

3. An increasing potential demand which worked out at more than 11% per annum compounded had been experienced with singular uniformity since the commencement of operations, and this, in view of the functions of the Commission to provide for increases, involved the necessity of looking ahead.

Now, in addition to the statement that the price paid for this power was too high, it was and is said that the quantities of power provided for in the various contracts were excessive and improvident. I say to you, without political bias, or without any ulterior motive whatever, that if the normal trend which had been experienced in the previous 15 years had continued, the amount of power which was bought under contract from Quebec, would not have been sufficient to provide an adequate supply. The normal trend would have required, in the six years subsequent to 1929, that is to the present year, an increase of 800,000 h.p., instead of the additional 471,000 h.p. provided.

You may ask yourself, and it may be suggested that in the light of the depression which commenced in 1929, some provision ought to have been made for such an eventuality. Well, some provision was made for just that thing. We did not, in purchasing power, provide in full for the normal trend of 11.4% annual increase. Instead, we provided for an annual increase of 7.7% or three-quarters of the amount of increase experienced.

It was inevitable that, with the depression which occurred, and from which we are just beginning to emerge, a surplus of power should have resulted, but there are indications that the turn is again upward.

One further point I might mention, and that is that in 1932 30% of the motors in industrial plants were idle as the result of this depression. Will these motors never turn again, or do you think that sooner or later business activity will increase, and these idle plants again become sources of employment and of revenue to the Hydro-Electric Power Commission?

Now it is not now that we should have discussions and some fear on the part of those who do not understand the power business, that these large blocks of power will never be required. I am going to take you back for a moment into the past. *First*, when the Commission bought its first block of power in the early days, from the Ontario Power Company of Niagara Falls, it proposed to contract for 100,000 h.p. At that time, Sir James Whitney, who was an ardent supporter of Sir Adam Beck and Hydro, expressed grave doubts as to whether this large amount of power would ever be used. His view was that 10,000 h.p. would be ample for many years to come. We have seen how these fears were dispelled in the enormous growth in power demands which followed. *Second*, when the City of London was asked to enter into a contract with the Commission for 3,000 h.p., the press of the day attacked Sir Adam Beck as a dreamer, as almost insanely optimistic. Those who are curious, may read in the files of the "London Advertiser" editorials in which the proposal that London should take 3,000 h.p. was ridiculed as being entirely beyond all possibility. London today has a peak load of ten times that amount. *Third*, power was first supplied to Fort William and Port Arthur by means of a contract between the Commission and the Kaministiquia Power Company, providing for 5,000 h.p. This amount was rapidly used, and the Commission then proposed a development at Cameron Falls on the Nipigon River,

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with a capacity of 72,000 h.p. It was said by many at that time that the Commission's proposal was out of all reason, and that the power thus developed would never be used. The Cameron Falls development was hardly completed before it was seen to be necessary that a further development would have to be undertaken, and a further development was in fact undertaken at Alexandria, with a capacity of 45,000 h.p. *Fourth*, when the Queenston-Chippewa Development was planned, the total load of the Commission was about 150,000 h.p. The ultimate capacity of the Queenston-Chippewa plant was in excess of 500,000 h.p., and these were many who said that the scheme was insane, and improvident; the power would never be used. Well, we have seen that even before the Queenston-Chippewa plant was completed, new sources of power had to be found.

It has been suggested that these times were abnormal. New Municipalities were continually joining the Hydro family, and the loads were therefore growing by the addition of new consumers, rather than by the increase in demand by the existing consumers.

One or two facts may show to you that this does not altogether account for the increase in demand. Take the City of Toronto for example. In 1925, the connected load in horsepower totalled 584,182 h.p. In 1931, after a steady annual increase, the connected load was 1,049,392 h.p., an increase of approximately 100% in Toronto alone. Again look at the electric appliances. In 1924, in the Province electric appliances installed had a total capacity of 806,900 Kws. In 1931, after a steady annual increase, this total had grown to 1,557,700 Kws., or over 2,000,000 h.p.

In this connection, there was published in the Wall Street Journal of April 1st, an item referring to the national power survey just made public by the Federal Power Commission in the United States, which shows that the use of electricity for domestic purposes in that country, as well as in certain branches of industry, has grown at such a rate during the depression, that upon resumption of normal industrial activity, the demand for power will be at least 5,000,000 h.p. in excess of that which existed in 1929, and that this increase in time of depression has created a potential power shortage which the report characterizes as critical. The report goes on to say:

"In view of the time required to plan and construct large generating plants, whether hydro or steam, early construction of new plants with an aggregate capacity of between three and four million kilowatts is imperative."

Translated into horsepower, three to four million kilowatts means four to five and a quarter million horsepower, and what in effect this report is saying, is that there should now be planned for an available source of supply which will take care of industry in anticipation of a return to normal times.

As I have already pointed out that 30% of the connected motors in industrial plants in Toronto were idle in 1932 as a result of the depression, and if anything like a similar proportion of motors is idle in the rest of the Province, you are met with the fact that the present surplus of power available to the Commission is an absolute minimum to take care of industry upon the return to normalcy. In the United States, the failure to have this available supply is causing grave concern. In Ontario, the having of it causes certain people grave concern. Do you not think it better to be prepared for

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