

# EX-PREMIER REPLIES TO STATEMENT OF HON. DR. BAXTER

Says Present Prime Minister Sees Imaginary Difficulties in Contract

REPEATS HIS CHARGE OPPONENT IN ERROR

Asserts Nothing in Agreements to Cause Power Body Any Hesitation

Denying that the difficulties seen by Premier J. B. M. Baxter in the contract between the New Brunswick Power Commission and the International Paper Company are anything more than imagination, Dr. P. J. Veniot, former Premier of New Brunswick, last night gave out a statement in answer to the recent reply of Dr. Baxter.

He repeats his assertion that Dr. Baxter erred in saying that the agreement concerning the sale of power to this company had been confirmed by the International Waterways Commission.

He declares that the late Government had reason to know that Grand Falls could be developed at a cost that would permit the sale of power at market-producing prices and that it could be developed more cheaply by the Government than by any private company.

## NOT COMPETENT, HE SAYS.

The persons today advising the Power Commission on the matter of Grand Falls development were not competent to do so because of lack of data and because of prejudice, Dr. Veniot continues. He declared that some of the people called into consultation were the same ones who approached the late Government with a request for a large block of power to be resold by them.

He asserts that there is nothing in the contracts that should give the commission any reason for a moment's

hesitation about going ahead with the development.

## TEXT OF STATEMENT.

Hon. Dr. Veniot's statement follows:

"A paragraph in his last letter is worthy of the most serious consideration of those who are opposed to private development of Grand Falls. In this respect he leaves no doubt in the minds of the electors as to his attitude towards this undertaking, when he says that 'Hon. Dr. Veniot has already put Grand Falls much more decidedly in private hands so far as the control is concerned than I desire to do so.' And again he says that 'the present hydro commission is composed of men who will bend every energy to find a wise, fair and just solution of the present difficulty.'"

## DENIES DIFFICULTIES.

In the first place let me say that there is no such difficulty as Dr. Baxter conjures up. There is absolutely nothing in any of the agreements made with the International Paper Company which gives them or anyone else any control over the power to be developed. They have an option on so much power, which option still leaves, as pointed out by me, 35,000 horse power to be disposed of as the Hydro Commission may see fit, and no quibbling or distortion of words or phrases by Dr. Baxter can possibly bring about the difficulties which he pretends exist.

## FOR GRINDING PURPOSES.

So far as the sale of power specifically for grinding purposes is concerned, the agreement distinctly sets forth that the Paper Company can only have power for such use, after it has obtained its quota of normal power, providing the Government adopts the policy of selling surplus power for grinding wood. If the Government does not adopt such a policy the Paper Company is not entitled to any additional block of power for such purpose.

In the first part of the above quotation Dr. Baxter freely admits that he has a certain desire to place the control in the hands of private individuals or corporations. Such an admission should not be allowed to go unheeded. Where is his promise made during the election campaign that Grand Falls "would be developed as a public ownership enterprise, but along business lines profitable to the province?"

## ASKS QUESTIONS.

His reference to his own desires and to the endeavors of the Hydro Commission to find a solution of the difficulty, leads one to ask: Is it the Government that is entrusted with the task of inaugurating a policy of hydro development, or is it the Commission? If it is the Commission,

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will Premier Baxter inform the public if all the members are unanimous in favor of private ownership? Have any of them expressed any doubts as to the wisdom of handing this development over to private corporations?

If it is the Government that is to decide between the two propositions, why should the representatives of large corporations both from an engineering and a legal point of view be called into consultation to the almost exclusion of the Boards of Trade, the various civic governments in the province, and other civic associations, which during the last four years have been clamoring for this development along the lines of public ownership?

## ASKS WHY NO CONSULTATION.

And what about the members-elect who will form the backbone of the Government support in the Legislature, and who pledged themselves to public ownership during the election? Why have they not been consulting before any declaration of policy had been made by the Premier? Surely they are not to be looked upon as servile followers ready to do the bidding of the Hydro Commission or the Executive Council?

## ON CONFIRMATION.

I note that Premier Baxter reiterates his statement that the sale of power to the Paper Company "has been confirmed by the Order of the International Waterways Commission and is one of the conditions upon which the province has agreed to grant the right to use water from the State of Maine."

## I have already pointed out that the order of the Waterways Commission does not contain one single word with reference to the sale of power within the province of New Brunswick. I stand firmly by that statement, and I defy Dr. Baxter to point to one single phrase or word which would indicate that he is right in his statement.

If the interpretation of agreements were the only question at issue, I would not presume to pit my legal knowledge against that of such an eminent lawyer as the Premier, but as I am not hesitating with matters of fact I do not hesitate to cross swords with him.

## VIEW OF ORDER.

The Waterways Commission included in their order only such matters as were of international import, except when, at the request of the Paper Company and the Hydro Commission, they made a matter of record the agreement to compensate the Paper Company for property taken in New Brunswick, which agreement was incorporated with the one which dealt with property rights, etc., of the Paper Company wholly within the State of Maine and within international boundary limits.

The clause in the agreement which refers to this matter enjoins the Waterways Commission "to make its order conditional on performance by the Power Commission of all its obligations under this memorandum of agreement according to its tenor."

## REPEATS BAXTER WRONG.

The agreement above referred to does not in any way deal with or even refer to the sale of power to the Paper Company in the province. There are other agreements made between the Paper Company and the Hydro Commission, but no such clause as quoted above is to be found in them.

I repeat most emphatically that Dr. Baxter is wrong when he says that the sale of power "has been confirmed by the order of the International Waterways Commission." These are matters of fact and not of legal interpretation, which I am more competent to deal with than the Premier, because of my very intimate connection with the case and knowledge of what took place before the Waterways Commission and from my hearing all the arguments pro and con.

## NO HINT EVEN, HE SAYS.

Further, I took a very active part in the framing of all the agreements made by the Hydro Commission, and on no occasion whatever did the Paper Company even hint at having an order issued by the Waterways Commission that

would touch any point except that which I have already mentioned. Premier Baxter tries to escape from the charge I made that he misstated the fact when he said "the price which the province shall receive for the power is not fixed by the contract, nor is any means of fixing it provided." To do so he now claims that the contract does not fix the price "in dollars and cents." Surely the Premier does not want the public to accept this answer to my charge as the only one he can make. If so, I am satisfied to let the public judge between what I submitted as premises, my charge and what he now submits as his defence or attempt to disprove the accusation made by me.

## MARKET FOR POWER.

In dealing with the market for power, Premier Baxter undertakes to show that no company will contract for such power in advance of knowing what it will cost. No one ever pretended that such would be the case. Everyone who has ever had anything to do with the development of hydro knows that the markets seek the power and not the power the markets. Such is the history of all hydro enterprises, and a market has never yet been lacking once the power was ready for sale.

The late Government had ample reason to know that Grand Falls could be, and would be, developed at a cost that would permit the sale of power at such prices as would create markets for a great deal more than could be supplied by the initial development of 50,000 horse power. Grand Falls as at present designed can be developed cheaper by the Government than by any private company, and the power can be sold at a far cheaper rate.

## WOULD BE CRIME, HE HOLDS.

If the present Government cannot develop Grand Falls so as to sell power for general industrial and domestic use in the province at a figure sufficiently low to create a market, Dr. Baxter can rest assured that no private company can do so. By changing the present plans and designs, so as to produce a rate somewhat lower than the rate to be charged for the greater development, but this development would become a monopoly and be of no benefit to the province as a whole. It would be a crime to allow such a development to take place.

## SAME PEOPLE, HE'S TOLD.

If my information is correct, some of the very persons called into consultation by the Hydro Commission were among those who approached the late Government with the request that a large block of power be held in reserve for them for the purpose of resale to industry, and when this was refused them it was then that the cry was raised that the cost of power from Grand Falls would be prohibitive.

The same persons are now in touch with the Baxter Government in the endeavor to lay hands on this development and have control of this valuable natural resource. They try to convince the Government that there is no market for the power, yet they are willing to take a chance on the market conditions. Where is the nigger in the wood pile?

## ON ESTIMATED COST.

I wish once more to impress upon the public mind that there is nothing whatever contained in any contracts that should give reason to cause the present Hydro Commission to hesitate for one moment in carrying out the project as designed. The estimated cost of development has been guaranteed by engineers of the highest standing, and these engineers who were called into consultation were men employed and trusted by corporations and governments which were interested in both the policies of private and public ownership.

The estimates, after the project had been considered and figured out from reliable data, during a period of nearly two years, show that power can be produced and sold at a rate just as cheap as any other similar power in Canada.

## HOLDS THEM NOT COMPETENT.

Those who are today advising the present Hydro Commission are not competent to give accurate, or anything near accurate estimates. In the first place they are not in possession of the data that would warrant their giving an estimate, and in the second place they are prejudiced against the policy of public ownership, and would naturally incline to an endeavor to dissuade the Government from carrying it out.

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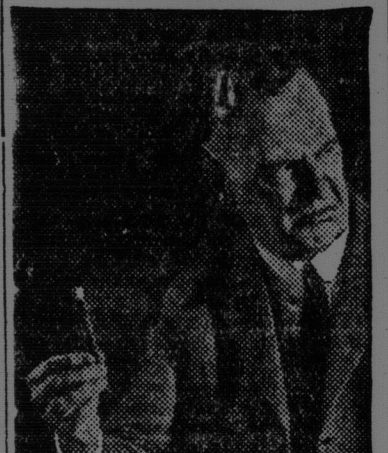
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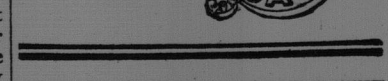
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