Rowe Claims 'Joker' In New Hydro Pact With Ottawa Valley

Whatever Higher Price Will Stood on Her Head, Have to Be Paid for Extra Power in Quebec Must Also Be Given This Firm Conservative Chief Contends

"HEPBURN FRIGHTENED"

Ivanhoe, Feb. 15 (CP).-Hon. Earl Rowe, Ontario Conservative Leader, told a "victory dinner" attended by party adherents here tonight that he had discovered a "joker" in the he had discovered a "joker" in the new agreement between the Ontario NO IMMEDIATE Hydro-Electric Commission and the Ottawa Valley Power Company.

The "joker" provides that after 1945, if the Commission purchases hydro power in Quebec at prices higher than the \$12.50 per horse-power provided in the Ottawa Valley contract for 96,000 horsepower. the Ottawa Company's rate is to be increased to a similar level, he said

"In nine years' time the ten-year reinstated contracts with the Gatineau and Maclaren-Quebec Com-panies come to an end," the Con-servative Leader told a gathering celebrating the victory of Dr. Harold

paid the Ottawa Valley Company. Before the repudiation the Province had a long-term safeguard for forty years at \$15 a horsepower. Who knows what we may need in nine years' time? If the Niagara load increases at the rate it did last year we shall need 1,000,000 more horse-

power,"
Mr. Rowe said he believed Premier Mitchell Hepburn was "frightened" by an impending power shortage into making a new power contract with the Ottawa Valley Company to replace one cancelled by 1935 legis-

"It is quite evident to any serious student of the situation that Mr. Hepburn and his Commission, which you know is composed of two of his Cabinet Ministers and

his return?" he asked. "Did he ask Hydro engineers if there was any possibility of a shortage? I think he did, and the result so frightened Mr. Hepburn that he contract with the Ottawa Valley

The Conservative Leader said he of a power shortage, why the new contract was signed before resump-tion of the legislative session this

In all the Quebec contracts cancelled there was an arbitration clause under which either party could have appealed, Mr. Rowe said, adding the companies were willing "to sit down and talk

December was 1,061,528 horsepower, an increase of 72,000 for the year - "compounded that means another 1,000,000 horsepower in nine mentioned Mr. Rowe. believed the figure was justified.

The Niagara primary load in

First Burglary Reported As British Fair Opens

London, Feb. 15 (CP Cable) -The British Industries Fair was opened without ceremony today. The first burglary of any impor-tance since the fair's inception were taken. Queen Elizabeth visited White City, where she bought three dozen pairs of silk stockings and other articles. Busiess generally was active, one piano reporting sales valued at

ASTHMA

AND CHRONIC BRONCHITIS mild wheere and gasp for days on end many ineffective treatments, I took RAZ. I and got marked relief within half an house itest dose. RAZ-MAH makes wheering

RAZ-MAH Capsules are easy to take. Ne mokes, snuffs, sprays. Makes breathing easy, Stope bronchial cough, too. Relief from \$1 worth, or money back.—50c and \$1. 348 THE GENUING-TEMPLETONY RAZ-MAH

SHAW SCHOOLS

Schoolgirl Sues For \$10,000

Syracuse, N.Y., Feb. 15 (AP) .-

Byracuse, N.Y., Feb. 15 (AP).—
Because she stood on her head,
Ellzabeth Gardner, 16, of Cortland, is suing New York State
for \$10,000 damages.

In a Court of Claims action she
charges she "felt something
snap" in the back of her neck
while she was standing on her
head in a Cortland Normal School
gymnasium and that examination gymnasium and that examination disclosed a fractured vertebra.

CRISIS IS SEEN

(Continued from Page 1, Column 4.) less than a third of the entire Prov-

RADIO IS GUIDE

If not, I will head ou

ly west of here. You minute ago. Ceilli

it looks bet

Hills Reach Up.

And Bill would come in thus:
"Cameron calling Kenned
you fine, Marlowe. You

nedy let the big ship down, al with a nice margin of safety the hills that reached up from

low. And then came his

And we left. Snow still

out the hilltops. But we

ton of Eldorado concent

vague and lost, a hazy

through the snow and fi

But to Pilot Kennedy

He knew where

Force flier, it was safety

going. He knew what the

pot. He talked with Larkin as he left.

And suddenly we all

was right. There was

around us, and everything

ly. Muscles relaxed and

went back into place as P nedy turned sidewise and

From the co-pilot's seat it

He hung up his radio p

ropped his right hand to

shoulders lurched slightly "worked" Larkin at Came

of the clouds vanished and

us, he was saying, "Kenn

im. And not till then did

Four hours later we n

Fort Smith twenty miles

one of the few outposts th

ble from afar because o

hospital. And Pilot Keni

Redge. And would you ning the hotel and telling

have it ready, because gry. And tell them to

oms ready, because

too. See you ater, Redge

Engineer Gordie Thoms

wound up the wireless ar

HOTEL DEN

Winter weeks and week delightful at the 'Sh doubly so at Hotel I

Attractive American Pla

WALTER J. BUZBY

ATLANTIC CITY

off Cameron Bay.

saying:

less key near his right

seemed simple.

Always in Touch

a load of outgoing pass

was breath-taking.

cross the bay, slid upwar

TO NORTH PLANE

hen you hear I'll be down.

(Continued From Page 1, Column 6.)

Nevertheless, Manitoba has felt severely the lack of moisture of the past six years—even though that lack did not, in the Minister's opinion, constitute entire drought. One can trace Manitoba's loss from panies come to an end," the Conservative Leader told a gathering celebrating the victory of Dr. Harold E. Welsh, Conservative candidate in the December Provincial by-election in Hastings East.

Shortage Predicted.

"When that time comes, Ontario will be in need of a large black of power, and will have to pay plenty for it. Whatever price has to be paid at that time will in turn be paid the Ottawa Valley Company.

One can trace Manitoba's loss from insufficient rainfall in the aggregate of agricultural production to search for Cameron Bay. And back came Cameron Bay strong and clear.

Slowly, very, very slowly, Kennifty-seven, seventy-three, and, in 1935, fifty-eight millions of dollars. The average per farm was around seven hundred dollars in the past two years. So Manitoba farmers, apparently, better off on the whole than their brothers in Sastatchewan, did not have much net thousand feet Overc at and no visikatchewan, did not have much net income from which to pay for mer-chandise from Eastern Canada. thousand feet Overc bility. Let me know me. If I find a hole Farming More Diversified.

Manitoba, of course, has moved and is moving into more diversified farming then neighboring Saskat-chewan. The Manitoba live stock industry has become about onequarter of the Province's agricul-ture; the dairy industry almost another quarter; and these suffered relatively much less than the grain growing part of the industry in the dry spell of the last several years. Neither the plentitude of snow nor the prognostications of weather seers would cause the Minister today to foresee good crops for 1937. Current year grain marketing pros-

which you know is composed of two of his Cabinet Ministers and a former newspaper editor, have been trying vainly for some months to disguise the blunder they made in repudiating the long-term power contracts made with the Quebec Companies," he said.

"Whatever argument may be used to throw up a smoke-screen to becloud the issue, there is one fact that raises its ugly head, and that is that the people of Eastern Ontario paid more for power last year under the new contract and got less power for their money."

Refers to Promise.

Mr. Rowe asserted the Premier promised, before leaving in early January on a trip to Arizona for his health, he would set up a Commission if necessary to learn Ontario's power needs.

"What did Mr. Hepburn do on his return?" he asked. "Did he "Manitoha's 52000 farm ones and the billsone But the balance were most of the balance with the blusters." So of farm ones and the world came up c arer, mistily. We were under the celling with Cameron Bay a mile nead of us. We circled in a sharp ank, soomed down, bumped swiftly then slowly to a little crowd gat ared on the ice.

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"Did he inference, were most of the balance of Manitoba's 52,000 farm opera-

tors.
Through her Minister of Agriculture, Manitoba echoed Saskatchewan's protest, previously recorded, against "high tariffs for the East." Wanting little excepting interest revision on existing debts. Manitoba too, Hon. Mr. Campbell made it plain, felt that there was an Eastern Canada tariff debt still payable to Manitoba and any Dominion aid forthcoming here at the present would be well payable out of this

"We do want, however," he said, "investigation of the existing taxa-tion field as between Federal and Provincial Governments. When the Fathers of Confederation drafted he British North America Act they never visualized burdens of Provincial costs like Mothers' Allownces, Old-Age Pensions, and such

enactments as are in force today."

Deeming Manitobans to be already taxed to a point verging on confiscation, the Manitoba Government, according to present in-tention, will not add to existing taxation schedules at the session of the Legislature opening Thurs-

day.
What is likely to be done, however, is to remove the 2 per cent. wage tax as a separate imposition and incorporate it with the Promore than twenty years ago was reported at Olympia, where thirty wage envelopes, collected at the silver cigaret cases, valued at £60 points of distribution, has been points of distribution, has been found to be an exceedingly aggravating imposition and one likely to prove politically ruinous to a Government endeavoring to enforce

A Manitoba wage-earner has been £2,850 (\$14,250) in the first fifteen having his pay envelope tapped minutes. Federal or possibly even a Munici-

I. K. WILLIAMSON DIES IN MIDLAND

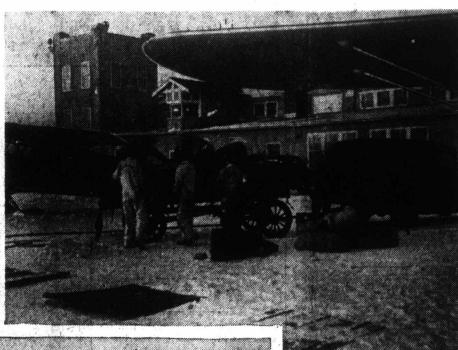
Midland, Feb. 15 (Special). Howard Kelly Williamson, a brother-in-law of J. V. McAree, Globe and Mail columnist, died suddenly last night from a heart attack while his family were attending the evening church service. He was found on their return lying in

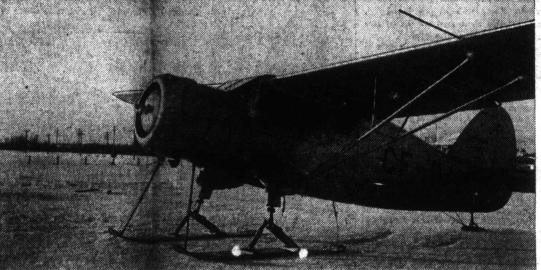
the woodshed. He was formerly employed in the punch sheds in the Collingwood and Midland Shipyards, and served during the war with the 177th Battalion.

being invalided home shortly be-PRINCESS HOTEL NOW OPEN. The social cents with every recreation, excit accommodation for over 6 delightful and convenient lor-resting folder and rates con travel agent or write to Prince Surviving him are his widow, the former Sarah Robertson; two daughters, Mary and Dorothy; five sisters, Mrs. Randall Cole, Mrs. Frank Allan and Mrs. J. V. Mc-Aree, of Toronto; Mrs. Gordon Broderick and Mrs. Newburn Bell B E R M U D of Hamilton; also, three brothers, Ernal and Herbert of Cleveland and Ancel of Vancouver.

Planes Speed Civilization to the Far North







Into the vast and rich areas of the Northwest Territories airplanes daily carry men, machinery and supplies for development of the new mining areas. Ken W. MacTaggart, a staff writer of The Globe and Mail, now in the Northland, has found that it is the airplane, combined with the courage of the new pioneers, which has made possible the opening of this country. These scenes, typical of everyday life there, show, on the top left, a plane being unloaded after a swift trip from civilization. Prior to its flight, the plane is shown on the top right with men busily loading supplies. Below a ship is poised for a new flight down the turbulent Mackenzie to the Great Bear Lake country, where radium, silver and gold are luring men.

And so they chatted as we good at the portholes and gazed at the white sea beneath. Slowly en-Not Protected

extending and strengthening powers of the Commission. In ear 1908, acting under the author of that legislation, thirteen mur palities passed the necessary by-la authorizing their officials to en nto contracts with the Con for a supply of electrical power fr 1908, the Commission contracte its first supply of power, on behilf of the municipalities, with the Car-tario Power Company. The Com-mission immediately commenced mission immediately commenced building the necessary transformer stations and transmission lines or the purpose of distributing this power, which the municipalities had contracted for.

Beck Stand Quoted.

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"A few years later, when the late Sir Adam Beck addressed the Cinadian Club at Ottawa, on Jan. 28. 1911, and reviewed the progress of Hydro in Ontario to that date, speaking of the original legislation and the municipalities in relation thereto, he said: The municipalities were prepared to assume the liability. And let me make this clear, that, although this is a Government undertaking, as it is generally undertaking, as it is generally in-derstood, it is a municipal under-taking, because the liability, if not the responsibility, is placed directly upon the municipalities that enter-into contracts with the Hydro-Electric Commission; and, while the Government furnishes the municipalities stand liable for the loss, should unforeseen circumstances cause loss to arise. The was dinutes, their decision to accept this act their decision to accept this act and the conditions imposed; and I am glad and proud to think that a greement which each municipality signs.

"The Power Commission Act in from a municipality in the Proand act that governs this enterprise toed up day. We had but one duty to perform, and that was to secure the form, and that was to secure cheapest power under the most adcheapest power under the most su-vantageous terms for the people whose trustees we were, regardless of political friendship.'
"It is important to keep thise early statements of Sir Adam Beck

early statements of Sir Adam Beck constantly in mind, as they will assist in explaining and understanding the ownership and financial structure of the Hydro and the relation of the municipalities, as described by him in later years. As it is now over thirty years. As it is now over thirty years size Sir Adam Beck and the Whitrey Government established public ownership of electric power under the Hydro Power Commission act of the Ontario Legislature, it is of the Ontario Legislature, it is as well that a brief outline of the financial arrangements and setup should be restated for the benefit of the new generation of thousands of people in Ontario and Canada who are not acquainted with the origin of this great enterprise. "How the trustee functions and operates in the case of the Hydro operates in the case of the Hydro Power Commission and the mun ci-palities is all set out in the Po er Commission Act and the agree-

Ottawa, Feb. 15 (CP).—The Dominion Government spent \$52,384 in the search last fall for Flight-Lieutenant Sheldon Coleman, Winnipeg. ments that are schedules to the act, which are executed by the Power Commission and each municipality. There is a similar separate contract or agreement made with each municipality in Ontario.

The form of this graymout in do.

with each municipality in Ontario.
The form of this agreement in detail will be found in the Ontario Statutes for 1906, 1907, 1908 and subsequent years. It is a very long and elaborate agreement, being a special form of contract with the Hydro Commission, which each municipality signs, for an electric power supply, by which the municipality agrees to pay its share of the total cost. The meaning of cost is defined in the Power Commission Act.

"The substance of that agreement is that each of these municipalities enters into an agreement to buy

enters into an agreement to buy power from the Hydro-Electric Power Commission of Ontario at cost, and there is a clause in that of all the distribution system, the development at Niagara, and all the assets of the whole Hydro Commission, amounting to about three hundred million dollars, is paid to the Hydro for power, including a sufficient sum to pay interest, operating cost, and to wipe out the principal moneys advanced by the Ontari Government to the Commission during a period of thirty years, now forty years, then at the end of that time the municipalities would own the Hydro, after having paid off all the moneys advanced.

No Assets of Own. "The Hydro-Electric Power Com-mission Act creates a corporation which has no property or assets of its own, and no funds of its own except perhaps a present legal title to them, but in trust for the municipalities at the end of forty years. There is no liability to the Hydro Power Commission incurred by the municipalities, in the form of bonds or securities, nothing except they sign a contract which makes them liable to take a minimum of power, and pay a price which will pay the debt. They all sign a contract to take this minimum of power, and they are compelled to take that money to carry out the scheme, the municipalities stand liable to the whether they want it or not, and are compelled to pay a price for that power which will liquidate the in-debtedness at the end of thirty and now forty years, in accordance with municipalities were unanimous in the provisions of Section 55 of the

section 55 shows how the amounts vince of Ontario that a line or a to be paid for cost of power, etc., syllable should be changed in the are arrived at, and the annual report of the Hydro apportions the equitable interest of each munici-pality in Ontario in the assets of the Hydro. That report will show, for instance, how much Toronto and each other municipality has actually invested in the assets of the Hydro, and provides for apportioning the equitable interest of each: Toronto will show millions of dollars of an interest in the assets of the Hydro.

Pay Government Back.

"Now, this explanation so far means that the Ontario Government advanced all these moneys to the Hydro Commission of Ontario-the Ontario Hydro, acting as Trusteeagent for the municipalities, col-lects, and is now paying back to the Ontario Government sufficient sums to wipe it all out in forty years. And, at the end of that period, the municipalities will own the Hydro, free of debt, in proportion to their interest therein.

"Each municipality owns its own local hydro system, and there are many municipalities have already paid off all the cost, and own their local system free of any outstanding debt or deben-

Attack Made, Woman Says

Honolulu Naval Lieutenant's Wife Tells Police She Was Seized

Honolulu, Feb. 15 (AP),—A report ed criminal attack upon a naval lieutenant's wife sent police hunt-ing tonight for an unidentified white man who dropped an initialled handkerchief in the garage where she said she was assaulted.

A doctor who examined slight 24year-old Mrs. Bennett S. Copping said she had not been attacked.

Mrs. Copping told Police Captain.

Don Hays she was seized early today. in her residential apartment build-ing when she stepped outside her room, was dragged seventy-five feet across an open yard and into the garage. The woman, whose hus-band is attached to the submarine

the University of Pittsburg, made before a Faulk Foundation dinner.

nicipalities in the Hydro's 300-million-dollar plant is the amount of the value of the whole plant, less the balance due to the Government for moneys advanced to the Com-mission, and Toronto's share of this is many millions of dollars. The Hydro Commission holds the whole property in trust for these various owners, the municipalities.

Always New Expenditures.

Always New Expenditures.

"If it were a fixed capital expenditure that had to be made in the case of all the municipalities, the whole thing would be cleaned up and paid off in forty years or less, and the properties would tass to the municipalities free and clear under the provisions of the agreement referred to. But, because there is constantly new capital expenditure being made every year and new issues and new sinking funds, there would or probably never will come a time when the total debt to the Government would or will be paid off, because they are all the time making new capital expenditures, which is all advanced to the Commission by the Government, and therefore each such new capital expenditure would be re-In Hunt for Lost Flier

the value of this share of each

Dominion Spent \$52,384

municipality.

the value of this share of each unicipality.

"The equitable interest of the muproposes to sell its own bonds, guar-

Nation-Wide Organization
Of Steel Workers Urged

Pittsburg, Feb. 15 (UP)—Industrial, nation-wide organization of steel workers for means of collective bargaining was recommended to night in a three-year study of the steel industry made by the University of Pittsburg and financed by Brookings Institution and the Faulk Foundation. Forecasting "bitter struggles for labor organization in the iron and steel industry," the report was made public in a summary contained in a speech that Dr. Ralph J. Watkins, director of the Bureau of Business Research of the University of Pittsburg, made before a Faulk Foundation dinner.

the Hydro borrowing money is the Government, and the Gov ment endorsing the note, or Hydro issuing its bonds and get a Government guarantee in orde sell the bonds, but the public we sooner have a direct Governm bond rather than a guarant

sooner have a direct Government bond rather than a guarant Hydro bond.

"There is this also to be esidered in regard to a direct Hybond issue, that if, as the and the facts show, the Hyhas no assets, property or further of its own, of what value we bonds issued by the Hydro disbe, except in so far as the municipalities or the Government guarateed them? Although such a bissue be guaranteed by the Government, of what value would it without that guarantee? It might just as well be a direct Government is still liable as endorser guarantor of the note.

"What security would be belt a direct Hydro bond issue we the Commission is only a true agent for the municipalities, with a commission is only a true agent for the municipalities, with a commission is only a true agent for the municipalities, with a commission is only a true agent for the municipalities, with a commission is only a true agent for the municipalities, with a commission is only a true agent for the municipalities, with a commission is only a true agent for the municipalities, with a direct Hydro system, all this me having already paid off over million dollars on their 300-mill dollar Hydro system, all this me having heen originally advance.

FINANCIAL SECURITY



Confederation Life

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Association

Toronto