attached to a difference in the attitude of the people of the two countries, especially during the period of the great development on the American side."

"In the United States the presumption was strongly in favor of private enterprise, up till recent years even of unrestricted private enterprise. In Ontario during more than twenty-five years, positively, and during a longer period, incipiently, the presumption has been against private enterprise. The consequences of these divergent attitudes are seen in the industrial development of the New York side and the absence of it on the Ontario side."

Niagara was not in politics until 1902, but in that year there began a series of political controversies in which municipal councils and the Provincial Legislature were alike engaged, according to the writer, which were promoted and followed by a movement "the full consequences of which to the Provincial financial credit and to the character of Provincial administration have yet to be realized." With this frank attitude Dr. Mavor sketched the long and stormy growth of the movement as a political operation which he concluded is getting worse and worse.

The agitation over obtaining electric power for the municipalities continued until the creation in 1905 of the Hydro-Electric Commission which, it was claimed, was backed by great propaganda for public ownership scorning "the idea that the carrying out of their projects involved spoliation." The promise of "cheap power," according to Dr. Mavor, made the Hydro-Electric Commission the real government of Ontario from the spring of 1908 onwards.

Commission Has Political Power. The first steps were to get legislation which, it was said, were controlled by the Commission instead of by the municipalities. These were followed by a period of political propaganda, and enlargement of the political field of patronage with young men from college to advertise and promote the development by personal visits to farmers and property owners, ostensibly for arranging the necessary "assessments" and the like.

Dr. Mavor asserted that "the policy of overstaffing its offices and its plants has been deliberately pursued by the 'Hydro-Electric' and that an excess of 50 to 60 per cent. in the employees would not increase the case. A 'canvassing agency' that is active in elections and that 'may be brought to bear upon recalcitrant government or a hostile local critic' is maintained while 'the chloroforming of the press is not less ingenious and well organized.'"

"The Conservative press," it is declared, "must support the Hydro if not in every detail, in principle, because the Hydro supports the Conservative Government and keeps it in power." The Liberal press supports the Hydro because it attacks it as a scheme of the Conservative Party,

which it was, would under existing conditions, be fruitless and because the Liberal newspapers in general have deeply committed themselves to a policy of 'public ownership' although the meaning attached to that expression and the extent which 'public ownership' is advocated are 'variable.'"

It was further stated that the municipal politicians assisted the Hydro and that it "had means of rewarding its friends either by conferring benefits upon the communities to which they belonged and from which gratitude towards them might be expected, or by benefits of a more direct and personal order." Cheap power is questioned as the chief motive of those who advocated it before the public.

Hydro Makes Use of Clergy.

Influence was obtained from the clergy in more than one denomination, but "conspicuously" according to this author, in the Methodist Church "which for many years has been very strong in Ontario," and leading lay members of which are described as presidents of banks and other financial institutions, or otherwise "pillars of society."

That Hydro obtained a series of acts from the Legislature condoning violations of law and controlling the courts for its benefit is one of the startling assertions of Dr. Mavor, who claimed that with this legislation "the Commission removed any legal obstacles which stood in the way of the prosecution of their designs."

One act, he said, placed the Commission "in a position of immunity from prosecution on the ground of arbitrary interference with or of injury to property." This law recited that no action should be brought against the Commission or any member "for anything done or omitted in the exercise of his office without the consent of the Attorney-General for Ontario," and Dr. Mavor declared "it is clear that such a clause practically made the Hydro Commission an irresponsible body." He claimed furthermore that a number of acts were committed which had to be legalized by subsequent legislation to make possible the sale of the Commission's bonds.

"While the Hydro," he continued, "was closing the courts of law against persons who might feel aggrieved by its proceedings, it did not scruple to appeal to the courts when such a course of action suited its purposes."

Contracts made and the abuse of power by the Ontario Government and the Legislature were attacked, Dr. Mavor contending that they were permitted to exercise "almost sovereign powers" with respect to the most cherished institutions of government.

Attention was devoted to the cheap rates given to the domestic consumer and the higher charges to power companies, coupled with the prediction that the charges must be increased. The following statements of Professor Mavor are of interest:

"That its ludicrously low rates for domestic use could not by any possibility be sustained indefinitely without heavy cost to the taxpayer was also disregarded. The Hydro had made a bid for political support and got that support by bribing the domestic users of electricity and by vastly increasing their number by means of the bribe of low rates."

Calls Hydro Financing Unsound. "The failure to provide a sinking fund for nearly all of the bonded indebtedness in respect to the Niagara development, which are operated by the Commission as private companies, in the same general manner and to the same extent as is done in respect of cash advances under the Power Commission Acts, has been in our opinion, unsound and unjustified."

Dr. Mavor reached the conclusion that the Ontario Hydro-Electric System is erroneously represented as an experiment in public ownership and "is really an attempt on the part of a small number of politicians to establish an industrial monopoly and to manage this monopoly in such a way as to keep themselves 'in power,' who 'voted themselves large salaries for their incompetent labors.'"

"The Hydro," he declared, "is much larger than its promoters ever dreamed of; it is a great deal larger than they can imagine. In point of fact, the Hydro cannot be controlled; it controls both its own officials and the Government."

In closing his book, Dr. Mavor said: "Before the Revolution in China, and perhaps even yet, there might often be seen in the streets of Canton, for instance, a prisoner enduring the punishment of the cangue. This instrument of torture consists of two boards of wood, each about two inches thick and two feet wide. The boards when padlocked together embrace the neck of the prisoner in such a manner that he cannot remove his head from his formidable wooden collar nor can he rest with any comfort. He is free to walk about the street, but is nevertheless imprisoned by his cangue. The four Prime Ministers of Ontario, since the invention of the Hydro, have each worn an instrument of torture similar to that which has been described. In the course of years the Hydro cangue has become heavier. Day and night its load is felt; none the less wearily that the public assumes to look upon it as useful and ornamental. To the wearer it has become an almost intolerable burden."

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