The Ontario Experiment:
Hydroelectricity, Public Ownership, and Transnational Progressivism, 1906-1939

by

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The Hydro-Electric Power Commission of Ontario (HEPCO) has been studied as a major factor in the province’s economic development and domestic politics, but its central place in international policy debates has been less recognized. This dissertation argues that the HEPCO should be understood within the contexts of progressivism and transnationalism. The commission was a characteristic product of the international Progressive Era, meant to address fears of monopoly capitalism and social inequalities, alongside regional economic underdevelopment. The HEPCO must also be understood in transnational terms, as it came to influence and was influenced by debates over the public ownership and regulation of electricity in the United States during the Progressive Era. This transnational influence was uneven but cumulative: over time, American progressives became more comfortable and familiar with the commission, and increasingly used it as a model for their policy proposals, just as the private electricity industry regularly vilified it. American progressives’ interest in the commission began in the 1910s and 1920s, aided by classic “vectors of diffusion” such as individual promoters, conferences, and fact-finding trips to Ontario. The “Ontario experiment,” as it came to be known, increasingly served as a model, such as in New York State, where it influenced Franklin D. Roosevelt’s hydroelectricity policies. Eventually Roosevelt’s ambitions surpassed the Ontario model, as his New Deal established the Tennessee Valley Authority and Rural Electrification
Administration. A reflexive dynamic can also be observed: Ontarians’ awareness of American interest and opposition to the HEPCO came to influence their political behaviour. In particular, American attention helped contribute to the commission’s independent political activity under Sir Adam Beck. The pluralistic progressivism of the Ontario experiment is also seen in its demobilization during the 1930s, as provincial governments brought the commission under greater control and tamed its populist energies. Today, the progressive legacy of the HEPCO can be observed in the ways it has been publicly commemorated and used in contemporary political debates in Ontario.
Acknowledgements

Musa, mihi causas memora…

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Lastly, I dedicate this work to the memory of my brothers John (1962-1971) and Scott Sholdice (1964-2005). In their short lives they embodied another virtue, which I try to remember every day. *Forsan et haec olim meminisse iuvabit*. 
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AO</td>
<td>Archives of Ontario</td>
</tr>
<tr>
<td>C&amp;S</td>
<td>Commonwealth and Southern Corporation</td>
</tr>
<tr>
<td>EDC</td>
<td>Electrical Development Company</td>
</tr>
<tr>
<td>FDRPL</td>
<td>Franklin Delano Roosevelt Presidential Library</td>
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<tr>
<td>FTC</td>
<td>Federal Trade Commission</td>
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<tr>
<td>HEPCO</td>
<td>Hydro-Electric Power Commission of Ontario</td>
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<td>HERAO</td>
<td>Hydro-Electric Railway Association of Ontario</td>
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<tr>
<td>hp</td>
<td>horsepower</td>
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<tr>
<td>IJC</td>
<td>International Joint Commission</td>
</tr>
<tr>
<td>ILP</td>
<td>Independent Labor Party of Ontario</td>
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<tr>
<td>KPL</td>
<td>Kitchener Public Library</td>
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<tr>
<td>kWh</td>
<td>kilowatt hour</td>
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<tr>
<td>LAC</td>
<td>Library and Archives Canada</td>
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<td>LOC</td>
<td>Library of Congress</td>
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<tr>
<td>MOL</td>
<td>Municipal Ownership League</td>
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<tr>
<td>MPP</td>
<td>Member of Provincial Parliament</td>
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<td>MUA</td>
<td>Municipal Underwriters Association</td>
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<td>NCA</td>
<td>National Conservation Association</td>
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<td>NELA</td>
<td>National Electric Light Association</td>
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<td>NPGL</td>
<td>National Popular Government League</td>
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<tr>
<td>OMEA</td>
<td>Ontario Municipal Electric Association</td>
</tr>
<tr>
<td>OPG</td>
<td>Ontario Power Generation</td>
</tr>
<tr>
<td>PASNY</td>
<td>Power Authority of the State of New York</td>
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<tr>
<td>POL</td>
<td>Public Ownership League of America</td>
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<tr>
<td>PSC</td>
<td>Public Service Commission</td>
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<tr>
<td>PWA</td>
<td>Public Works Administration</td>
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<td>QVNPC</td>
<td>Queen Victoria Niagara Park Commission</td>
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<td>REA</td>
<td>Rural Electrification Administration</td>
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<tr>
<td>TELC</td>
<td>Toronto Electric Light Company</td>
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<tr>
<td>THES</td>
<td>Toronto Hydro-Electric System</td>
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<tr>
<td>TRC</td>
<td>Toronto Railway Company</td>
</tr>
<tr>
<td>TVA</td>
<td>Tennessee Valley Authority</td>
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<tr>
<td>UFO</td>
<td>United Farmers of Ontario</td>
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</tbody>
</table>
# Table of Contents

Abstract ................................................................................................................ ii

Acknowledgements ............................................................................................... iv

List of Abbreviations ............................................................................................. vii

Introduction ............................................................................................................ 1

Chapter 1:  The Emergence of Public Power Movements in New York State and Ontario, 1890-1910 ...................................................................................... 44

Chapter 2:  “Among the People of Hydro Land”: American Debates about Ontario’s Hydro Commission during the 1910s and 1920s .................................................. 90

Chapter 3:  Adam Beck, Progressivism, and the Internationalization of Ontario Hydro Politics, 1910-1925 .................................................................................. 151

Chapter 4:  “But a duplicate in essence of the great Ontario hydro development”: The Background to Franklin D. Roosevelt’s Power Policy as Governor and President (1926-1937) ..................................................................................... 196

Chapter 5:  The Demobilization of the HEPCO (1925-1943) ......................... 241

Conclusion:  Remembering the Public Power Movement .................................. 260

Epilogue:  The Legacy of the Public Power Movement .......................................... 270

Bibliography ............................................................................................................ 278
Introduction

Standing at the busy intersection of Queen Street West and University Avenue in Toronto is a monument to Sir Adam Beck, founding chairman of the Hydro-Electric Power Commission of Ontario. A municipal project completed in 1934, the statue sits on a granite plinth emblazoned with the names of the commission’s hydroelectric stations and inscribed with a commemoration of Beck:

whose labours have ensured that the citizens of his native province under co-operative municipal ownership shall enjoy the benefits of low-cost electrical energy derived from water-power resources to serve the industrial and domestic needs of the Province of Ontario.

The bronze statue of Beck is over twelve feet tall, heroically glaring up University Avenue towards the provincial legislature at Queen’s Park and the corporate headquarters of Ontario Power Generation, an organizational descendent of the commission. The monument is a testimony to the central role played by Beck and the Hydro-Electric Power Commission in Ontario politics in the first few decades of the twentieth century. It also recalls a time when the activities of Beck and the commission inspired political reformers around the world.

Beck also loomed large over Ontario politics in his day. From his position as chairman of the commission, Beck built what was then likely the largest electricity system in the world. Moreover, from the end of the First World War until his death in 1925, Beck turned support for public power into a major locus of political power in the province. The HEPCO operated as a political faction and in the unsettled postwar conditions Beck himself seemed poised to become premier. And, much as his monument casts its shadow on University Avenue, Beck’s HEPCO cast a shadow over both friends and foes of public power in the United States. As public power was debated in the United States, all sides pointed to Beck's HEPCO as either a policy model or a cautionary tale. This dissertation is thus a study of the transmission of an idea. Specifically, this
is a study of a distinctive model of the public ownership of hydroelectric generation, transmission, and distribution in Ontario at the turn of the twentieth century, and how people in the United States learned about and made use of that model. The American reception of this idea, in turn, influenced how Ontarians thought about it. The resulting debates and exchanges over this model were driven by people who acted and communicated individually, in civil society, or through governments. Over several decades, the original idea changed as it was implemented, crossed international boundaries, and underwent criticism. In the United States, the HEPCO was the subject alternately of admiration and scorn as Americans debated options for electricity generation, transmission, and distribution. Eventually, the progressive impulse that embraced aspects of Beck's "Ontario experiment" fed into the New Deal hydroelectric policies of Franklin Delano Roosevelt. Yet, ironically, American criticism of the HEPCO contributed to Beck's isolation from the transnational progressive movement that had given birth to it in the first decade of the century.

Our current period reflects the Progressive Era in many ways, such as the growing concentration of wealth and the international exchange of political ideas. This study will describe the mechanisms by which a political idea – the control of the electricity industry through public ownership – was transferred and transformed across national borders during that time. Although the understanding of political ideas as transnational is commonplace, it is also possible to identify the mechanisms by which such ideas are communicated, and how the act of communication itself transforms political actors. In other words, policy proposals and other political ideas are not amorphous concepts which haphazardly spread across the world but are transmitted by identifiable individuals and in tangible forms. Our current age is also marked by debates about the concentration of control over new technologies. The progressive movement to
reform the electricity industry – either through greater regulation or public ownership – is fascinating because it began contemporaneously with the introduction of electric technology. Although electrification progressed in Canada and the United States in the decades before the Second World War, the supporters of the public power movement were essentially mobilized by the economic and social promise of electric energy for the future. The Progressive Era struggle over the electricity industry therefore could be instructive for current transnational debates over the control of other technologies and emerging industries.

Despite sharing a common culture and speaking a common language, and even sharing major hydroelectric resources, such as Niagara Falls and the St. Lawrence River, English-speaking Canada and the United States produced different systems for generating and distributing electricity. Yet, at the same time, people on both sides of the border kept their eyes on their neighbours. The case of Ontario and New York is instructive. In Ontario, the rapid success of the public power movement led to the establishment of the Hydro-Electric Power Commission of Ontario (HEPCO) by the provincial government in 1906. Across the Niagara and St. Lawrence rivers, however, New York State remained under the control of private electricity interests and its own public authority, the Power Authority of the State of New York (PASNY), was only established in 1931, after decades of acrimonious public debate. Throughout these debates, actions in each jurisdiction were closely watched in the other, and indeed influenced policy debates. Developed within the milieu of transnational progressivism, the HEPCO – often termed “Ontario’s experiment” – came to be used by different individuals and organizations in the United States to support or oppose their preferred policy solutions in debates about electricity, and was sometimes used as a direct model for restructuring the industry. In Ontario, this created a reflexive dynamic, as the public came to understand their commission in light of
what Americans said about it, which subsequently influenced political behaviour and debates in the province.\(^1\) However, this transnational reflexivity was asymmetric: Americans, for their part, were little interested in Ontarians’ opinions about developments in the United States.

Three historiographical currents are vital to this project: transnationalism, progressivism, and the politics of electricity and hydroelectricity. Overall, this project straddles a variety of categories and trends in periodization, and in doing so it aims at giving rise to new conjectures in research, both in Canada and the United States. Regarding periodization, I will consider the long-lasting influence of progressive ideas from the beginning of the twentieth century into the 1930s. My interest in the transnational spread of progressivism in Ontario and the United States will be evident in the way the narrative frequently moves back and forth across national boundaries.

This dissertation argues that the HEPCO must be seen as part of transnational progressivism to be fully understood. It was, in part, an implementation of transnational progressive ideas and had an impact, in turn, on transnational progressivism. Broadly speaking, progressivism refers to the early twentieth-century faith in the power of science, technology, and expertise to improve social conditions, often relying on state intervention to accomplish its goals.

\(^1\) Robert Belfield briefly points to this process, but in relation to organizational design and the use of technology in New York State and Ontario, and in a non-continuous dynamic: “From a broad, long term perspective, American technology originally influenced Hydro greatly: in the fullness of time, Hydro provided a feedback influence to America.” (Robert Blake Belfield, “The Niagara Frontier: The Evolution of Electric Power Systems in New York and Ontario” (PhD dissertation. Philadelphia: University of Pennsylvania, 1981), 393); The term reflexive is used in this dissertation to emphasize not only that ideas were exchanged between Ontario and the United States, but that the fact itself that Americans were interested in, or opposed to, the HEPCO came to influence political behaviour in Ontario. Katie Pickles’ discussion of the concepts of “cultural cringe” and the “cringe inverted” in Australasian and English-speaking Canadian historiography is also helpful in understanding reflexivity (although she does not employ the term). Both the cultural cringe and cringe inverted are parochial responses by individuals in colonial settler states who have become self-conscious of their position vis-à-vis the imperial metropole (see Katie Pickles, “Transnational Intentions and Cultural Cringe: History Beyond National Boundaries,” in Christopher Dummitt and Michael Dawson, eds., Contesting Clio’s Craft: New Directions and Debates in Canadian History. (London: Institute for the Study of the Americas, 2009), 141-61. In the early twentieth century, Ontarians developed parochial responses to American interest in the HEPCO, in what I call a reflexive dynamic. Many Ontarians felt immense pride in American progressives’ praise of the commission, and used this admiration to bolster its position in the province, yet the criticism of private electricity utilities in the United States fostered a siege mentality among many of the HEPCO’s officials and supporters.
In the late nineteenth century, many North Americans believed that social progress was threatened by increasing economic inequalities created by poorly regulated monopolistic corporations, that were the product of untrammelled laissez-faire capitalism. The men running the HEPCO were progressive in the sense that they created a state institution to address concerns centred on problems they saw in the capitalist economy, liberal democratic polity, and use of technology. As a pluralistic movement, progressivism included a diverse array of policy concerns and political actors, and this was displayed in the HEPCO, which gained the ability to generate, transmit, distribute, and regulate the price of electricity, and which was supported by small-town manufacturers and evangelical urban reformers. Like other Progressive Era reforms, the HEPCO was meant to address monopoly capitalism and to deliver a higher quality of life to rural and urban areas through the use of technology. As I will argue, this progressive legacy is an ambivalent one, as the HEPCO came to dominate the Ontario political system and developed long-lasting administrative problems.

Secondly, the HEPCO was an organization with great transnational influence that, in turn, was influenced by transnational developments. It was a very important model for progressive reforms around the world, especially in the United States. Following Daniel Rodgers’ work on transnational progressive social reforms, I show how American progressives came to understand the HEPCO through “vectors of diffusion” such as conferences, individual promoters, the press, and fact-finding visits. Many American progressives came to understand the HEPCO not just through published reports, but went on pilgrimages to see the commission’s operations, developed decades’ long relationships with its officials, and came to feel personal loyalty to the Ontario experiment. As a result, the HEPCO was not merely a point of comparison.

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for policymaking for many progressives, but a familiar and thriving example of what could be achieved under public ownership. The very existence of the Ontario commission justified the efforts of the American public power movement, and the HEPCO’s influence on American progressivism can be seen in the creation of utilities like the PASNY and the Tennessee Valley Authority (TVA). At the same time, this transnational influence caused the HEPCO to be criticized in the United States by the private electric utility lobby, which feared the “Ontario experiment” would tempt Americans to support public ownership.

There were limitations, however, to HEPCO’s place and influence within transnational progressivism. Not all American progressives supported public ownership or stricter regulation, and not all of those working on electricity policy were intimately informed about the Ontario commission, despite the important activity of a cadre of enthusiastic proselytizers south of the border. Thus, not all public power campaigns or projects in the United States were closely modelled on the Ontario commission, although I will argue that the most important achievements were aided by a significant ideological and technical use of the HEPCO’s example. Likewise, over time the HEPCO’s officials and political supporters grew less interested in promoting the Ontario experiment in the United States, as they came to turn inwards in their efforts at reform. Therefore, the influence of the HEPCO in transnational progressivism should be seen as an uneven but cumulative dynamic: although not always conclusive in its effect on electricity policy in the United States, the Ontario commission’s influence was continuous and aggregative over the decades before the Second World War. Overall, the HEPCO needs to be seen in the context of transnational progressivism to be fully understood, in terms of its role in Americans’ political thinking about electricity, and Ontarians’ reactions to this reception in the United States.
Alongside transnationalism, the major historiographical trend underlying this project is the study of the progressive movement. The namesake of the early twentieth century’s “Progressive Era,” the definitions of terms like “progressive” and “progressivism” have proven elusive and contentious for historians, as I will show. For my purposes here, I designate progressives as those people, living in the Antipodes, Canada, the United States, and Western Europe at beginning of the twentieth century, who defined a myriad of cultural, economic, and social problems associated with that era’s liberal democratic practice, capitalist economy, and use of technology, and sought solutions based in political action, especially with the goal of using state power. If such an approach to politics now seems banal, it is because we live in the world the progressives created. Some historical opposition to the use of terms like “progressive,” “progressivism” and “Progressive Era” is perhaps due to a kind of political or ideological teleology: as the progressives of the Progressive Era obviously fall short of the standards at the centre of today’s “progressive” or left-wing politics, one can be tempted to reject their self-identification as reformers, or to deny that they in fact constituted a comprehensible category of people or shared common ideas. A more helpful historiographical approach is one which defines historical progressivism not as a coherent ideology, but rather something akin to a common

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3 Richard White points to this emphasis on state power to define the progressives from earlier reformers. Although Gilded Age reformers emphasized the importance of “cooperation” in fixing social ills, by the end of the nineteenth century they had moved away from seeing civil society as the means to achieve it: “By cooperation Americans bent on reform initially meant voluntary social combinations, but they increasingly meant government. Evangelical reformers moved away from suasion and turned to the government to suppress drink, eliminate polygamy, and remove vice. Members of the Farmers’ Alliance recognized that cooperative enterprises could succeed only with changes in laws and government aid giving cooperatives at least the same advantages corporations received. Antimonopolists, the largest and broadest of the era’s reform groupings, turned to government to regulate railroads, reform the monetary system, and secure what they regarded as the legacy that could be salvaged from free labor.” (Richard White, The Republic for Which It Stands: The United States during Reconstruction and the Gilded Age, 1865-1896. (New York: Oxford University Press, 2017), 865). Rebecca Edwards has argued that the Reconstruction and Gilded Age periods should be seen as the “Early Progressive Era,” during which the social problems and reform movements of the post-1900 Progressive Era developed (Rebecca Edwards, New Spirits: Americans in the “Gilded Age” 1865-1905, 2nd ed. (New York: Oxford University Press, 2011)).
attitude towards politics, or a cluster of policy emphases. This pluralistic reading of progressivism is perhaps appropriately nuanced for the purposes of historical scholarship, but one must note that it involves an attempt to restore the progressives’ place in the history of Western liberal or left-wing thought.\(^4\) In this dissertation I will attempt to present a more agnostic depiction of progressivism, in which the progressives’ achievements are seen alongside their failures, all the while acknowledging the plurality of their goals and ideas.

As part of this pluralism, it is possible to delineate varieties of progressivism. In the case of the politics of electricity, we see a variety of proposed policies, ranging from corporate liberalism to regulation and public ownership. On the surface, the associationist “Super Power” plan of Herbert Hoover appears dissimilar to state-based regulation or New Deal public ownership, but each case involves a common desire to use collective action and the resources of the state to ameliorate economic and social problems. In this dissertation, “progressivism” will be used mainly refer to that ideological current which remained dissatisfied with the state of the electricity industry after 1905. Progressives sought to make the electricity industry serve the needs of consumers rather than investors and believed that the state had either a regulatory function or the right to actually run utilities according to what they believed was the public interest or social progress. Although the pluralism of opinions meant that progressives did not

\(^4\) Daniel Rodgers’ *Atlantic Crossings*, for instance, explicitly refers to the contemporary state of liberal politics in the United States during the mid-1990s, exemplified by the rejection of Bill Clinton’s health care reform plan of 1993. (see Rodgers, 1998, 3-4). In part, the book is an attempt to challenge the role of American exceptionalism in reinforcing opposition to such a transnational idea as universal health care, seen as a “foreign” policy import. Likewise, Maureen A. Flanagan concludes “Progressivism did not create a perfect world… But progressives believed that people possessed the intelligence and the will to continue to fashion a good democratic society. Despite its shortcomings, progressivism made the United States by the mid-1920s a far more orderly, well-regulated, and fairer society than it had been in the 1890s.”; see Maureen A. Flanagan, *America Reformed: Progressives and Progressivisms, 1890s-1920s*. (Oxford: Oxford University Press, 2007). Conversely, Jackson Lears’ description of the progressives’ unique “preoccupation with personal and national purification, and the mingling of the two agendas in the reform imagination” is part of an attempt to rescue the Populist legacy from the danger of resemblance to progressivism; see Jackson Lears, *Rebirth of a Nation: The Making of Modern America, 1877-1920* (New York: HarperCollins, 2009).
always agree, they recognized their common opponents as the corporate interests and classical liberals who fought against stricter regulation or public ownership.

This emphasis on progressivism’s pluralism also underscores the pluralism of both the theory and practice of politics. Political pluralism has two meanings: firstly, it describes the fact that liberal democratic society is composed of a diverse array of overlapping subgroups, none of which is able to completely dominate the state to serve its own ends; secondly (and most importantly for this study), it refers to the fact that not all social or political values are completely compatible, necessitating choices between various good ends.\(^5\) A progressive movement which simultaneously promoted anti-monopolism, social cohesion, and efficiency indicates the presence of people who believed in values that were not always compatible. Many progressives, such as Beck, thought of themselves as single-issue activists, but their actions and words betray the multiplicity of the ends they sought, such as economic growth, efficiency, equality, freedom, and justice. The very practice of modern politics itself is pluralistic, involving not only the instrumentalist use of state power, but also the self-expression of the values held dear by diverse individuals and groups. In this sense, it is important to avoid an overly functionalist definition of progressivism, as merely a means of defining the concrete goals of a particular social group and mobilizing political action toward those ends. Instead, progressives used politics not only to achieve power and implement specific policies, but also to express their social values. In other words, it was just as important for public power supporters to affirm their opposition to monopoly and inefficiency as it was for them to gain access to state power to combat these evils. This conception of politics, including the desire for representation as much as

it does an instrumentalist use of state power, is what can explain the often-moralistic language and crusading fervour of public power activists.

The pages that follow build on the seminal work on hydroelectric policy in Ontario, which was originally written in 1974. H.V. Nelles argues in *The Politics of Development* that the province adopted statist natural resource policies between the mid nineteenth and mid twentieth century at the behest of the business community. Although the forestry and mining sector were mostly unaffected, the hydroelectricity industry was at the centre of progressive demands for public ownership. In his analysis of this public power movement, Nelles is strongly influenced by the “organizational school” of Robert Wiebe and other historians of progressivism, which shapes his characterization of the movement as a “progressive businessmen’s crusade which, in the course of its struggles, acquired mass support.”6 The organizational school interpreted the history of the late nineteenth and early twentieth century in terms of social groups and the institutions they used to further their economic and political aims. In this account, an American middle class, rising amid industrialization and urbanization, adopted professionalization, interest group politics, and social reform to establish and consolidate its power within a modernized nation.7 Nelles also makes explicit mention of the revisionist work of Gabriel Kolko and James

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Weinstein as significant in his interpretation. Additionally, he has advanced this instrumentalist characterization of the public power movement in his work with Christopher Armstrong, his frequent writing partner. Other Canadian historians have adopted this view of progressivism (or “civic populism”), presenting the rise of state intervention in many aspects of life as not a significant series of reforms, but rather the result of the urban bourgeoisie’s realization that governmental power could be used to further its own ends (a view strikingly like the instrumentalist conception of the state within Marxist thought).

Recently, Andrew Dilley, Mark Kuhlberg, and Daryl White have revisited some of Nelles’ instrumentalist claims in *The Politics of Development* about HEPCO financing, the pulp and paper industry, and nickel mining, respectively.

In my view, the problems associated with the HEPCO (particularly its independence from cabinet control, which contradicts the practice of responsible government) did not result from its creation by self-interested progressive businessmen, but rather from elements of progressive

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thought itself. The anti-monopolist and populist enthusiasm which underlay the HEPCO and its early development gave its leaders, especially Adam Beck, the legitimacy they needed to operate independently from the executive and legislative branches of the provincial government. In this sense, the HEPCO gained legitimacy for its actions not from democratic elections, but from the populist struggle it conducted on behalf of the provincial masses. As a result, its technocratic leadership could be understood not as an elitist check to Ontario’s democracy, but rather a guarantee of public control. For most of its history, the commission also cross-subsidized its domestic consumers, to the detriment of large industrial electricity users. In this way, the HEPCO not only delivered lower power costs for regional economic development, but also democratized access to electrical technology. It is no coincidence that the peak of Beck’s influence came during the United Farmers of Ontario (UFO)-Independent Labour Party (ILP) coalition government of 1919-1923 led by E.C. Drury. Beck turned the HEPCO into an important centre of political action out of the same popular developments that rejected the existing two-party system. He used the uncertainty of the era to further his independence from government. However, the pluralism in the Ontario public power movement’s values meant that not all their goals could be perfectly accommodated. Beck emphasized both economic efficiency and populist enmity towards corporate monopoly, but HEPCO’s actions often displayed a subversion of democratic control. While business interests did play an important part in the public power movement, I will argue that support also came from a broader array of social groups, each motivated for its own reasons. Popular politics trumped straightforward business interests in the crusades for publicly-owned hydroelectricity in Ontario and the United States.

In 1946, in a presidential address to the Canadian Historical Association, Frank Underhill claimed that although Canadians had closely followed its development in the contemporary
press, “[t]he Progressive movement which helped to bring Theodore Roosevelt and Woodrow Wilson to the White House seemed to cause few repercussions north of the border.”12 Yet, Canadian scholars began to increasingly draw on American literature to show the presence of an influential progressive movement in the country during the late nineteenth and early twentieth centuries. Alongside Nelles’ work on the HEPCO, a number of studies appeared in the 1970s and early 1980s which drew on the work of the organizational school to also argue that progressives in English Canada (and especially Toronto) were self-interested businessmen who used political action to further their aims.13 From the 1970s through the 1990s, Canadian historians also began to frame their studies of social reform during the era in terms of other ideological currents, such as British imperialism and the Social Gospel.14 The “social imperialism” of Joseph Chamberlain merged progressivism with a call for the unity of the British Empire, and found a number of

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influential adherents in Canada, such as Stephen Leacock. More recently, other scholars have enlarged the study of progressivism to include urban reformers in Quebec who were also part of this transnational movement, taking part in debates that connected French Canadians to developments in Europe and the United States.

There are two key essays from the early 1980s, which could contribute to a pluralistic understanding of the Progressive Era and especially the movement for state-owned hydroelectricity. In his 1981 essay “The Discovery That Business Corrupts Politics,” Richard McCormick tries to re-capture the existential reasons for the regulatory impulse of Progressive Era reformers. He criticizes the work of Wiebe, Kolko and the other members of the organizational school for ignoring the moral intensity and political context of the period, as they have opted instead to see progressivism as a functionalist outgrowth of changes to contemporary business; this approach denies the many contingencies which result from, and contribute to, political action. Instead, McCormick argues that the call for regulation grew out of the particular historical context of the late nineteenth and early twentieth century. The pace of industrialization created pressures which provoked producer groups to create defensive organizations and created a sense of unease among the public. These brought on a crisis in the 1890s, when the public realized the existence of deep divisions among competing social groups, and the incongruity between the public weal and private interests. Although corruption was a

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long tradition, the widespread public consciousness of it was new, as lobbying was now practiced on a larger scale and muckraking journalists exposed it to be a systemic, nation-wide problem. A series of well-publicized scandals in 1905-6 led to the passage of many new regulatory laws and the strengthening of existing ones. McCormick hypothesizes that regulation and administration were not inevitable solutions, except that at the time alternatives were considered either inadequate (e.g. direct legislative action or the targeting of individual businessmen) or too radical (e.g. public ownership). A wide array of advocates of greater regulation existed, of course, before 1905-6, but the scandals and subsequent public outrage produced better opportunities for new legislation and government action. The irony of the regulatory movement is that the intensity of the public outrage in 1905-6 led to hurried solutions that were relatively conservative. The muckraking style focused on immediate, rather than systemic reasons for corruption and the focus for action was at the level of state government, taking initiative away from the local bases of progressive activists.18

The second important article for the purposes of this dissertation is Daniel Rodgers’ essay “In Search of Progressivism,” which marks a turning point in historical research on the topic. Rodgers notes that progressivism fell into trouble during the 1970s, as historians came to feel unease about the characterization of the movement as a valid analytic concept.19 The variety of Progressive Era thought, spanning from anti-democratic municipal boards of management to populist party reform, and from the corporatist New Nationalism to the decentralist New Freedom, seemed to belie any ideological coherence among those later labelled as progressive. In the wake of this development some researchers such as McCormick followed a “pluralistic reading” of progressivism, where the key feature of the period was the sudden rise of pressure

groups to fill the gap left by a decline in the two-party system. Other scholars followed Wiebe in the production of organizational studies. But Rodgers argues that progressivism can still be useful as an analytical concept, by outlining three “languages” on which individual progressives drew from (to a greater or lesser extent) to understand their environment and express their demands. (He does not present these languages as an exhaustive list of ideological currents within progressivism, but rather demonstrates its pluralistic and sometimes contradictory nature).

The progressive movement was shaped by a dynamic resulting from the presence and conflict between all three of these languages, which were “an emphasis on social bonds and the social nature of human beings,” “the rhetoric of antimonopolism,” and “the language of social efficiency.” The language of social cohesion mirrors the sense of crisis McCormick describes, the result of the American public’s realization that the private and public good were not in balance. Rodgers notes that of the three languages, anti-monopolism was itself the oldest, most parochial, and strongest during the 1900-1910 period. Although some historians like McCormick have presented valuable work on the problem, Rodgers believes that the reasons for the sudden interest of the middle class in the problem of monopoly around 1900 have not been adequately explained. Twenty years later, Rodgers revisited this article and re-emphasized his pluralistic reading of progressivism. However, he does underline the need for understanding the place of political economy in progressive thought. Overall, Rodgers notes that the decommodification of American life was the most important area of progressive action, including efforts to expand public goods, regulate working conditions, and control the sale of commodities.

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21 Ibid, 123, 127.
22 Ibid, 124.
ownership movements, in which the price and delivery of electricity was to be collectively supervised through the state. The different emphases seen in decommodification projects also highlight the basis for disagreement within progressivism: public ownership advocates usually saw electricity as a public good, whereas some supporting regulation believed it was a commodity, albeit one which should be subject to legal restrictions concerning price and service.

More recent American contributions to progressive scholarship help to advance Rodgers’ pluralistic approach to early twentieth-century reform. James J. Connolly’s *The Triumph of Ethnic Progressivism* outlines the ways in which members of Boston’s Irish community employed progressive rhetoric to mobilize public opinion in support of political change. It is also notable for defending the conceptual autonomy of politics, insisting “that the political past be analyzed on its own terms, as more than a mere reflection of social developments, and [recognizing] that politics shaped society as much as society shaped politics.”\(^2\) Connolly’s definition of progressivism “[a]s a political style rather than an ideology” explains how the movement could contain wide variety of individuals and groups (and further, how it could be such a difficult conceptual problem for later historians).\(^3\) Robert D. Johnston’s study of the radical petit bourgeois of Portland, Oregon, is also important for establishing a pluralistic reading of progressivism. *The Radical Middle Class* presents an anti-capitalist and politically-active “middling” group which blended late nineteenth-century Populism and producerism into early twentieth-century progressivism.\(^4\) Although not without its problems (for instance, a varying


\(^3\) Connolly, 1998, 9.

definition of “middle class” and a scattered outline of reform causes), Johnston’s work is helpful for demonstrating how non-elite actors could use progressive ideology for their own ends.27

Of course, although pluralistic, there were limits to progressivism. One ideological current which sometimes overlapped with progressive thought was antimodernism. This incomplete correspondence was the result of the ambivalence of the antimodern impulse, which had an indecisive stance towards the economic and social realities of the late-nineteenth- and early-twentieth-centuries.28 A much more fraught relationship existed between socialism and progressivism, which is reflected in much of the historiographical debate about progressive practice and thought. This literature sometimes resembles an attempt to define socialism against the example of its progressive counterpart. While public ownership often resembled a limited form of “state socialism” (and hence drew support from social democrats), most progressives did not want to abolish all private property or abandon the market economy. Yet, as with antimodernism, there was much ideological agreement between progressivism and socialism, such as in the belief in government intervention and technological progress.29 The clearest ideological boundary we can point to is that between laissez-faire liberalism and progressivism. If anything unites the pro-business progressivism of a Herbert Hoover with Adam Beck’s public ownership movement, it is a belief in the applicability of some form of government intervention


in economic and social issues. The commonplaceness of such an ideological position by the late 1930s is surely evidence of progressive success.

Overall, we must try to understand progressivism in its own terms. That the Ontario public power movement (and its reception among American reformers) must be understood in the context of a transnational progressive dialogue is clear from contemporary sources and helps to clarify subsequent political developments in both Ontario and the United States. Despite their national and ideological differences, American and Canadian reformers attempted to find ways, outside of an unfettered market, to address electricity and its consumption. If their attempts were failures, inconclusive, or partial, it does not necessarily signify that this was a result of their inconsistent theorization or incomplete radicalization, but rather that they fell victim, like others, to human limitations and the contingency of history. If any particular progressive failure can be identified, it is their tendency to deny political pluralism, as they often saw their actions, goals, and values as perfectly compatible. In reality, progressives sought a variety of good ends, such as efficiency and anti-monopolism, which necessitate compromise.

The other important way to understand the HEPCO is in a transnational framework. The Ontario commission was not just a local development but stood at the centre of an international progressive dialogue about ways to bring electricity, a revolutionary technology, under public control. This was an uneven but cumulative process: sometimes American public power activists did not sustain direct relationships with officials at the HEPCO, but the importance of the Ontario commission gradually accumulated as Americans grew more familiar with it as a model for emulation or target of criticism. This American praise and disapproval were subsequently recognized in Ontario and influenced the political behaviour of individual Ontarians, in a process which I will refer to as reflexive.
By studying the public power movement in Canada and the United States, it becomes possible to reveal stories otherwise missed by a strict focus on either national history. This movement was transnational, in the sense that it came out of an international ideological current, progressivism, which grew simultaneously in both countries. In this sense, transnational history is best when it underscores the reciprocal and multidirectional dynamics between countries, rather than focusing on core-to-periphery influences. To approach Canadian-US history in a transnational way is to accept that each country shared common origins and ideologies, and engaged in reciprocal cultural, economic, political, and social exchanges, despite the border that legally divided them (here the term transnational is more useful than “cross-border,” for instance, which refers to a distinctive region which is divided by an international border). Of course, the transnational approach taken here is but one of many that could be followed, as one could otherwise connect Canadian history within a variety of other frameworks, such as the British Empire, Anglosphere, or in the case of Quebec, to continental Europe.30 And as has been stated, this study will not be merely comparative either, as it will also explore the connections between the public power movements in Ontario and the United States, rather than to simply evaluate them as autonomous developments.

A key inspiration for this dissertation is Daniel Rodgers’ *Atlantic Crossings*. Rodgers posits that American progressives interested in “social politics” took part in a transatlantic dialogue with their European counterparts between the 1870s and the Second World War, thus breaking with earlier and later patterns of isolationism and undercutting historiographic theories of American exceptionalism. Rodgers defines social politics as “the impulse to limit the social costs of aggressive, market capitalism,” and that area “where individual conscience came up hard

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against the cruelties, miseries, injustices, and inefficiencies of modern life.” To show this transatlantic ideological exchange, Rodgers focuses on individual social reformers, the international networks they built, and the forms in which ideas on social policy were traded. Americans first became interested in European social politics due to the influx of graduate students into Germany for training in the social sciences. The American reformers are shown to have imported more ideas than the Europeans (thus undercutting exceptionalist assumptions), but the asymmetry grew less pronounced after the First World War. Rodgers connects the return of American exceptionalism and the closure of the transatlantic age with the beginning of the Second World War, paradoxically occurring when the United States shed its isolationist foreign policy. My own research into the history of the HEPCO’s influence on electricity policymaking in the United States demonstrates a similar pattern, as American reformers became interested in the Ontario commission shortly after its creation in 1906, but seemingly lost interest by the late 1930s.

Other works explore the transnational nature of progressivism within the Anglosphere. Peter J. Coleman’s *Progressivism and the World of Reform* establishes a link between early twentieth-century reforms in New Zealand and the American progressive movement. They were linked by a transnational liberalism, seen in political developments like Chartism, Georgism, and Bellamyite nationalism that were popular in both countries. Yet Coleman presents an ideological exchange which was largely unidirectional, due to the timing of Antipodean reforms. Between 1893 and 1912, New Zealand’s Liberal government implemented a variety of policies (including women’s suffrage, old age pensions, and a minimum wage) which made the country an example for progressives throughout the United States and around the world. Here are

clear parallels with the public power movement in Ontario, which served as a model for later efforts in the United States; due to its relatively early appearance, Ontario’s hydroelectric experiment became a model for American progressives to emulate. Also, like New Zealand and the United States, Ontario shared common ideological currents such as late nineteenth-century Anglosphere liberalism. The scholars featured in *Britain and Transnational Progressivism* (edited by David W. Gutzke) call Rodgers’ “Anglo-centric” progressivism into question, particularly his emphasis on the unidirectional transmission of ideas from the United Kingdom to the United States. They also adopt a wider vision of transnational progressivism, embracing Western Europe, the British Empire, and Japan. A 2014 essay collection subsequently gave a broader time frame and meaning to Rodgers’ original definition of “social politics.”

Transnationalism is vital to understanding progressivism and the politics of electricity, as ideas and events around the world came to influence developments in these areas. Most importantly, in the case of the HEPCO, Ontario took as much part in creating and transferring ideas as it did in receiving them from other countries, such as the United Kingdom or the United States. This reverses preconceptions about provincial or Canadian history, in which we are often often

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33 The “Anglosphere” in this sense refers to the United Kingdom, the United States, Canada, Australia, New Zealand, and the other English-speaking outposts of British imperialism around the world.


seen as *acted upon* rather than as *actors* at the level of international history. I take this point a step further and characterize this transnational dynamic as reflexive: the Ontario commission not only influenced thinking about public ownership in the United States, but the nature of American critiques, whether approving or critical, came to shape behaviour in the province.

Additionally, the movement for the public ownership of hydroelectricity was part of a progressivism that was both transnational and pluralistic. This pluralism was not only expressed in the myriad causes of the Progressive Era itself but became a basis for historiographic disagreement about the nature of progressivism. By turning away from ideological teleology, we can see that the contradictions or (from our point of view) “non-progressive” elements of progressivism do not highlight a nebulous analytical concept, but rather the fact that Progressive Era thought was pluralistic in both its assumptions and goals. The HEPCO displays such characteristics. For instance, although founded to allow for democratic regulation of the electricity industry, it eventually fell outside of the provincial cabinet’s direct control. The commission’s creation was supported not only by regional-boosting manufacturers seeking cheap power but also reformers who saw electricity as the basis for social amelioration. The ideological and social pluralism underlying the HEPCO’s conception and early development demonstrates the diversity and dynamism of progressivism itself.

The HEPCO and the Politics of Electricity

It is in the framework of a pluralistic, transnational progressivism that I wish to place the HEPCO and its influence on electricity policymaking in the United States in the first few decades of the twentieth century. While certainly not the first study to attempt incorporate such a perspective, this study will build upon previous work which covered discrete parts of this history,
such as the HEPCO itself, the conservation movement, the development of US energy policy, and the New Deal. By drawing on previous research in these areas, it is possible to draw new conclusions about both the history of the HEPCO and the public power movement in the United States. For example, the influence of transnational progressivism on the formation and early development of the HEPCO is apparent, along with the commission’s inspiration to progressive thinking in the United States. The Ontario commission is central to the story of electricity policymaking in the United States, from the fight for public ownership and greater regulation in the 1910s, to the creation of the REA and TVA during the New Deal.

Nelles’ 1974 work is foundational to research on the HEPCO, but subsequent authors have added much to our understanding of its role in Ontario’s history. *The Politics of Power*, a study of HEPCO’s governance by Neil B. Freeman, appeared shortly after the victory of Mike Harris’ pro-privatization Progressive Conservative government in 1995, and thus is largely focused on recent developments. Freeman does not add much significant detail to our knowledge of the HEPCO before 1939, but he does emphasize the ambiguous relationships linking the commission with the Ontario Municipal Electric Association (an organization of municipally-owned utilities) and the provincial government. It was this ambiguity that led to the government’s attempt to transform the commission into a normal crown corporation after the Second World War.

Karl Froschauer’s *White Gold*, apparently the first comprehensive study of hydroelectricity throughout Canada as a whole, adopts a relatively uncritical economic nationalist and federalist stance towards the subject. However, Froschauer is innovative for pointing to the problem of economic dependency which remained after Ontario nationalized the

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hydroelectric sector. Although the provincial government owned the means of generating hydro power, Ontario remained dependent on the United States for technology, and much of the publicly-generated electricity supplied branch-plants of American-owned corporations.\textsuperscript{37} In a later revision of his work, Froschauer interestingly mentions the HEPCO’s resistance to the demands of large industrial users, in favour of smaller urban consumers.\textsuperscript{38} Unfortunately, he does not follow-up with the implications of this phenomenon (i.e. that political considerations loomed large in the history of hydroelectric development in Ontario), and otherwise uncritically follows Nelles’ instrumentalist interpretation of government intervention.

Turning to the United States, we find a diverse body of literature on electricity policy, covering topics ranging from progressive conservationism to the New Deal. The absence of the HEPCO from the story of electricity policy in the United States before the Second World War may be due in part to a historiographical tendency to see the TVA and other aspects of the New Deal’s electricity policies as \textit{sui generis}. Otherwise, those who have attempted to describe trends in electricity policy in this era have sometimes presented developments as teleological, leading inevitably to the New Deal reforms. Here I will present the various categories in which American electricity policies have been understood by historians, to underline the importance of approaching the 1900-1940 era. Although earlier literature tends to present a clear separation between the debates of the progressive era and the New Deal, more recent scholarship presents the period in a more unified way.

The first significant category in electricity policy in the United States is work on conservationism, which was part of the broader progressive movement. Samuel Hays’ 1959


study of federal conservation policies, *Conservation and the Gospel of Efficiency*, stands as one of the earliest scholarly treatments of electric power policies. A member of the so-called “organizational school,” Hays characterizes the conservation movement that arose within and alongside Theodore Roosevelt’s second term as an elitist effort driven by special interests and technical specialists. This work is especially significant because it suggests that the Roosevelt administration’s experience with irrigation, land reclamation, and private electrical projects on public land led it to enunciate a policy of multi-purpose river development by 1908.\(^{39}\) Hays argues this doctrine, which held against privileging hydroelectric dam projects or navigation on waterways, set the stage for New Deal policies such as the TVA, despite the administration’s relative failure to achieve measures from Congress. By 1913, any possible compromise between the conservation movement, the Taft administration, and the private power lobby was prevented by public feuding among the conservationists over the issue of public ownership.\(^{40}\) Hays describes the organized conservationist movement as ending with the passage of the compromise Water Power Act of 1920, which violated certain aspects of multi-purpose development, but did allow for the regulation of hydroelectric projects on public lands and navigable waterways.\(^{41}\) In doing so, he concurs in the typical periodization of the progressive era among organizational school historians.

Jay Brigham’s *Empowering the West* is the most significant scholarly work on the pre-New Deal American public power movement. Focusing on efforts in the western United States, Brigham argues that progressives fought for strong regulation more than for public ownership of electricity distribution and generation. Unfortunately, he tends to present the conflict between the


\(^{40}\) Ibid., 186-7.

\(^{41}\) Ibid., 239-40.
private utilities and the public power movement in Manichean terms. Brigham matches this
dichotomy with one between “electrification” and “electrical modernization,” developed by his
supervisor Ronald C. Tobey.\(^{42}\) Electrical modernization was a multivalent policy, but at its basis
emphasized corporate or government intervention to increase domestic consumption of
electricity, such as the promotion of household appliance use and demand-inducing rate-cutting,
practices which were pioneered by the HEPCO. Electrification, on the other hand, merely entails
access to electric technology, and not necessarily its widespread use. As a result of the public
power movement’s interest in electrical modernization, Brigham says that the historical focus
should not necessarily be on the degree of public ownership in the electricity sector, but rather
access to electric power. By examining public power campaigns in several Midwestern and
Western towns, Brigham undermines such notions as the disappearance of progressivism in the
1920s, and the New Deal as the culmination of the movement.\(^{43}\) He is also important for
disproving the idea that municipal public ownership was spurred in many locations for economic
reasons, such as a disinterest in development by private companies; instead politics drove the
campaigns for public power.\(^{44}\) He further shows that public power campaigns in Washington
State and Los Angeles and Seattle were driven by anger at high rates and private control.\(^{45}\)
Brigham includes scattered references in which supporters of public power, particularly Western
and Southern senators, used the example of Ontario to bolster their arguments.\(^{46}\)

\(^{44}\) Ibid., 91; for the argument that rates of municipal ownership were driven by economic considerations, see David Schupp, \textit{Municipal Ownership in the Electric Utility Industry: A Centennial View} (New York: Praeger Publishers, 1986).
\(^{45}\) Brigham, 1998, 96-123 and 124-142, passim.
\(^{46}\) Ibid., 56, 57, 89.
Brigham’s work is also rooted in an established body of work on the broader history of electricity and the development of the electricity industry. Thomas Hughes’ Networks of Power, published in 1983, was ground-breaking in showing how varying cultural, political and social environments led to divergences in the development of electric systems in Germany, the United Kingdom and the United States between 1880 and 1930. David Nye’s 1991 Electrifying America is a cultural study of how Americans adapted and adopted electricity. Much more than Hughes, Nye emphasizes the importance of cultural and social forces in determining how electricity was used in everyday life. Although these works are occasionally mentioned in the Canadian literature, historians north of the border do not seem to have had much interest in the cultural ramifications of electricity and electrification.  

A 2007 book on the New Deal’s conservation programs (including hydroelectric policy), Sarah Phillips’ This Land, This Nation, is interesting for its revision of earlier work on the conservation movement. Phillips presents a coherent and convincing account of the unity of the New Deal’s various conservation programs, and the ideas and political activists who helped achieve them. This is particularly notable, because the earlier historical work may overemphasize the continuity of conservationist thought over the 1900-1930 era, a result of the organizational school’s approach. Instead, she sees the rise of a “New Conservationist” movement in the 1920s, which arose out of two distinct groups: regulation/public ownership activists, and land economists. Important, though, was the continuation of personnel from the progressive era conservationist movement. The policies pursued by the New Conservationists and the New Deal were all united by a single purpose: to raise the incomes of impoverished rural Americans. This

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47 One notable exception is Dorotea Gucciardo, “The Powered Generation: Canadians, Electricity, and Everyday Life” (PhD dissertation, Western University, 2011).
48 Sarah Phillips, This Land, This Nation: Conservation, Rural America, and the New Deal (Cambridge: Cambridge University Press, 2007), 5-7.
49 Ibid., 72.
goal was pursued by a variety of New Deal agencies, including the Rural Electrification Administration, TVA, Agricultural Adjustment Administration, and Civilian Conservation Corps. As an environmental historian, Phillips argues that the New Deal remade American ecosystems and landscapes in an effort to promote economic equality. However, her conclusions also fit in with the work of Tobey and others, which argues that the purpose of the New Deal power policies was to increase the breadth and depth electricity use by average Americans.

Phillips is also noteworthy for mentioning the ongoing importance of the HEPCO as a model for emulation among the New Conservationists. Governor Gifford Pinchot, Morris L. Cooke, and others involved in Pennsylvania’s Giant Power Survey Board were inspired by the provincial utility and were in regular contact with its officials, as was the pro-public ownership Senator George W. Norris of Nebraska. She also incorporates material about Roosevelt’s inspiration as New York governor to model the PASNY on the HEPCO, and his subsequent attempts to induce the Hoover administration to conduct international negotiations with Canada to enable its development on the international St. Lawrence River. It is important to note though, that the HEPCO was not widely seen as a vehicle for conservationist views in Ontario; rather, it was seen almost wholly in economic terms. The interest of American conservationists in the HEPCO is thus interesting, in this case, as the type of selection which occurs in the transnational diffusion of policy ideas.

Other historians have followed this approach, to establish a direct narrative in the history of power policies from the progressive era, when private electric utilities began to face serious criticism, into the New Deal, when a series of reforms were instituted in the industry. This trend is especially evident in polemical works which are directed at contemporary political debates. In

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50 Ibid., 30, 30n14, 33.
51 Ibid., 51, 62.
1959, Judson King, the director of the National Popular Government League, a pro-public ownership group, wrote a history of hydroelectric development which is helpful for its long-term approach, despite its polemical quality.\textsuperscript{52} His narrative is organized around the very heated debate over proposed private development of the Muscle Shoals hydroelectric site, the future basis for the TVA. As might be expected from an active participant in the events of the time, King sees the period as a struggle between the forces of good and evil, between public power advocates and the private developers who would seek to rob the people of their natural wealth. His book was especially aimed at congressional power policies in the 1950s, which he saw as a betrayal of the New Deal legacy. Richard Rudolph and Scott Ridley also produced a study to respond to the deregulatory impulses of the 1980s.\textsuperscript{53} They focus on the efforts of public power activists like Cleveland’s progressive mayor Tom Johnson, contrasted against the malevolent actions of the National Electric Light Association, the electricity industry’s lobby group. This sort of anti-deregulatory paean to the progressive origins of public power is also an Ontario tradition.\textsuperscript{54}

The congressional debates in the 1920s over the disposal of the federal government’s nitrate works at Muscle Shoals, Alabama, also forms an important part of the historiography on the public power movement, because of the later incorporation of its hydroelectric properties into the TVA. Preston J. Hubbard produced the first scholarly study of the issue, but it suffers from a teleological tendency to see Norris’ plan for permanent federal ownership as the TVA in

embryo. Initially created to help produce nitrogen for munitions during the First World War, the hydroelectric dam and nitrate plants at Muscle Shoals became the object of debates when the War Department began to consider selling them to private owners. Between 1921 and 1924, Henry Ford attempted to purchase Muscle Shoals, with the intention of transforming it into a major industrial complex. This brought the opposition of Senator George Norris and other progressives, who supported the government’s operation of the dam to produce cheap fertilizers for farmers. After fending-off the Ford bid, the congressional coalition led by Norris attempted several times to make the federal government’s ownership of Muscle Shoals permanent, but was checked by the vetoes of Republican presidents throughout the 1920s and early 1930s. Norris’ interest in the HEPCO is briefly mentioned by Hubbard, who otherwise maintains a strict focus on machinations in Washington between various administrations and Congress. The importance of Norris in the public power movement is more comprehensively covered by Richard Lowitt, in the second of his three volume biography of the politician. In a little-known article, Lowitt also describes the appearance of the HEPCO in a 1925 congressional debate over the disposal of Muscle Shoals. At a time when Congress was debating one of Norris’ Muscle Shoals bills, the private utility lobby published a pamphlet, under the imprimatur of the Smithsonian Institution, attacking the HEPCO. It inadvertently drew the Senator into correspondence with the HEPCO, and eventually he made a trip to the province to inspect the publicly-owned utility’s operation. Aside from Brigham and Lowitt, few American historians of

56 Ibid., 155.
these debates over power policies have seriously engaged with the influence of Ontario’s experiment with publicly-owned hydroelectricity.\textsuperscript{59}

The historiography of American electricity policy during the New Deal is a wide one, but it is important to note here that historians have come to highlight the significant constraints or limitations to New Deal reforms, as well as placing them in the context of decades-long political debates.\textsuperscript{60} The TVA is one of the most studied New Deal agencies, leading to a large and varied body of work which seeks to understand the relative radicalism of the body, along with its impact on the people and environment of the South. Less attention has been paid to the REA or New Deal attempts to regulate the electricity industry, but historians of these developments have tended to place them in the context of Progressive Era efforts.

A key organizational school work within this literature is Ellis Hawley’s \textit{The New Deal and the Problem of Monopoly}. This book seems to set the terms of much later writing on the New Deal’s electric policies as muddled and contingent on events, like many other areas of action by the Roosevelt administration. Hawley is also important because he subsumes the public power movement into an older debate about economic organization going back into the progressive era. As such, although he does briefly mention the legacy of George Norris and others in the public power debates of the 1920s,\textsuperscript{61} Hawley’s discussion of the New Deal electric policies, such as the Public Utility Holding Company Act and the TVA, are placed in the more immediate context of contemporary policy conflict within the Administration and Congress. Overall, he sees the New Deal power policies as one of the two areas (the other being corporate finance) where the Administration achieved some modicum of success in terms of the original

\textsuperscript{59} This pamphlet will be discussed in greater detail in chapter two.
goals of anti-monopolism and decentralization; this success, though, was tempered due to the structural nature of the electric industry itself. He also briefly mentions that the only instance where the Administration seriously fostered economic cooperation was the REA’s effort in promoting rural electrical cooperatives.

Thomas K. McCraw’s *TVA and the Power Fight* (1971) remains the authoritative work on the formation of the agency, which he places at the centre of the New Deal’s electric policies. It develops a key theme in his earlier work on the battle between TVA directors Arthur E. Morgan and David E. Lilienthal. In the later book, McCraw adds detail about the TVA’s relationships within the Administration and with private power companies. He continues Hawley’s emphasis on the disorganized nature of the New Deal’s policies, which not only caused difficulties within the administration but also exacerbated its difficulties with the private electric utilities.

Many of Hawley’s emphases, particularly the unsystematic nature of policymaking, are developed by Philip J. Funigiello in his study of the New Deal’s electric policies. Adopting McCraw’s typology, Funigiello sees criticism of the electric power industry coming from the two traditions of the public power movement. This delineation is weakened, however, by the fact that certain actors in Funigiello’s narrative appear to advocate for both the regulation and public

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62 Ibid., 325, 342-3.
63 Ibid., 202.
66 In introducing his topic, Funigiello makes a key point about the state of historiography on electricity: “We need to know… much more about the workings of both the public-power movement and the private utilities’ political activities, the integration of the power network, the impact of rate-making upon socioeconomic growth, and the increasingly significant relationship between power development and ecology.” Philip J. Funigiello, *Toward a National Power Policy: The New Deal and the Electric Utility Industry, 1933-1941* (Pittsburgh: University of Pittsburgh Press, 1973), xiii. Although this was written forty years ago, these remain areas which are relatively underdeveloped.
67 Ibid., xv-xvi.
power traditions simultaneously, such as Norris. Although comprehensive on the enactment of the various measures which fell under the New Deal’s power policy – the Public Utility Holding Company Act, the REA, the Bonneville Power Administration, etc. – a major omission is the TVA and the other projects in the Northwest. However, this focus on regulation may also follow from Funigiello’s conclusion, following Hawley, that any ambivalence or contradictions in the New Deal’s electric policies were ultimately resolved by the need for full-production in the Second World War. Regulation, rather than public ownership or central planning, was seen as the easiest solution to the issue in a period when accelerating access to more power was vital to increasing production.

In Technology as Freedom, Tobey argues that electrical modernization is the unifying concept behind all the New Deal’s electricity policies. After providing an account of debates over electrification in the 1910s and 1920s, he posits that the New Deal sought electrical modernization through the twin issues of electrification and housing reform. Acknowledging the criticisms of historians like Hawley and McCraw, Tobey says that, looking backward, Roosevelt’s electricity policies may seem fragmentary and limited. However, he does see Roosevelt’s electricity policy reforms as major achievements, rooted in his longstanding progressive ideals.68

Instead of viewing the electrical policymaking of the New Deal as a failure, we must instead see the great achievements made despite significant opposition. (A similar point is made by McCraw when, commenting on the failure of more power authorities to appear, he says “In retrospect, the real wonder is that a single TVA ever materialized.”69) Instead of focusing on the limitations of New Deal reforms, he shows that the Roosevelt administration’s efforts did indeed

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69 McCraw, 1971, 159.
result in the greater and more widespread availability of electricity, which was the key point in the debate, rather than the adoption of specific policies. Using data on domestic electrical use in Riverside, California between 1921 and 1950, Tobey demonstrates that New Deal electricity policies did indeed cause a revolution in the use of electricity by average Americans.\cite{70}

This dissertation leaves open several avenues for future research. Firstly, I must acknowledge that this dissertation does not address the impact of hydroelectric development on indigenous people in Ontario, or their place in transnational progressive discourse in Canada and the United States. However, the HEPCO’s relationships with indigenous people have been explored by Peter Kirtay, Brittany Luby, Daniel Macfarlane, and Jean Manore, and I commend their work to readers who seek a comprehensive view of the commission’s history.\cite{71}

Secondly, this is not a work of environmental or energy history, but rather of political history. As Nelles wrote in 2004, had he started *The Politics of Development* in the 1990s, “it would have to focus on nature as well as society, politics, and economy and explore the ways environmental change fed the consequences of development – intended and otherwise – back into social processes.”\cite{72} Scholars such as Macfarlane, Ruth Sandwell, and Andrew Watson have emphasized the environmental and material aspects of energy and hydroelectricity, thus reestablishing the place of nature into the Canadian historical narrative.\cite{73} Rather, I was inspired

\cite{70} Tobey, 1996, 156-193 passim.
to follow the so-called “New Political History,” explored in the United States since 2000 by scholars like Meg Jacobs, Kevin Kruse, William J. Novak, and Julian Zelizer.\textsuperscript{74} David Tough’s new book on the political development of income taxation, \textit{The Terrific Engine}, is a particularly good example of this approach in Canadian history.\textsuperscript{75} New political history allows one to adopt the findings of other disciplines into narratives about what some previously believed to be “high politics.” In a sense, I wanted to use the HEPCO to explore the limits of Ontario’s cultural and political parochialism, and secondly to demonstrate the great amount of influence Canadians have had on the United States. Nevertheless, I acknowledge my debts to those scholars who approach the history of energy and hydroelectricity from other perspectives.

Thirdly, although the operation of the HEPCO comes under criticism throughout this dissertation, I have not arrived at a conclusion about its fiscal and economic impact on Ontario. Data from the United States suggests that around 1930, public ownership in the electricity industry had a capital cost advantage over private utilities of about 11-14\% of gross revenues.\textsuperscript{76} This advantage fell to 8.7\% by 1942, suggesting that New Deal regulatory reforms worked to reduce monopoly rents.\textsuperscript{77} In the absence of a similar econometric study for Ontario I cannot conclude on the HEPCO’s impact on the electricity industry in the province, and I am likewise


\textsuperscript{77} Ibid, 150.
unable to comment on the commission’s contribution to economic growth or the effect of its debt on public borrowing costs.

Fourthly, the post-Second World War history of the HEPCO has been a relatively under-studied area, given the centrality of the commission to Ontario’s economy and politics. The postwar relationship between the HEPCO/Ontario Hydro and American utilities like the PASNY and the TVA would also provide an interesting way to explore transnational issues like privatization and deregulation.

Another area for further work is the reflexive influence between the HEPCO and the public ownership movement in Quebec. William Giguère’s research is significant for drawing attention to the transnational inspirations for the Quebec government’s 1944 nationalization of Montreal Light Heat & Power, including the HEPCO and the TVA. It would be interesting to investigate the impact of Quebec’s hydroelectric politics in Ontario and the United States, especially within the framework of transnational progressivism.78

Lastly, the international influence of the HEPCO outside of the United States could also be further explored. Robert Belfield’s unpublished 1981 dissertation includes a particularly fascinating note about the HEPCO’s influence in the Soviet Union. He points out that American

consulting engineer Hugh Cooper worked for the HEPCO and on the Wilson Dam at Muscle Shoals, after which he went to the Soviet Union to supervise the Dnieper project in the late-1920s and early-1930s. Cooper arranged for Soviet engineers to visit the HEPCO’s installations and for information about the commission to be sent to schools in the Soviet Union.\footnote{Belfield, 1981, 393, 496n12. I have been unable to find, in the Hydro One archives, the Cooper-HEPCO correspondence Belfield indirectly cites.} Belfield also posits that the commission may have influenced the 1926 formation of the Central Electricity Board in the United Kingdom.\footnote{Ibid., 496n12.} Such examples of the HEPCO’s pre-Second World War transnational influence fall outside the purview of this dissertation, but they underline the ways the Ontario commission caught widespread attention in global debates about electricity policymaking. These subjects are not encompassed in this study, but they point toward potential research which could be profitably informed by it.

**Organization**

In the dissertation that follows, I will argue that the HEPCO was a progressive and transnational organization. The creation and early development of the HEPCO can best be understood by situating it in the context of transnational progressivism, which explains its role in the Ontario political system and the fascination it held for American reformers. Transnational progressivism was also pluralistic, seeking a variety of political and social goals which were not fully compatible. I have organized this narrative in a fashion which is more-or-less chronological, and which attempts to delineate developments in each country in separate chapters. This introductory chapter will be followed by five others, followed by a conclusion to summarize my arguments and an epilogue to discuss the place of the HEPCO’s legacy in current political debates in Ontario.
In the chapter one, I will review early arguments over governing electricity in New York State and Ontario, along with the early campaigns for public ownership in the sector. Newspaper impresario William Randolph Hearst created the Municipal Ownership League for his 1905 New York City mayoral campaign and ran on a platform of the municipal ownership of utilities but was defeated. Hearst then campaigned on a similar platform for New York governor in 1906 but was defeated by Charles Evans Hughes. Hughes led a New York State legislative inquiry into the gas and electricity industry in 1905; as governor (1907-1910) he supported regulation and conservation measures. New York State (along with Wisconsin) set a national pattern by adopting state-based regulation in 1907. Early interest in the HEPCO’s operations led to a New York State Senate investigation into the Ontario commission between 1911 and 1913, nicknamed the “Ferris Inquiry.” Suspicious of its intentions, HEPCO chairman Sir Adam Beck ignored the inquiry’s repeated attempts to secure information from the commission. The findings of this investigation led to the first anti-HEPCO publication in the United States, Reginald Bolton’s *An Expensive Experiment* (1913).

This chapter will also cover events from early disputes over utilities in Toronto to the HEPCO’s “switching on” of power in 1910. The main purpose of this part of the chapter is to show the transnational and progressive nature of the early public power movement in Ontario. Two groups of progressives came together to argue for public ownership: Toronto-based urban reformers and a network of German-Canadian progressive businessmen in the southwestern part of the province. Although the latter group was certainly influential in creating the HEPCO, their desire for cheap industrial energy was not did not circumscribe the Commission’s activities and goals in the following decades.
In chapter two, I introduce the central role played by the HEPCO in American debates over public ownership and regulation in the 1910s and 1920s. The increasing amount of attention paid to the HEPCO as a policy model led to direct investigations by Americans. The director of the National Popular Government League, progressive activist Judson King, made his first pilgrimage to Ontario in preparation for his work in a 1922 California plebiscite, which was a failed attempt to set-up a regional publicly-owned utility in the San Francisco region. The Ontario commission was held-up by American progressives as evidence both for the technical possibility of lower power prices (through regulation) and the efficacy of public ownership. On the other hand, the power industry’s lobby group, the National Electric Light Association (NELA) attacked the HEPCO to discredit these claims. A 1930 Senate investigation later exposed NELA’s extensive propaganda activities, including the sponsorship of anti-Hydro reports. In 1922, American engineer W.S. Murray published a report which attacked the economic and engineering assumptions on which the Hydro was based. This was followed in 1925 with the appearance of Samuel S. Wyer’s *Niagara Falls: Its Power Possibilities and Preservation* (the Smithsonian pamphlet mentioned above).\(^81\) Both reports came during the ongoing Muscle Shoals controversy (1921-1924), when congressional leaders fought over attempts to privatize a nitrogen and power production complex that the federal government owned in Alabama. The pro-public ownership faction in Congress was led by Senator George W. Norris of Nebraska, who subsequently established contact with HEPCO officials in Toronto. This chapter also addresses a specific attempt to use the HEPCO for policy formation in the United States. Gifford Pinchot, a noted conservationist leader and Governor of Pennsylvania, initiated a “Giant Power Survey” in 1923. This was an attempt to promote lower electricity costs and rural

electrification through business-government cooperation in production and stronger regulation in distribution and transmission. There was extensive contact between Morris L. Cooke, the Survey’s director, and HEPCO officials. Cooke sought the engineering expertise of the Ontario commission to provide technical information to the under-staffed Pennsylvanian initiative. The reluctant attitude of the HEPCO to expend resources on these requests often led to exasperation on the part of Cooke and his associates, who thought of the Ontario commission as part of a worldwide political movement, rather than a bureaucratic arm of a Canadian province.

Chapter three addresses the role of the HEPCO and Beck in provincial politics in the period from 1910 until Beck’s death in 1925. Initially conceived of as a distributor of privately produced power, Beck quickly reoriented the HEPCO towards a monopoly on production and transmission, with distribution to a network of allied municipal utilities. Beck’s empire-building began a new phase in 1914 with his plan to create an electric railway network to connect the major centres of Southwestern Ontario. Here I will also discuss Beck’s struggle with Premier E.C. Drury during 1919-1923, a conflict also described by authors like Plewman and Nelles. Unlike these authors, who present it as a personal foible, I think Beck’s distrust of political rivals should also be seen in the context of increasing American attacks on the commission, as illustrated in the previous chapter. Although certainly egomaniacal, Beck was also feeling the strain of growing scrutiny from observers in the United States. He therefore saw the opposition of Drury and others to some of his plans as connected to NELA’s anti-HEPCO efforts south of the border, giving an international dimension to the normal partisanship of the Ontario political system. All of this contributed to the HEPCO’s gradual shift away from its progressive roots.

Chapter four will focus on electricity debates in New York State in the 1920s, and how these influenced New Deal policy after 1933. Here I will describe efforts by Al Smith during his
last gubernatorial term in New York State (1926-1928) to create a publicly-owned public utility. As governor (1929-1933), Franklin D. Roosevelt secured the creation of the New York Power Authority in 1931, but no power was developed until after the Second World War, due to international disagreements over St. Lawrence Seaway project. Many important public power activists, such as Morris Cooke, were recruited into the project. The influence of the HEPCO, as a policy model in the United States, reached its apex under the New Deal. The Tennessee Valley Authority (TVA) was modelled on the HEPCO and its enabling legislation was influenced and directed through Congress by George Norris. The Rural Electrification Authority was created to achieve Ontario-like levels of electricity use on farms and was led by Cooke.

Chapter five will cover the fate of the HEPCO from the death of Beck to its eventual “demobilization” under Premier Mitch Hepburn (after several politics scandals, chief engineer Thomas Hogg was appointed chairman in 1937). The suspected partisanship of the commission became a focal point in the 1934 election, when Hepburn led a successful campaign, based partly on revelations about the HEPCO’s political activities and divisive contracts to import electricity from Quebec. Hepburn forced the resignation of top HEPCO officials, but after the controversy subsided, came to transform the commission from an overtly political body into a relatively technocratic organization. By the end of the 1930s, HEPCO’s existence was secured, but its field of activity was narrowed.

Lastly, in a conclusion and an epilogue I will address the place of the HEPCO in Ontario’s collective memory and current political culture. Beginning in the 1930s, the commission started to commemorate its history, paralleling its transformation into a cross-partisan “consensus.” Among other commemorative efforts was the erection of Toronto’s Beck memorial in 1934, the construction of the D.B. Detweiler cairn at Roseville in 1935, and the
interest of some American progressives in creating their own monument to Beck. In the decades after the Second World War, the legacy of the HEPCO was debated in publications from academics and policymakers, who sometimes looked to the Beck era to criticize or defend the contemporary activities of the Commission. Most recently, the privatization of Hydro One, its spun-off transmission arm, has renewed the use of the historical memory of the Beck era by advocates of public ownership. Overall, popular history about the HEPCO tends to downplay its ambivalent nature but shows the ongoing relevance of Progressive Era ideas today.
Chapter 1:
The Emergence of Public Power Movements in New York State and Ontario, 1890-1910

Introduction

In 1912, London, Ontario, songwriter Claud L. Graves used music to describe the changes wrought on the city’s streets in the year since their illumination by hydroelectricity:

Oh! What a difference since the Hydro came
Cosy little corners don’t look just the same
Everywhere a light
Now is shining bright
Oh Oh Oh Can’t tell day from night, and
When you go a-strolling with your lady love
Don’t forget the Hydro shining bright above
You daresn’t try to kiss her, the Hydro is to blame
Ho ho what a difference since the Hydro came.¹

Although Graves obviously exaggerated the changes brought by the new technology for comedic effect, the song highlights the novelty of electric street lighting, and indeed of the “Hydro” in the provincial consciousness. Yet the spread of electricity had its limits: the leader of Ontario’s public power movement, Adam Beck, never adopted electricity to power the machinery at his cigar box factory in London, which continued to use coal-generated steam until long after his death in 1925.² What motivated the political activism of Beck and other progressives in their quest for the public ownership of hydroelectricity? Although inexpensive electricity was certainly an attraction for industrial boosters in Southern Ontario, the disproportionate amount of effort expended by individual activists in favour of public ownership, along with the breadth of popular support for the idea, seems to indicate the importance of political concerns, rather than narrow business calculations or economic determinism, as the basis for the phenomenon.

² As late as 1929, the Beck Manufacturing Company’s London plant was still powered by steam. See White, 1989, 65.
Between the 1880s and 1910s, the electricity industry in both New York State and Ontario was fragmented and focused on serving commercial, industrial, and middle-class urban consumers. In both places, electricity was first used for illumination (especially street lighting) and only later for other uses, such as motive power. The key development in the history of electricity is Thomas Edison’s systemization of generation, transmission, and distribution. The Edison Electric Illuminating Company created the first central station at Pearl Street in New York City in 1882, in which electricity could be generated by steam and then distributed to a network of nearby consumers who used Edison-manufactured incandescent lamps. Such a distribution network was much more efficient than isolated private plants or stations, because operating costs could be spread out over a larger number of consumers. Over time, however, Edison’s use of direct current was eclipsed by the discovery of alternating current. With the use of alternating current, voltages could be increased by a transformer to the point that electric currents could travel longer distances than before. In New York State, the wider use of electricity was enabled by coupling alternating current with the central station system, because hydroelectricity could be generated at sites like Niagara Falls and then transmitted to nearby cities such as Buffalo. Although electricity was first used for lighting, it increasingly came to be used for motive power for factories and streetcars. New York State saw the growth of steam-generated central station electricity in its cities and towns, major hydroelectric developments at Niagara Falls, and some projects at smaller waterfalls.³

Ontario cities initially adopted electricity to power arc lamps for street lighting, but these early systems were inflexible and could not be adapted for other uses. Arc lights were first

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introduced to the streets of Toronto in 1883, and by 1890, Ottawa, Hamilton, and Toronto made arc lighting their exclusive mode of street lighting. The adoption of the central station system in Ontario allowed for the use of the incandescent lamp in both domestic and street lighting, and by 1890 there were six companies in the province with a capacity of 1000 or more incandescent lamps (located in Barrie, Brockville, Cornwall, Hamilton, and Toronto; St. Catharines had a smaller, but significant, capacity for incandescent lighting). Aside from the introduction of incandescent lighting, the development of the long-distance transmission of hydroelectricity (between De Cew Falls and Hamilton in 1898, and Niagara Falls and Toronto in 1903) laid the basis for the rapid growth of the electricity industry in the province. The incandescent lamp provided a safe and reliable source of lighting for factories, offices, stores, and middle-class homes, and hydroelectricity was an inexpensive way to power it. By 1905, there were sixty companies with a capacity of 1000 or more incandescent lamps. Although other uses of electricity were not as significant during this period, it was adopted to power the streetcar network in Toronto and was gradually becoming more important as a source of motive power in industry.⁴

The problem with the electricity industry, for progressives in both New York State and Ontario, was the control of most of these systems by private monopolies. The campaigns of the Progressive Era, such as the reform of the electricity industry, arose from the unsettled economic, political, and social conditions of the so-called Gilded Age (1877-1896), which had many similarities with the early post-Confederation decades in Canada (1867-1896). The continuation of Gilded Age political ideas, like antimonopolism, into the early twentieth century is explained by the persistence of these conditions, along with the only partial successes of the

⁴ On the development of the private electricity industry in Ontario, see Carl Hall, “Electric Utilities in Ontario under Private Ownership, 1890-1914” (PhD dissertation, University of Toronto, 1968).
earlier reform movements. Although a longstanding component of American political thought, antimonopolyism greatly developed during the decades after the Civil War due to the rise of the corporation as the distinctive organizational form of industrial capitalism in the United States. Developing alongside an increased pace of industrialization and urbanization, antimonopolyism was a major ideological element of contemporary farmer and labour politics. Agrarian political movements like the Farmers’ Alliance took aim at corporations for what they perceived to be unfairly high tariffs and rates for manufactured goods and railway transportation. Industrial workers could also blame corporations for low wages and high prices on consumer goods. In each case, farmers and workers could also rely on some sympathy from the American public due to the widespread presence of antimonopoly feeling. In the Great Strike of 1877, for instance, workers could oppose the railway corporations as monopolies which controlled their lives, building on the wider public understanding of the railways as monopolies which caused injuries, set unfair rates, and restricted competition.\footnote{Richard White, \textit{The Republic for Which It Stands: The United States during Reconstruction and the Gilded Age, 1865-1896.} (New York: Oxford University Press, 2017), 349-50.} Although antimonopolyism as a distinct political party (the Populists) or movement disappeared by 1896, its personnel and ideas merged into what became progressivism in the early twentieth century.\footnote{Ibid, 854.}

The monopolization of electricity under private ownership was seen to cause three major problems: artificially high rates and poor service; corruption in the municipal governments tasked with regulating the monopolies; and regional disparities. Although some municipalities built their own generating plants or purchased them from private companies, the industry in this era was mostly in the hands of private owners. In Ontario, for instance, about a quarter of electric
lighting plants were owned by municipalities in 1902.\textsuperscript{7} Rates and terms of service were regulated, if at all, by municipal councils which were often accused of being under the influence of the electricity companies they were meant to oversee. Like the water supply or public transportation, reformers came to see electricity as an essential service that required special oversight, to prevent harm to the general public. Beginning in New York City and Toronto, but spreading to other urban centres in their respective regions, progressives associated the electricity companies with corruption scandals that engulfed other public utilities. Additionally, Ontario was marked by the fact that hydroelectricity was not available outside of Hamilton or Toronto. If corporate interests in Toronto were permitted to monopolize generating sites at Niagara Falls, businessmen in Southwestern Ontario worried that their cities and towns would be excluded from cheap hydroelectricity and forced to rely on local steam-powered central stations, which used imported coal. These businessmen can be classed as progressives because they sought a general, governmental solution to the monopoly issue, instead of seeking special privileges and protections or creating and financing a corporation to develop a regional transmission system.\textsuperscript{8}

Between the 1890s and 1910s, progressives in both New York State and Ontario became more and more interested in the options of public ownership and regulation of the electricity industry. Although electricity was generated and distributed on each side of the Niagara River, different cultural, economic, and political environments confronted reformers in Canada and the


\textsuperscript{8} Indeed, at a meeting with Premier Ross in September 1902, a hydro committee asked that a franchise be set-aside at Niagara Falls for a manufacturers’ cooperative, but only if the province refused to create its own body to transmit electricity (see Nelles, 1974, 239). If Ontario businessmen failed to capture more of hydroelectricity’s benefits for themselves (as happened in the forestry or mining sectors), it is because of, not despite, the fierce antimonopoly sentiment which animated the public power movement in the province. The long-term cross-subsidization of domestic and rural consumers, at the cost of industrial users, points to the triumph of political over economic considerations in the history of electrification in Ontario.
United States. In this chapter I will argue that the progressive campaigns for electricity industry reforms in each place were similar, not just in ideology and policy, but also in timing. Indeed, these movements contributed to each other’s development, in a reflexive and transnational dynamic. The transnational nature of the public power movements in Ontario and New York State can be seen in both the range of historical actors and the connections between them during this era. It was not just federal, provincial, and state governments which dominated the course of events, as individuals and civil society groups on either side of the border also communicated and built relationships. This interplay was also reflexive because people in each jurisdiction followed events in the other and reacted accordingly. For instance, negative evaluations of the HEPCO in New York State caused alarm in Ontario, especially among leaders of the public power movement who were sensitive to criticism that could reverberate back in their province. The early public power movements of New York State and Ontario were pluralistic, progressive, and generated a transnational dialogue.

In both New York State and Ontario, progressives sought to reform the electricity industry so that this energy source would not be sold on the open market like any other commodity, but would rather reflect notions of the public good. In other words, progressives came to define electricity as a necessity like water, and thus argued that electricity providers should be regulated as utilities or supplanted under public ownership. They sought these changes for a variety of reasons, such as opposition to corporate monopolies, efficiency, and social cohesion. In both places, activists began their agitation at the municipal level, but came to seek solutions from the provincial or state government when local solutions proved elusive. The mechanism to decommodify electricity was also debated: price regulation or public ownership. But overall, progressives in each country wanted to radically change the way electricity was
bought and sold. If there was any major difference between New York State and Ontario progressives, it was in the fact that the latter were very conscious of the international border. The dependency of Ontario on American capital and coal was evident during this era and thus the anti-monopolist ethos of progressivism could often take on nationalistic tones.

Aside from the similarities between progressive demands for electricity market reforms in New York State and Ontario, these campaigns also unfolded roughly simultaneously. The scandals of 1905-1908 contributed to a widespread feeling of crisis about the corruption of big business and government, eliciting demands for reform. One of the important influences on the 1905-1908 crisis was a series of disclosures by the muckraking press, a style of journalism pioneered by William Randolph Hearst. The crisis was triggered in part by the New York State insurance investigation of 1905, when reformist lawyer Charles Evans Hughes was appointed as chief counsel of a legislative investigation into unethical business and political activities by the insurance industry. (Hughes had earlier conducted an official inquiry into the natural gas industry.) McCormick suggests that the intensity of the crisis, especially in 1905-1906, led to hurried policy solutions, especially state-based regulation. Although not directly connected to electricity debates, this period of crisis reshaped New York State politics, setting the stage for future debates and providing a precedent for the options of regulation and public ownership in the electricity industry.

This chapter also shows how a similar sense of crisis developed in Ontario around the same time, which led progressives to agitate for the creation of a publicly-owned electric utility

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9 It may be helpful to turn to Daniel Rodgers’ recent effort to revisit “In Search of Progressivism”: again emphasizing the pluralism with progressive thought, Rodgers underlines a shared emphasis on decommodifying aspects of American life. See Daniel Rodgers, “Capitalism and Politics in the Progressive Era and Ours,” Journal of the Gilded Age and Progressive Era, 13, 3 (July 2014): 379-386.
10 See McCormick, 1986.
11 Ibid, 351-352.
on the other side of the Niagara and St. Lawrence rivers. Ontarians were equally shocked by the Royal Commission on Life Insurance, which suggested corrupt dealings between insurance company executives and politicians, and they took a keen interest in the progress of progressive attempts to regulate corporations south of the border. Issues and events did not have to be explicitly linked for the public to appreciate the connections. There was a general public mood of distrust of "trusts" across North America in the first years of the twentieth century that allowed voters to draw their own conclusions about progressive ideals. For instance, the Brantford Expositor of 4 December 1907 put a story about Teddy Roosevelt’s “trust-busting” campaign alongside one discussing the Ontario hydro debate.¹² In their endorsement of a municipally-owned hydroelectric system, the editorial writers at Toronto’s Globe spoke all three “languages” of Rodgers’ American progressives, especially the argument against corporate monopoly:

Freedom from monopolistic control and from resultant monopolistic rates requires cohesion and united action on the part of the municipalities interested, and they have shown the requisite public spirit and intelligent regard for their own interests. The municipalities must move with the same determination as the private corporations engaging in the business of power distribution.¹³

The difference between the original impetus for the public power movement in Toronto in 1898 or Berlin, Ontario in 1903 and its increasing stridency beginning in the spring of 1906 mirrors a trend for American progressivism itself. The Ontario public power movement, being a part of transnational progressivism, occurred for similar reasons and responded to some of the same events as its American counterparts.

¹² Brantford Expositor, 4 December 1907. I am indebted to Chris Los for the reference.
Ontario, 1890-1905

Since the appearance of critical studies by H.V. Nelles and Kenneth C. Dewar during the mid-1970s, historians have tended to describe the creation of the Hydro-Electric Power Commission of Ontario (HEPCO) in instrumentalist terms. In this way, the HEPCO was seen as a vehicle for businessmen in Toronto and Southwestern Ontario to achieve a cheap and stable power supply during an era of industrialization; public ownership was thus not a radical departure from liberal capitalist norms, but rather the use of the state to achieve private ends. In this interpretation, Ontario’s businessmen became acutely aware of their dependence on coal during the “coal famine” of 1902, when supplies of Pennsylvania anthracite became scarce during a miners’ strike. To secure a stable source of industrial energy and faced with the underdevelopment of domestic capital, these businessmen created a progressive movement to demand action from their municipalities, and ultimately from the provincial state.

However, this chapter revises this account by highlighting the transnational progressivism of which Ontario’s public power movement was a part, and by questioning the centrality of purely economic concerns to the goals and identities of public power activists. Indeed, Ontario’s public power movement was animated by political concerns about monopoly and social reform as much as it was an economic effort for cheap industrial power in a particular region. In other words, public power supporters were worried about the unequal distribution of economic power and its subsequent negative effects on democracy and social development, and sought to address this problem by collective political action, rather than trusting its solution to the market. I posit that the rapid success of the public power movement in Ontario, along with the equally rapid rise of Beck to its leadership, has tended to obscure its inherently political nature. The political essence of this movement may also be concealed by a progressive

characteristic: the non-partisan self-presentation of its members, who wished to avoid the identification of public power with a particular party in an age when partisanship was falling into disrepute.

The municipal origin of these progressives was not merely a result of their local or regional identities as manufacturers; rather, municipal politics represented a field of political recruitment integrated with, but still separate from, the provincial and federal systems. The basis for the public power movement in Ontario was the arena of municipal politics: progressives first tried to gain reforms at the local level, and when these were found to be insufficient, they turned their attention to the provincial government. There were two broad networks of progressives who came together to form Ontario’s public power movement in 1903. The first was a group of Toronto businessmen, activists, and municipal politicians who started campaigning against the local electricity monopoly in the mid-1890s. The other was a group of businessmen from Southwestern Ontario cities who began to agitate for the creation of a publicly-owned transmission system in 1902. Just as much as class, shared identities like ethnicity and religion seem to have united supporters of the public power movement in Ontario during the early twentieth century. Although this could obscure the political motivation underlying the movement, these other identities may in fact have been of key importance to how the problems of electricity monopolies and regional technological backwardness were addressed in the creation of HEPCO.

The Toronto progressive network developed out of reformist campaigns of the 1880s and 1890s, especially the ongoing conflict with the municipal streetcar franchise, the Toronto Railway Company (TRC). This conflict, centered on debates over Sunday streetcar service, public ownership, and regulation, has been described in detail by Armstrong, Nelles, and
Desmond Morton. Although the Toronto progressives were divided on issues like sabbatarianism, the conflict produced a group of progressive activists and politicians and identified a common enemy in the corporate syndicate which controlled the streetcar system, many of whom would go on to take part in private electrical development in Toronto in the 1890s and 1900s. Their antimonopoly activism took place in a progressive milieu characterized by growing interest in the Social Gospel, labour organization, and the creation of a popular press, seen in the appearance of low-cost, populist newspapers like the News or the World. The streetcar issue came to a head in September 1894, with the appearance of allegations that several aldermen received bribes for the awarding of several contracts related to the street railway. In 1899, 1900, and 1902, the Toronto City Council presented requests for the right to develop its own electricity system to the provincial legislature, which was refused each time. These initiatives were due to the presence on council of temperance activist and progressive Liberal F.S. “Frank” Spence.

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16 Indeed, John C. Weaver claims that of the daily press in Toronto in 1895 – comprising the *Evening Star, Globe, Mail and Empire, Telegram*, and *World* – only the *Mail and Empire* was non-reformist (which I interpret to mean not significantly influenced by progressivism); see “The Meaning of Municipal Reform: Toronto, 1895,” *Ontario History*, 66, 2 (June 1974): 95-7.
17 Armstrong and Nelles, 1977, 124-128; John Weaver describes how the scandal led to the creation of the Board of Control in 1896 (see “The Meaning of Municipal Reform: Toronto, 1895,” *Ontario History*, 76, 2 (June 1974): 89-100.).
18 Plewman, 1947, 30-1.
Evangelical activists were particularly important in Toronto’s emergent progressive network. One reason for the entrance of these individuals into the civic reform movement in the late nineteenth and early twentieth centuries was their interest in prohibition and temperance; corruption and patronage were seen as endemic in the regulation of liquor, bringing them into wider public debates about reorganizing government.\textsuperscript{19} For instance, the civic activism of Spence, who was an early public ownership advocate in Toronto, was rooted in this milieu of prohibitionism and municipal reform.\textsuperscript{20} The Parliament Street Methodist Church was especially important, counting among its members R.J. Fleming, H.C. Hocken, Alex C. Lewis, William R. Plewman, Jimmy Simpson, Spence, and J.E. Starr.\textsuperscript{21} This group was closely linked to Toronto’s newspapers. In 1892, a young Simpson was hired by Hocken, his Sunday school teacher, to work as a printer’s apprentice for the latter’s progressive newspaper, the \textit{News}. Simpson later joined an Orange lodge with Methodist links, at a time when both his co-religionists and the Lodge’s \textit{Sentinel} newspaper (purchased by Hocken in 1905) were firmly anti-monopolist and pro-public ownership.\textsuperscript{22} It was thus logical for Jimmy Simpson, despite his membership in the Canadian Socialist League, to support Spence’s campaign for mayor in 1901, when the latter ran on a platform of prohibition and the municipal ownership of public utilities. Another Methodist, J.E. “Joe” Atkinson, who later edited the \textit{Star}, may have been converted to the cause of public ownership due to his editorial job at the \textit{World} in 1888-1889.\textsuperscript{23} A Conservative Orangeman and

\textsuperscript{22} Homel, 1978, 12-14, 43-45. Orangeman Dr. William Beattie Nesbitt, a renegade progressive Tory MPP for Toronto North between 1902-1906, was also a leader in the public ownership movement in Toronto (Plewman, 1947, 30).
Hocken’s son-in-law, Plewman left the *News* in 1903 and was hired by Atkinson at the *Star*.\(^{24}\)

Conservative progressive businessman Joseph Flavelle, also a Methodist, used his ownership of the *News* after 1902 to support the public ownership movement, although he later backed down over what he saw as unfair competition, when the private electricity syndicate was not directly bought-out.\(^{25}\)

In this way, progressive causes could unite diverse groups of people in Toronto in the late nineteenth and early twentieth centuries. The actions of the TRC, for instance, brought together those upset with corporate monopoly, including the organized working-class, proprietors of small- and medium-sized businesses, and reform-minded evangelicals. Motivations were often different among members of this network: working-class activists were most upset with the TRC due to its poor service and high fares, whereas middle-class reformers objected to its corruption of municipal politics, and evangelicals did not like the fact that the corporate owners of the streetcar system were profiting by breaking the fourth commandment. Yet all shared a sense of a moral economy in which such a monopoly should be subject to public oversight and supervision. With the failure of such supervision, the next logical step was public ownership.

The other key progressive network that adopted the cause of public ownership was centered around German-Canadian manufacturers in regional centres in Southwestern Ontario, like Berlin, Galt, and Guelph. Building on recent work on Irish- and Scandinavian-American reformers in the United States during the same period, I characterize this network of German-

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\(^{25}\) Michael Bliss argues that Flavelle was sincere in his opposition, as he only had an indirect interest in the success of the Syndicate (the National Trust acted as trustee for Electrical Development Company bondholders). Despite being of a similar age to Beck, Flavelle should be seen as a representative of a slightly older version of progressivism, as he became increasingly conservative after 1908 (which coincides with the rapid advance of anti-corporate and antimonopoly sentiment in Canada and the United States); see Bliss, “Flavelle, Sir Joseph Wesley,” in *Dictionary of Canadian Biography*, vol. 16, University of Toronto/Université Laval, 2003–, accessed April 8, 2018, http://www.biographi.ca/en/bio/flavelle_joseph_wesley_16E.html.
Canadians as a group of “ethnic progressives.” Although he does not adopt the lens of ethnic progressivism, Jack Lucas attests to the strong interest in municipal reform in Berlin. The German-Canadian progressives were diverse: Adam Beck was born at Baden and spoke German as his first language, but moved to London and assimilated into the dominant Anglophone culture. Others, like D.B. Detweiler or E.W.B. Snider, were Mennonites who lived in the German community of Waterloo County. Some have attempted to posit a direct connection between the pro-public power activism of these German-Canadians and developments in Europe, but it is more likely that their organization simply made use of pre-existing social networks among this ethnic minority, which included local boards of trade, municipal councils, churches, and civic groups. Detweiler, for instance, was not only a pioneer in the public power movement, but also a supporter of other typical progressive causes, like city planning and the public ownership of the telephone system. He also agitated for the development of a transportation system through the Great Lakes and St. Lawrence River. An activist like Samuel Carter of Guelph was not a German, but as a Primitive Methodist and temperance supporter he had much in common with the Toronto progressives. Unlike the Toronto network, many of

28 For example, Hector Charlesworth claims E.W.B. Snider was aware of hydroelectric development in Switzerland, but this is probably confusion relating to Snider’s Swiss-German Mennonite heritage; see The Canadian Scene: Sketches: Political and Historical (Toronto: The Macmillan Company of Canada, 1927): 213. Plewman also notes that Detweiler and Snider were “Pennsylvania Dutch”; Beck’s father Jacob was a miller, a profession shared by many of the early hydro leaders like Snider; Plewman also ascribes an almost genetic significance to Beck’s miller forebears (see Plewman, 1947, 3, 32-33). Further research on the network of German-Canadian millers involved in the movement, especially Mennonites, would be interesting. For his part, Robert Blake Belfield notes that early HEPCO engineer Paul Sothman displayed a Germanic “search for ideal designs,” which influenced not only his engineering, but also his view of politics and government (see Belfield, 1981, 196).
29 See for instance files MC 5.18 and MC 5.8, Kitchener Public Library (KPL), Daniel Bechtel Detweiler Collection.
30 As chairman of Guelph’s Fire and Light Committee, Carter recommended public ownership in 1902 and sought municipalization of the streetcar system after 1903. Although the owner of the Royal Knitting Co., Carter founded the Guelph Co-operative Association (for biographical information, see Gerald Bloomfield, “Samuel Carter 1859-1944: An Outline Biography,” Historic Guelph: The Royal City, 22 (September 1993): 22-44; and Steve Thorning,
these progressives did not have a pre-existing monopoly to fight, but they nevertheless opposed corporate monopolies on similar grounds. These Southwestern pro-public power progressives also seem to be much more likely to be members of the Conservative Party, which can be explained not only by the Tories’ local urban strength, but also the fact that they were pursuing a policy much more radical than that of the decades-old Liberal provincial government. The strength of progressivism among these Ontario Conservatives can also be seen as a reaction to the Liberal Party’s close relationships with corporations, such as the emerging electricity utilities. Whether as a conscious ideological identification with urban reform or as a reaction to their partisan enemies, a significant part of the Ontario Conservative Party came to identify with progressive ideas, such as the regulation and public ownership of hydroelectricity.

Although private electricity utilities and streetcar systems existed in cities and towns like Guelph, Hamilton, London, Ottawa, and Toronto, it was only in the latter that a significant campaign for municipal ownership arose before 1903, due to that city’s experiences with its streetcar monopoly. However, owners and managers of these companies began to fear an upsurge in support for public ownership across the province in the mid-1890s, and the Canadian Electrical Association sponsored an amendment to the Ontario Municipal Act in 1897 to prevent


31 A prosopography of the participants in the pre-1906 hydro meetings underlines a preponderance of prominent Southwest Ontario Conservatives over Liberals. For instance, the 9 June 1902 meeting in Berlin was marked by the attendance of George Adam Clare (first cousin of Beck and Conservative MP, Waterloo, 1900-1915), Christopher Kloepfer (Conservative MP, Wellington South, 1896-1900), William Abram Kribs (Conservative MPP, Waterloo South, 1898-1904), Lincoln Goldie (Conservative MPP, Wellington South, 1923-1931), Senator Samuel Merner (Conservative MP, Waterloo South, 1878-1882) and George A. Pattison (Conservative MPP, Waterloo South, 1905-1914). The only prominent Liberals there were Snider and manufacturer Lloyd Harris (Liberal MP, Brantford, 1908-1911). Conservatives Joseph Patrick "Joe" Downey (Conservative MPP, Wellington South, 1902-1910) and Beck attended the 17 February 1903 Berlin meeting, as did Liberal Sam Carter (Liberal-Prohibitionist MPP, Wellington South, 1914-1919). Of the key Toronto participants in these meetings, Spence and Thomas Urquhart (Mayor of Toronto, 1903-1905) were Liberals and evangelicals, while P.W. Ellis was a Tory.

32 The first characterization, of Ontario Conservatives as opportunistic and reactive to the Liberals’ corporate ties, is argued by Nelles, 1974. The second, of Ontario Tories as self-consciously identifying with urban progressivism, is seen in Charles W. Humphries, Honest Enough to be Bold: The Life and Times of Sir James Pliny Whitney (Toronto: University of Toronto Press, 1985).
municipalities from building competing systems. Ottawa also had a nascent public ownership movement around the turn of the century, but it was constrained by the strong local political position of the owners of the Ottawa Electric Company and Ottawa Electric Railway Company, along with their alliances with the ruling federal and provincial Liberal parties. Public power was also restricted in Ottawa because it did not yet have access to electricity from provincially-owned sites like Niagara Falls, but the movement gained strength in 1905 after the election of the provincial Conservatives and a successful local referendum for a municipally-owned utility.

The public power movement initially grew out of campaigns against the corporate syndicates which controlled Toronto’s streetcar system and (after 1902) began to build an electricity transmission network through the Electrical Development Company (EDC). On the US side of the border, two companies operated near Niagara Falls: the Niagara Falls Power Co. and the Niagara Falls Power and Hydraulic Power and Manufacturing Company. On the Canadian side, where power generation was regulated through the grant of power leases via the Queen Victoria Niagara Falls Park, were the American-owned Canadian Niagara Power Company (a subsidiary of the Niagara Falls Power Co.) and the Ontario Power Company, along with the Canadian-owned EDC. Most the electricity produced by these companies, except that of the EDC, was consumed in the United States. De Cew Falls, controlled by the Cataract Power Company, a syndicate of Hamilton businessmen under the leadership of the Liberal politician Sir

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33 In 1899, the Ontario Municipal Act was amended with the so-called “Connie amendment,” which required municipalities to buy-out privately-owned electric and gas utilities before building their own (on the Canadian Electrical Association’s campaign, see Kenneth C. Dewar, “Private Electric Utilities and Municipal Ownership in Ontario, 1891-1900,” Urban History Review/Revue d’histoire urbaine, 12, 1 (June 1983): 29-38; the amendment was based on similar restrictions in the UK and on regulation in Massachusetts).

34 As in Toronto and Southwestern Ontario, the public power movement in Ottawa was associated with the Conservative Party, the leadership of municipal politicians (such as Mayor J.A. Ellis), and support from the press (P.D. Ross’ Ottawa Journal). On the electrification of Ottawa and the growth of the local public ownership movement, see Anna Adamek, “Incorporating Power and Assimilating Nature: Electric Power Generation and Distribution in Ottawa, 1882-1905,” (MA thesis, University of Ottawa, 2003). On his role in the movement, see Philip Dansken Ross, Retrospects of a Newspaper Person (Toronto: Oxford University Press, 1931).
John Morison Gibson, represented the only other significant hydroelectric resource in southern Ontario.  

In February 1900, the Toronto Board of Trade created a committee to study the issue of electric power; it concluded in April that electric power should be transmitted to the city. Hector Charlesworth later claimed the Board was especially influenced by P.W. Ellis and W.K. McNaught, who were involved in the jewelry trade and were aware of developments in Switzerland and northern Italy. As sole local supplier of electricity, the EDC was a clear target for criticism from anyone in Toronto who opposed corporate monopoly.

In 1902, the two holders of Canadian power development franchises at Niagara, the US-owned Ontario Power Company and the Canadian Niagara Power Company, began construction of their plants. This stirred interest in the possibilities of extending transmission lines to locations throughout Southwestern Ontario. The public power movement began at a Waterloo Board of Trade meeting on 11 February 1902, where E.W.B Snider replied to a toast with a discussion of the possibilities of electricity. D.B. Detweiler was also in attendance, and he later brought up the idea at a Berlin Board of Trade meeting in May. By June, local leaders had a meeting in the

35 Located near Niagara Falls, the De Cew Falls complex was enabled by the federal government to divert water from the Welland Canal to increase generation capacity. In 1907, the syndicate was re-organized as the Dominion Power and Transmission Co.; it controlled streetcars, electric railways, and distribution systems in the Hamilton area and the Niagara peninsula. Dominion Power was finally purchased by the HEPCO in 1931. For excellent technical details on hydroelectric generation at De Cew Falls and Niagara Falls, along with financial information on the syndicates involved, see Carl Hall, “Electric Utilities in Ontario under Private Ownership, 1890-1914” (PhD dissertation, University of Toronto, 1968), 35-6. See also William M. Cody, “Who Were the Five Johns?” Wentworth Bygones, 5 (1964): 14-17, and Carolyn E. Gray, “Gibson, Sir John Morison,” in Dictionary of Canadian Biography, vol. 15, University of Toronto/Université Laval, 2005, accessed November 12, 2018, http://www.biographi.ca/en/bio.php?id_nbr=8157. Richard Lucas claims the public power movement was weaker in Hamilton than elsewhere due to cultural and class divisions among reformers and because the local business community identified with Dominion Power (see “The Conflict over Public Power in Hamilton, Ontario, 1906-1914,” Ontario History 68, 4 (December 1976): 236-246). Yet with the victory of the local public power movement in 1914 (when Hamilton joined the HEPCO system), Lucas concludes with a sentiment that could apply to the entire province: “The fight for public power in Hamilton was won by a loosely connected group of municipal reformers, temperance societies, organized labour, and middle class opponents of monopoly.” (Ibid., 245). The rapid victory of the province’s public power movement in 1903-1906 served to mask such plurality.

36 Charlesworth, 1927, 214.

37 Nelles, 1974, 237
Berlin council chambers with Spence and C.H. Mitchell, a former resident of Waterloo and an Ontario Power Company engineer.\(^{38}\) Snider resolved on three options: the two power companies should build transmission lines; a private company, with ownership divided between manufacturers and municipalities based on consumption, should be formed to build transmission lines; or the provincial government should build the lines.\(^{39}\)

Snider, Spence, and Alderman J.H. MacMeachan met with Premier Ross in September 1902. In a follow-up letter, the pro-public power representatives expressed concerns about economic dependency on the United States:

> At the present time, in that portion of Ontario in which it is believed power from Niagara might be economically utilized, manufacturers and users of motive power, and producers of electric light, are obliged to depend chiefly upon American coal for production of their power and light. For the purchase of this coal large sums of money are annually expended outside our own country which could be retained in Ontario if the power available at Niagara can be utilized as suggested.\(^{40}\)

The fear of monopolism played a significant part of their interest in having the provincial government retain its rights over Niagara Falls and other hydroelectric sites:

> We urge these measures in order that nothing of a monopoly of such rights may be allowed to exist in the hands of any private individual or corporation, or any power to exclude others from sharing in the natural privileges involved.\(^{41}\)

Again, the prevention of a monopoly of Niagara Falls’ electricity was more important to these progressives than the exact ownership structure of a new transmission system.

> But Ross demurred, saying the project needed more study. However, he did promise that the provincial government would not grant rights at Niagara Falls to private companies which

\(^{38}\) Ibid., 238-9; Mitchell used to live in Waterloo, and his father seems to have known Snider; see George A. Mitchell to Snider, no date, KPL, EWB Snider Collection, MC 6.1b “Ontario Hydro.”

\(^{39}\) Nelles, 1974, 238-9

\(^{40}\) Letter to Premier Ross, signed by EWBS, 19 Sept 1902, KPL, EWB Snider Collection, MC 6.1b “Ontario Hydro”; Nelles notes that the coal famine was then at its worst (see Nelles, 1974, 239).

\(^{41}\) Ibid.
would prevent future power generation by municipalities.\textsuperscript{42} By mid-December, Detweiler was most worried about the possibility that the Ontario Power Company would tie-up blocks of power, preventing the Southwestern municipalities from accessing electricity.\textsuperscript{43}

However, the issue was re-ignited in December 1902 and January 1903 because of public hearings held by the Queen Victoria Niagara Park Commission (QVNPC) relating to the issuing of new franchises. William Mackenzie, active with the Toronto Railway Company (TRC) syndicate in the 1890s, joined with financier Senator George Cox, Frederic Nicholls (of Canadian General Electric) and Henry Pellatt of the Toronto Electric Light Company (TELC) in 1902 to bring hydroelectricity from Niagara Falls to the city.\textsuperscript{44} In January 1903, there was public outcry after the QVNPC decided to grant a third franchise at Niagara Falls to the EDC, allowing it to develop up to 125,000 hp.\textsuperscript{45} At the same time, the provincial legislature rejected Toronto’s application for the right to generate and transmit Niagara power itself.

The \textit{Star}, the \textit{World}, the mayor, city council, and the Toronto section of the Canadian Manufacturer’s Association opposed the granting of a franchise to the EDC, in favour of a public system.\textsuperscript{46} Conflicts of interest surround the rise of the EDC. It was later revealed that the Manufacturers’ Life Insurance Company, of which Ross was president, was an EDC investor; Pellatt was first vice-president and Mackenzie sat on the board of directors.\textsuperscript{47} Additionally,

\begin{itemize}
  \item \textsuperscript{42} Ross to Snider, 1 October 1902, KPL, EWB Snider Collection, MC 6.1b “Ontario Hydro.”
  \item \textsuperscript{43} Detweiler to Snider, 18 December 1902, KPL, EWB Snider Collection, MC 6.1b “Ontario Hydro.”
  \item \textsuperscript{44} Pellatt organized the TELC in 1883; it gained a 30-year franchise on the city’s street-lighting in 1889 and began to supply power to the TRC in the 1890s. Nicholls formed the Toronto Incandescent Electric Light Co. in 1888, which was purchased by the TELC in 1896 (see Carlie Oreskovich, \textit{Sir Henry Pellatt: The King of Casa Loma}. Toronto: McGraw-Hill Ryerson, 1982, 52-54).
  \item \textsuperscript{45} Rae Bruce Fleming, \textit{Railway King of Canada: Sir William Mackenzie, 1849-1923} (Vancouver: University of British Columbia Press, 1991) 112-113; Nelles, 1974, 227-8
  \item \textsuperscript{46} Nelles, 1974, 240-1
  \item \textsuperscript{47} Charles W. Humphries, \textit{Honest Enough to be Bold: The Life and Times of Sir James Pliny Whitney} (Toronto: University of Toronto Press, 1985), 85-6.
\end{itemize}
opposition leader J.P. Whitney’s private secretary was married to Mackenzie’s daughter.\(^{48}\)

Toronto journalist Hector Charlesworth later stated that the *News* only joined the campaign after it was purchased by Joseph Flavelle and John Willison in early 1903.\(^{49}\) Detweiler met with Flavelle, Fleming, Spence, and Willison in late December 1902, in the hopes of acting quickly against the EDC.\(^{50}\) This meeting marked the beginning of a merger between two progressive networks, the Torontonians and the German-Canadians of Southwestern Ontario. In late 1902 and early 1903, Ontario progressives united to fight the creation of a powerful corporate monopoly in their province.

The award of the franchise to the EDC helped transform what had been a loose network of progressives in Toronto and Southwestern Ontario into a vocal anti-monopolist movement. A “Hydro Congress” was held at Berlin on 17 February 1903. The presence of a significant and active group of Toronto businessmen differentiated this meeting from the ones of 1902.\(^{51}\) Mayor Cant of Guelph spoke for regulation, as against a municipal system (which he thought would fail) and a provincial government system (which he said would represent “class legislation”).\(^{52}\) Spence put forward a motion for development to be done by the provincial government, but this was defeated by one proposed by Mayor Urquhart of Toronto and supported by Snider which called for the municipalities to take the responsibility through a commission.\(^{53}\)

Adopting the language of progressive anti-monopolism, the Toronto *World* concluded:

\(^{48}\) Fleming, 1991, 114-15; Fleming claims that Whitney was loyal to Mackenzie and supported him in his struggle against Adam Beck (see 111-119, passim).

\(^{49}\) Hector Charlesworth, *Candid Chronicles: Leaves from the Note Book of a Canadian Journalist* (Toronto: The Macmillan Company of Canada, 1925): 186. Charlesworth claimed he was assigned to agitate for the issue for the first two months of his employment under Willison at the *News* (see Charlesworth, 1927, 217).

\(^{50}\) D.B. Detweiler to E.W.B. Snider, 24 December 1902, KPL, EWB Snider Collection, box MC 6.1a-MC 6.1g, MC 6.1b “Ont. Hydro.”

\(^{51}\) Nelles, 1974, 243.


\(^{53}\) Ibid.; Urquhart apparently had met with Ross and was told the provincial government was willing to accede to a system of municipal cooperation (see *Globe*, 18 February 1903).
Capitalists get together and create monopolies. The municipal representatives at Berlin yesterday gave practical effect to the belief that the people should get together to prevent the monopolies. They laid down a principle which may be far reaching in its effects… Corporate oppression has been possible largely because of the diffusion of the strength of the oppressed. The Berlin convention is a sign of an awakening. Corporations fight with a single purpose in view, and the people are beginning to see that they must follow similar tactics or come out a sorry loser.54

The World also suggested that any dissension at the Congress was the result of the influence of the power corporations, going so far to imply that ex-Brantford mayor D.B. Wood's unsuccessful motion to appoint another investigatory sub-committee was simply a ploy to delay action to the next legislative session. On the rumour that the provincial government would not resist the creation of a municipal system, the editorial concluded: “The Ontario government, apparently, woke up to the determination of the anti-monopoly influences.”55

Indeed, the apparent strength of the public power movement by early 1903 likely intimidated the government into action. A pro-hydro deputation met Premier Ross in Toronto on 28 February, and he agreed in principle to a municipal transmission system; he evidently supported this idea in opposition to Toronto’s recent request for the right to sell hydroelectricity to other municipalities, or the idea that the province build the transmission lines.56 Ross subsequently collaborated on an act with Snider to create an Ontario Power Commission which would study the issue.57 The necessary enabling legislation came in June 1903.

At this point, the municipalities were meant to be the owners and operators of the potential electricity transmission system, and so were given the power to appoint the members of the investigatory body. Legislation was necessary for the creation of the Ontario Power Commission.

55 Ibid.
57 In one particularly interesting letter, Ross revealed to Snider that W.G. McWilliams had a role in drafting the bill, but he did not want that to be known publicly; see Ross to E.W.B. Snider, 20 March 1903, KPL, EWB Snider Collection, box MC 6.1a-MC 6.1g, MC 6.1b “Ont. Hydro.”
Commission and other bodies, because municipal government in Ontario is based on the authority of the provincial government, but otherwise the interest of the cabinet was believed to be otherwise unnecessary to the project. In August, municipal delegates met at Toronto City Hall to select representatives to the Ontario Power Commission. Snider was named chair, and Adam Beck, W.F. Cockshutt, and P.W. Ellis, were named commissioners. At this inaugural meeting of the Ontario Power Commission, Frank Spence was apparently skeptical of the cooperative nature of the commission and suggested that the provincial government should have organized it. But his was a singular voice at this point in the history of public power in Ontario, which these progressives saw as possible (and more desirable) on the basis of joint action by the interested municipalities.

The Snider commission was remarkably inactive between this August 1903 meeting and mid-1904. This may be explained in part by its initial inability to find a qualified Canadian electrical engineer for consulting advice and subsequent problems relating to the employment of the Montreal consulting firm of Ross & Holgate. The commission appears to have remained largely inactive until late July 1904. It did not publish a final report until March 1906, but the publication lays bare the progressive ideology underlying the hydro movement, seen in Rodgers’ “three languages of progressivism.” It included a defense of municipal governments’ intervention in the economy, including a refutation of John Stuart Mill’s classical liberalism.

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58 Globe, 13 August 1903, 14; Spence’s complaint may have been motivated by his strong support for full government ownership, but it should also be noted that all of the elected commissioners, except Snider, were Tories (see Plewman, 1947, 41).

59 It appears that an American consulting engineer was rejected on nationalistic grounds, while British engineers were considered inexperienced in hydroelectricity. It was first proposed that Robert Ross (a consulting engineer of the Montreal firm of Ross & Holgate) join the commission as a member to prevent legal problems, but he declined because he would not be paid enough; Ross proposed that University of Toronto engineering Professor John Galbraith join, but no action was taken because Galbraith noted that he did not consider himself an electrical engineer. Eventually, Fessenden was added as a member of the commission, while Ross & Holgate were retained as consulting engineers. See Globe, 18 November 1903, 12; John MacKay to Snider, 9 and 16 November 1904, KPL, EWB Snider Collection, MC 6.1b “Ont. Hydro” and meeting agenda of an Ontario Power Commission, 20 December 1904, ibid., MC 6.1e, f, & g.

60 See Globe, 28 July 1904, 8.
Reflecting on the existence of public services under municipal ownership, the Snider report used the “language of social efficiency”: “Such branches of civic enterprise represent the voluntary efforts of society to work out a more efficient civilization, and in their organization and operation they afford the very opportunity for development that Mill desired.”\(^1\) Further, the report employed a novel use of the “rhetoric of antimonopolism” in stating that the Snider commission’s goal was not to monopolize the electricity industry under public ownership.\(^2\)

**The Rise of Adam Beck**

The rise of Adam Beck to the leadership of the public power movement, and his appointment as the first chairman of the HEPCO, represents the achievement of power by urban progressives in Ontario. The supporters of the public power movement were overwhelmingly male and urban, often involved in manufacturing and with municipal political experience. But their intent cannot be simply ascribed to a quest for cheap power, shown by the fact that many of the movement’s leaders never made use of the new technology in their businesses, such as Beck. Another key figure, Detweiler, was a traveling button salesman and had no real business interest in electricity. No doubt, access to affordable electric power was an impulse for the supporters of public power, but it is simplistic to ascribe their motivations solely to their personal economic interest. Rather, Beck, Detweiler, and the supporters of public power were progressives with an array of material and ideological goals, and thus represented the pluralism of that moment in transnational political debate.

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\(^2\) Ibid, 23.
Secondly, the public power movement under Beck’s leadership represented an integrative force in provincial politics, in a period when the public was otherwise divided along lines of class and religion. As S.J.R. Noel writes, Ontario political culture had come to be centralized in the two contending parties by the 1890s. When the party system came under strain in the following decades, the public power movement was able to provide ideological direction and organization to provincial politics. In other words, at a time when interest groups like farmers’ movements, manufacturers’ organizations, non-partisan reform associations, and trade unions increasingly seemed to be better vehicles for political participation than the apparent corrupt morass of parties and ward heelers, the public power movement represented another opportunity for Ontarians to express their political values. Yet the appeal of the public power movement surpassed these other groups because of its breadth – crossing traditional lines of class, ethnicity, locality, and partisanship. Prohibition, the other major reform movement of early twentieth century Ontario, divided opinion along lines of class, ethnicity, gender, and religion in ways that prevented its secure hegemony in the provincial political culture. Thus, the public power movement offered an opportunity to fill the place of the weakened parties by mobilizing Ontarians of diverse backgrounds into political activity.

Beck’s power in Ontario’s political system, which lasted until his death in 1925, was essentially based on his ability to provide leadership to the province’s progressives in an activist, but secular, reform movement. Combining the chairmanship of the HEPCO and the de facto leadership of the pro-hydro movement, he had access to both official levers of power and a large network of public ownership enthusiastic across the province. This strong leadership also ensured that the legislative authority for public ownership and regulation remained invested in

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the HEPCO, whereas these functions were divided between various government agencies in New York State.

In late January 1905, Whitney and the Conservatives won a majority over a scandal-tainted and shopworn Liberal government, and Beck was appointed a minister without portfolio.64 Beck is, of course, an enigmatic figure in Ontario political history. His introduction to the hydro movement occurred at the February 1903 Hydro Congress at Berlin, where he represented London as mayor, but his life and social network contained numerous links to the men who began the agitation for public power.65 Beck came from a family of Conservative-supporting German immigrant millers and manufacturers in Baden, Ontario.66 After his father’s bankruptcy in 1879, Beck briefly worked as an employee in other businesses before joining his brother William’s cigar-box manufacturing venture, which they moved to London in 1884. Adam became sole proprietor of William Beck and Company in 1888, which was later renamed the Beck Manufacturing Company Limited. By 1897, when William died shortly after moving to Montreal to establish a branch, the business was approaching 150 employees with capital of around $100,000. His rise to local prominence was marked by his election as mayor of London in 1902. Aside from his background in manufacturing and local municipal leadership, Beck’s rise to the leadership of the public power movement was also based on his support for the Conservative Party (for which he ran in the 1898 and 1902 provincial elections), whereas

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64 This was despite an incident after an all-candidates’ meeting in London, when it was said Beck grabbed an ex-alderman by the throat for accusing him of lying; see Globe, 19 and 20 January 1905.
65 At the Hydro Congress, Adam Beck spoke generally in favour of government development, but was open to the idea of municipal cooperation (see Globe, 18 February 1903). However, Beck had earlier joined a deputation of Toronto municipal officials in October 1902, who asked Ross for assistance in responding the fuel shortage caused by the coal strike; this may have been his introduction to the energy issue (see Globe, 10 October 1902, p. 10). Plewman notes Berlin tanner August R. Lang, who headed the subscription list to defray the costs of the 9 June 1902 hydro meeting at Berlin, was a boyhood friend of Beck (see Plewman, 1947, 33).
Snider’s influence came from his personal relationship with Premier Ross and the outgoing cabinet.67

Like Snider and others, Beck’s interest in the availability of cheap and abundant electric power cannot be simply ascribed to personal business interests or status among local businessmen. Rather, his abiding support for causes like public health, municipal ownership of streetcars, and Black Canadians’ rights suggest his membership in the ranks of transnational progressivism. Known for his tolerant attitude towards Black Canadians, in 1924-25, Beck worked with Londoner James Jenkins to secure a federal charter for the Canadian League for the Advancement of Coloured People.68 Beck was also closely allied with William Peyton Hubbard, the Black alderman and controller on Toronto City Council.69 Beck’s first acts as mayor in 1902 included a campaign to reform the local hospital, eliminate patronage from the London Fire Department, and the cancellation of an extension to the 30-year lease of the then privately-owned London and Port Stanley Railway.70 At the same time that Beck was involved in pushing for the creation of HEPCO in the spring of 1906, he was also pushing for legislation to allow the creation of municipal telephone cooperatives and fighting the creation of a new telephone corporation. He espoused a variety of progressive ideas for the telephone industry, such as municipal cooperatives, provincial government ownership of transmission, or stricter regulation

67 Nelles, 1974, 247
69 For more information on Hubbard, see Stephen L. Hubbard, Against All Odds: The Story of William Peyton Hubbard Black Leader and Municipal Reformer (Toronto: Dundurn Press, 1987).
of rates. Beck’s consciousness of policy developments was also international, like many other progressives in Canada and the United States. At a convention of the Union of Canadian Municipalities (for which Beck acted as a representative at the legislature) at London in September 1904, Beck told the delegates: “In Great Britain and the United States the people are awakening to the importance of better civic government, and I trust that meetings such as this will produce in Canada the same results.”

In May 1905, the Whitney government cancelled a contract Ross had made in the final days of his government, which would have given remaining power rights at Niagara to the EDC. In early July, the government created a Hydro-Electric Power Commission of Inquiry, consisting of Beck, Ellis, and George Pattinson (MPP for Waterloo South). One must surmise that the creation of this competitor to the Snider commission was a conscious effort by Beck to supplant Snider as the leader of the public power movement, both for reasons of personal aggrandizement, Snider’s apparent lack of sufficient vigor, and political partisanship (as Snider was a Liberal). The Snider commission was designed to only look at the Niagara situation, while Beck’s was given purview of the entire province. Certainly Beck and Cockshutt thought Ross & Holgate were taking far too long in delaying the submission of their work to the Snider commission, which had apparently been ready in August, and pressed Snider in late 1905 and early 1906 to act.

The Snider commission considered publishing the report in mid-February,

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72 *Globe*, 12 May and 21 September 1904
73 Nelles, 1974, 258.
74 Beck to Snider, 16 November 1905 and 5 January 1906, and Cockshutt to Beck, 28 December 1905. KPL EWB Snider Collection, box MC 6.1a-MC 6.1g, MC 6.1b “Ont. Hydro”; *Globe*, 24 August, 1905; in September, Toronto’s Board of Works agreed to transfer data on electric power to Beck’s commission, over the objections of Spence, who claimed the city had paid dearly for the information and that this would cause a delay in action (see *Globe* 30 September 1905)
but no action seems to have been taken.\textsuperscript{75} When it finally appeared in late March, the report was initially only read to the officials of the originally interested municipalities who gathered at Toronto City Hall.\textsuperscript{76} Although newspaper reporters had been banned from the event, much of the Snider report’s data had been leaked to the press, for which Snider angrily blamed Beck.\textsuperscript{77}

Beck’s efforts became particularly strident in March and April 1906, during the lead-up to the publication of his commission’s report. In doing so, he introduced new progressive innovations into Ontario politics, such as non-partisan mass meetings, organizations, and processions. Beck was able to mobilize public support from people who were united by a consumer's interest, not simply a manufacturer's interest, in affordable electric power. His public speeches and associated processions represented significant political innovations in the province. For instance, the *Globe* called his speech at Woodstock City Hall on 2 April the largest non-partisan political meeting in years.\textsuperscript{78} The pro-hydro procession in Toronto on 11 April was particularly notable, for the 1500 demonstrators who arrived from all over the province to march from City Hall to the legislature in their support for Beck’s report, which was tabled later that day. The new style of hydro politics was especially seen in Toronto during the late 1907 campaign over the creation of municipal distribution system. On 28 December, 4000 people went to see Beck speak at Massey Hall.\textsuperscript{79} The Municipal Power Union of Western Ontario was formed at a meeting at Galt in late March 1906, at which James Walter Lyon, who would become a leader in the pro-hydro lobby, “referred to the monopolistic central of electrical power

\textsuperscript{75} *Globe*, 14 February 1906, 14.
\textsuperscript{76} *Globe*, 29 March 1906
\textsuperscript{77} See Plewman, who also implies Ellis’ resignation from Beck’s commission due to ill health may have been partly motivated by his support for Snider. Plewman, 1947, 46
\textsuperscript{78} *Globe*, 3 April 1906.
\textsuperscript{79} Nelles, 1974, 279n32.
at Montreal and urged the securement of the new Magna Charter [sic] that would free the municipalities from the extortions of the monopolists.”

Beck’s rhetoric was also an innovation in Ontario politics, blending together traditional ideas of economic development with progressive concerns, such as the corporate corruption of public life. In a speech at Stratford on 7 April 1906 he went so far as to imply collusion between private power interests and the Niagara City Council, drawing an angry reaction from that city’s mayor. Of the late 1907 campaign in Toronto, Nelles writes: “Through the careful manipulation of an emotionally charged rhetoric Beck and his allies replaced a confusing, complex maze of ambivalent technical arguments with a simple world of heroes and scoundrels… In Beck’s exciting fictional world it was so much easier to choose sides.” It is difficult to see this as anything else than the introduction of a populist style of progressivism into Ontario political culture. Beck used the tactics of populism – the simple demonization of enemies of the people, the denunciation of "elites," and the proffering of one-dimensional solutions to complex problems – to mobilize support for a public power utility. Like his contemporary William Randolph Hearst, Beck became a charismatic leader for the public ownership issue.

As David Laycock has argued, populism is best seen not as a distinctive ideology or rhetorical device, but rather as a dimension of ideology and political expression that emphasizes

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81 Globe, 10 April 1906.
82 Nelles, 1974, 277.
a distinction between “the people” and a power-wielding group. In other words, populism is
defined not necessarily by specific policy goals, but rather in the distinctive way that an
ideology, individual, or movement explains and understands the relationship between the public
and the political system. Beck was able to label the private power interests, and their supporters
in the province and the United States, as an elite group opposed to the welfare of the people of
Ontario. The use of this dichotomy was also directed against those in Ontario who were merely
critical or unsure about Beck’s actions, a result of non-pluralist thinking about the public power
movement’s goals, along with a self-serving justification for autocratic behaviour against
opponents. HEPCO-inspired populism, however, was incredibly powerful because it could cross
barriers of class, denomination, and region that hamstrung other varieties of populism in Ontario,
such as the labourist or agrarian movements. As will be shown in Chapter 3, Beck incorporated
classic populist tactics, such as plebiscites and public demonstrations, to emphasize his direct
and unmediated support by “the people,” whose interests he alleged were endangered by
corporate and political elites in Ontario and the United States.

The upsurge in support for public power in 1906 occurred at the same time as public
confidence in corporations was dropping, due to the appearance of several corporate and
government scandals. In January 1906, federal Conservative leader Robert Borden began a
“purity in politics” campaign that lasted until the 1908 election. Although this muckraking
effort focused on the federal Departments of Customs, Interior, Marine and Fisheries, and
Railways and Canals, one of the most important areas of investigation was the Royal

83 David Laycock, *Populism and Democratic Thought in the Canadian Prairies, 1910-1945* (Toronto: University of
Toronto Press, 1990), 14-19.
84 See, for instance, Beck’s comments in the *Globe*, 2 January 1923, in which he alleged local opponents to his plans
for public transportation in Toronto were in fact in league with private utilities in the United States.
Canada, 1975), 120-1.
Commission on Life Insurance (the “McTavish Commission”). The political and business classes of both parties were implicated in suspicious actions, and repercussions were soon felt in Ontario. Indeed, the members of the Toronto syndicate had diverted large amounts of money to the EDC from insurance companies they controlled.\textsuperscript{86} The transnational nature of this development should not be ignored: the Canadian inquiry was in part spurred by a parallel insurance scandal that had begun in New York in 1905, which rocked state and national politics. As mentioned above, McCormick points to the historical contingency of these events in the Empire State: although other key developments had been obvious for decades (such as unease with the growth of corporations, the breakdown of partisan loyalty, etc.), the insurance and other scandals of 1905-6 brought on a crisis when Americans realized “that society’s diverse producer groups did not exist in harmony or share equally in government benefits, and that private interests posed a danger to the public’s interests.”\textsuperscript{87} During the Progressive Era, Canadians experienced similar political debates over corporate capitalism as their American neighbours, and sometimes directly imported policy models: the Canadian federal government established a Civil Service Commission in 1908 to curtail patronage, created a Commission of Conservation in 1909, and passed a bill to investigate corporate mergers in 1910.\textsuperscript{88}

Near the end of the legislative session, in May 1906, the provincial government introduced a bill to create the Hydro-Electric Power Commission of Ontario. By early June, the

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\textsuperscript{86} Nelles, 1974, 264-5. Canadian life insurance companies’ holdings of Ontario private utility bonds increased 157% between 1900 and 1908 (see Hall, 1968, 162).
\textsuperscript{87} McCormick, 1986, 327.
\end{flushleft}
first commissioners were appointed: Beck, fellow cabinet member John S. Hendrie, and Cecil B. Smith, an engineer and the former general manager of the Temiskaming and Northern Ontario Railway.\(^8\) Throughout 1906 and 1907, various proposals were under discussion: contracts for power from the EDC or Ontario Power Company, with or without government transmission. The most radical suggestion was for the government to expropriate either or both companies, so that generation would also be publicly owned. Whitney and other members of cabinet wanted to buy power to save the indebted (and Canadian-owned) EDC, but it continued to resist compromise, and even waged a campaign of misinformation against the HEPCO in the London capital market.\(^9\) Eventually the EDC’s intransigence forced the HEPCO to sign a deal with the more cooperative Ontario Power Company in the spring of 1907.\(^1\)

The EDC wanted to continue operations of its own electricity distributor, the TELC, with the hydroelectricity it was now generating at Niagara Falls. Without its cooperation, the public power movement’s supporters were forced to create a municipal distribution system for Toronto, the Toronto Hydro-Electric System (THES), in order to deliver the Ontario Power Company’s electricity to residents. The campaign for the enabling by-law, voted on in the January 1908

\(^8\) Smith previously worked for the Canadian Niagara Co. and the City of Toronto (see Belfield, 1981, 135).

\(^9\) Andrew Dilley claims that Nelles underplays the seriousness of this campaign against the creation of the HEPCO; indeed, Ontario was able to “break” the rules of fin-de-siécle capitalism due to the culture and laws it shared with the City (see Andrew Dilley, “Politics, Power, and the First Age of Globalization: Ontario’s Hydroelectric Policy, Canada, and the City of London, 1905-10,” in Smart Globalization: The Canadian Business and Economic History Experience, ed. Andrew Smith and Dimitry Anastakis. (Toronto: University of Toronto Press, 2014) 31-58; for Nelles’ account of the issue, see Nelles, 1974, 267-9.

\(^1\) Nelles, 1974, 272-4; R.B. Fleming claims Whitney’s personal dislike of Flavelle prevented a deal between the provincial government and the EDC in December 1907 and led to his refusal of a request by bondholders to expropriate the company in 1908 (see Fleming, 1991, 133). In the negotiations, the Ontario Power Company sought a long-term contract (to avoid technological obsolescence), whereas HEPCO and the municipalities wanted flexibility (see Belfield, 1981, 164). The deal, announced in the press on 4 May 1907, allowed the HEPCO to buy up to 25,000 hp at $10.40/hp/year, and $10/hp/year thereafter, up to a total of 100,000 hp (see Globe, 4 and 22 May 1907). However, D.B. Wood, former mayor of Brantford and chairman of the Board of Trade’s Electric Energy Committee, complained when the agreement was not shown to municipal representatives: “I am quite of the opinion that we have had sufficient fritz, froth, foam and fireworks, and that the time has arrived for us to receive a good supply of safe, solid, substantial substance.” (see Globe, 31 May 1907)
municipal election, was especially hard fought. Campaigns in smaller Southwestern Ontario municipalities on other necessary by-laws were less frantic, focused more on notions of economic efficiency than progressive notions like anti-monopolism. Of the fourteen municipalities outside of Toronto voting on the by-law, only Ingersoll voted no.

At the same time, the EDC was in a state of near financial collapse. Mackenzie undertook a corporate reorganization of the syndicate’s holdings in February 1908, after Whitney refused to buy the company from bondholders. Some, such as Liberal Party leader A.G. MacKay, later argued that Whitney should have taken the matter to Toronto and the other municipalities, so that they could have purchased the EDC themselves. Despite the ongoing controversy about the EDC, the Tories won re-election in a landslide on June 8.

Enthusiasm for the publicly-owned transmission system continued throughout the next two years, as power lines were built to connect the Ontario Power Company’s Niagara plant with Toronto and the cities and towns of Southwestern Ontario. In November 1908, at a sod-turning ceremony for transmission line construction at Exhibition Park in Toronto, Mayor Lyon of Guelph claimed that, “Twenty or thirty years hence this will be ranked with the British North America act or the Reform bill.” The Globe’s editors concluded: “This is one of the few instances in which the people have learned from the mistakes of their neighbors and have avoided blunders to which they were being hurried by powerful interests.”

The “switching-on” ceremony for the HEPCO’s network took place at Berlin, on October 11, 1910, at 3.30pm. An overflow crowd of 9,000 to 11,000 gathered at the skating rink to see electric power flow into to the city’s distribution network. A girl named Hilda Rempel, dressed

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92 On the 1908 Toronto campaign, see Nelles, 1974, 275-81, passim.
93 Chris Los, “Purely a Business Proposition: Re-Thinking the Origins of Public Hydro, 1907-1908” (graduate course paper, Department of History, University of Guelph, 2010).
94 Globe, 29 May 1908
95 Globe, 19 November 1908
to represent Ontario, walked up to Premier Whitney with a tray holding a button; Whitney graciously took Beck’s finger and put it to the switch, which brought Niagara electricity into the local wires. The scene was described as dramatic: “The crown and robes of the young lady flickered into variegated incandescent illuminations, and the darkened hall was flooded with brilliancy from the great arc lights overhead. The exhibits of the electrical machinery throbbed into motion, and the Hydro-electric power was a reality.”96 The band then played “O Canada,” followed by parts of the German and British national anthems. Ontario progressives felt victorious over the machinations of corporate monopolists.

New York State, 1890s-1910s

Across the Niagara River from Ontario, New York State was also the site of Progressive Era debate over the electricity industry. Although New York progressivism evolved in a different cultural and jurisdictional environment, it is important to appreciate the similarities between progressive activists there and in Ontario, which highlight the essential attributes of this current of political thought. Developments in New York State are also significant due to their impact on contemporary debate in Ontario, and for the regulatory legacy which later public power activists tried to change. Like Ontario, progressivism in New York State was pluralistic in both its social composition and goals, demonstrating the wide social appeal of reformist politics. Two parallel developments influenced electricity policy during this period in New York State: the public ownership movement (centered in New York City), and progressive interest in conservation of natural resources, seen especially in Theodore Roosevelt’s second term (1905-1909). Although regulation was the ultimate result of progressive demands – regulation both for the price of

96 *Globe*, 12 October 1910. Focused on technology, Belfield calls Berlin “[t]he apparently arbitrary site of first innovation,” missing its significance as the site of the first public power meeting in 1902 (see Belfield, 1981, 197).
electricity and the development of hydroelectric generation – patterns had been set which influenced debates over electricity policy in New York State and the rest of the United States. The conservation impulse was notably stronger in New York than in Ontario. Despite these differences, however, it is notable that progressives in each place used politics to attempt to decommodify electricity. Decommodification can result from both public ownership and regulation, as in each case the market for a commodity (like electricity) can be altered and controlled in terms of access, delivery, and price. The movements for public ownership and regulation were thus not substantially different, as each incorporated the idea of the public good into the electricity industry. Progressivism inspired individuals to organize into pressure groups and wage electoral campaigns with the aim of implementing legislation for the regulation or public ownership of electricity. Some progressives wanted the state to supply not-for-profit electricity, some wanted cheaper rates, and others looked to progressive reforms as a means to clean up government corruption by placing experts in charge. Nevertheless, the politicization of the electricity industry was not the result of the market’s failure to provide service (in Ontario) or a defensive backlash by an imperiled middle-class (in New York State), but rather a positive attempt to have government reform the delivery of the new power source.

The antimonopoly sentiment evident in Ontario progressivism had its counterpart in New York progressivism. This is clearly seen in William Randolph Hearst’s public ownership campaigns between 1899 and 1906, which mirrored Beck’s populism in Ontario. Although he was unsuccessful in achieving public ownership, Hearst’s crusades for the public ownership of utilities like public transportation in New York City and New York State forced more moderate progressives to adopt regulation as a policy response to the debate over electric utility rates. Subsequently, New York State had a much more robust regulatory regime than Ontario, where
industry regulation was given to the HEPCO. Hearst failed to achieve public ownership, but he began a decades-long debate over the municipal or state control of electricity, which continued into the era of Franklin D. Roosevelt. Although he defeated Hearst in the 1906 gubernatorial election on a platform of regulation by the state, Charles Evans Hughes made tentative steps towards a minimal form of public ownership of New York’s hydroelectric resources. Coupled with Theodore Roosevelt’s conservation efforts at the federal level, these developments led a committee of the New York State Legislature to investigate HEPCO as a possible model for the public ownership of the state’s hydroelectric resources. By 1911, New Yorkers and other Americans began to debate the merits of the “Ontario experiment,” as shown by the Ferris Committee’s investigation into the HEPCO’s operations.

Hearst began his campaign for public ownership of utilities on 5 February 1899, when he published “An American Internal Policy,” a platform for state and national Democrats, in his New York Journal. Among other progressive planks, like an income tax or improvement of public education, Hearst included a call for public ownership of utilities, along with a denunciation of trusts and monopolies. That spring, Hearst began fights against New York City’s natural gas and water trusts and called for a municipally-owned subway system. The campaigns led to his election victories for the House of Representatives in 1902 and 1904, but he failed to gain the Democratic Party’s presidential nomination in the later year.97

Hearst became interested in running for mayor of New York City in late 1904, as an opponent to incumbent George B. McClellan, Jr., who he saw as a close ally of Tammany Hall and the local gas trust. As an electoral vehicle, Hearst formed the Municipal Ownership League (MOL) in late December 1904, along with Judge Samuel Seabury and other prominent anti-

Tammany reformers. The MOL, aided by Hearst’s money, the *American* and *Journal* newspapers, and the “William Randolph Hearst League” of his 1904 presidential nomination campaign, became a major third party organization in New York City, involving popular activities like mass rallies and petition-gathering.98 The MOL soon gained 100,000 supporters in the city.99 As he was interested in running again for president in 1908, Hearst hesitated over accepting the MOL’s mayoral endorsement, and spent the summer of 1905 with a trip to Europe to collect art and investigate municipal ownership in the continent’s cities. On his return to the United States, Hearst tried to get Seabury, Charles Evans Hughes, and others to run, but accepted the MOL nomination when all other potential reform candidates refused.100 Nevertheless, Hearst and his MOL slate were defeated in an election marked by accusations of Tammany Hall fraud, including voter intimidation and bribery.101

Following his loss, Hearst quickly began to prepare for the 1906 New York State gubernatorial election, turning the MOL into the “Independence League.” Meanwhile, Theodore Roosevelt and leaders in the state Republican Party pressed Hughes to run, in an attempt to save their party during the 1905-1908 crisis over corruption and “bossism.”102 The election campaign was largely shaped around the utility question. Hearst built on his earlier policy positions as congressman and mayoral candidate by demanding public ownership for utilities and public transportation in New York State. After his work in the gas and insurance inquiries of 1905,

98 Ibid., 200-4.
Hughes came to support state-based regulation of corporations, specifically calling for the creation of a public service commission to oversee New York’s electric and gas utilities.

By September 1906, Hearst came to an uneasy truce with Tammany Hall, which was fearful of losing its seats in the state legislature due to ticket-splitting. He thus ran in November as an Independence League-Democrat fusion candidate, before finally breaking with Tammany. The campaign was heated, with Hearst characterized as a demagogue and Hughes as a tool of the corporations. The latter won the gubernatorial vote, but every other Republican went down to defeat to candidates backed by the Democrats and the Independence League.

Beginning with his introductory message to the legislature January 1907, Hughes called for the abolition of the Board of Railroad Commissioners, the Commission of Gas and Electricity, and the Rapid Transit Board of New York City, to be replaced with a single public service commission. A group of progressive legislators began drafting a bill, partly based on the Wisconsin State Legislature’s preliminary report on utility regulation. The resulting Page-Merritt bill was notable for calling for two commissions (one for New York City, one for the rest of the state), giving power to the governor to remove commissioners without legislature approval, and for limiting judicial review of the commissions’ decisions. Despite strong opposition from the regular party organizations and corporations, Hughes and his allies (of whom the most important was Theodore Roosevelt) successfully mobilized public opinion via public meetings and the press to force the measure through the legislature by May 1907.

Beginning the same month, Hughes also began to address the issue of public ownership due to a controversy over development on the St. Lawrence River. The Long Sault Development

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104 Pusey, 1963, 183 (who nevertheless ascribes the idea of two commissions to Hughes); Wesser, 1967, 153-5.

Company asked the state legislature for a charter to give it, without charge, the perpetual right to build dams on a section of the St. Lawrence. Due to public outcry, Hughes asked his Superintendent of Public Works to investigate the project, and he used the resulting report to demand that the bill’s sponsors include a $100,000 fee, along with annual rental charges. With this action, Hughes set the precedent that the state’s natural resources could not be alienated for free.\(^\text{106}\)

Because of emerging demands for a conservation policy, Hughes formed a Water Supply Commission in 1908. During the 1910 session, Hughes used the Commission’s reports to propose to the legislature a “model” bill as a set of guidelines for future hydroelectric development; among other proposals, Hughes declared that the state should attempt to build and own hydroelectric projects “[w]henever such action appears to be feasible,” especially if the projects were associated with bodies of water in the state’s parks, reservations, or forest preserves, and that such electric power should be equitably priced.\(^\text{107}\) Although the bill was not seriously considered and the ideas that it contained were well short of full public ownership, Hughes’ stance set a minimum programme upon which later governors attempted to build their own power policies.

The other important factor during this period was the burgeoning conservation movement, especially during Theodore Roosevelt’s second presidential term (1905-1909). The spread of hydraulic power generation at Niagara Falls in the late nineteenth century contributed to public demands for the area’s preservation. As early as 1878, Canadian governor general Lord Dufferin had suggested the creation of an international public park along the boundary. Thanks to the emerging conservation movement, the State Reservation of New York was created in

\(^{106}\) Pusey, 1963, 213.

1883, and the Queen Victoria Niagara Falls Park in 1885. With the creation of these parks, the governments of New York State and Ontario were now invested with water power rights along the Niagara River.108

By 1906, a number of interests on both sides of the international border converged to demand an end to electricity exports to New York State: Canadian and US conservationists who opposed the diversion of water from Niagara Falls; power interests in New York State, who used steam and fought against a competing energy source; and Canadian nationalists.109 The first significant interest by the American public in preserving the Falls began in 1905, at the same time as the public scandals described by McCormick.110 The Roosevelt administration was able to curtail Canadian electricity imports via new legislation, the Burton Act (named after Representative Thomas Burton, chairman of the Committee on Rivers and Harbors), and soon, both the Canadian and US federal governments came to heavily regulate electricity generation on the Niagara River through export prohibitions and limits to water diversion. The Burton Act was especially important in that it created limits on the amount of electricity the three private power companies on the Canadian side of the Niagara could send to the United States, which forced them to try to sell surplus energy in Ontario.111 Formal limits on diversions were achieved with the Boundary Waters Treaty of 1909, which created the International Joint Commission. This treaty and the Burton Act greatly assisted the development of private utilities in the Niagara region of upstate New York State, as they forced local domestic and industrial consumers to rely

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111 Belfield, 1981, 154-6. The Canadian Niagara Power Company, EDC, and Ontario Power Company were limited to export a total of 158,500 hp to the United States, potentially leaving hundreds of thousands of more horsepower for consumption on the Ontario side of the Niagara River.
on electricity generated on the American side of the river, rather than Canadian imports. The Canadian federal government passed the Electricity and Fluid Exports Act in 1907, further controlling power exports to the United States.

One of the earliest examples of American interest in the HEPCO came out of these emerging interests among New York State progressives regarding utility reform and conservation. From 1911 to 1913, a committee of the New York State Legislature undertook an investigation of the HEPCO, to decide on the applicability of its model to the state, as the basis for potential legislation and amendments to the state’s constitution. The Joint Committee of the Legislature on the Conservation and Utilization of Water Power was led by State Senator T. Harvey Ferris, an upstate Democrat who also chaired the Senate’s Committee on Commerce and Navigation and the Committee on the Conservation of Water Power. Ferris was greatly exasperated by his treatment by Beck (who tried to evade a meeting) and other officials during a visit to Ottawa and Toronto in mid-May 1912, as he recounted to Franklin D. Roosevelt (then a state Senator who strongly supported public ownership):

I spent last week in Canada, and I found that the Conservation Commission [sic], having been invited by me to attend our hearings, had sent men over a week in advance, and that these men had given word out that I should not receive any information as to the financial workings of the plan that could be kept from me. The result was that I received a very warm welcome socially, but whenever I went into figures and facts, nearly everyone had forgotten. It is not necessary for me to tell you the effect it had on my Irish blood […] I am going to find out the exact figures regarding the operations of the Hydro-Electric Commission in Canada, if it takes five years and $50,000. Incidentally I add that the fact they are so anxious to cover up their figures would hardly make you believe it was a financial success.

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112 See Belfield, 1981, 276-95.
114 T. Harvey Ferris to FDR, 20 May 1912, FDRPL, Franklin Delano Roosevelt Papers as NY Senator, Container 12, File 133: T. Harvey Ferris.
He was indeed so frustrated with his investigation in Ontario that he cancelled his own committee’s trip to investigate power developments in Europe, to better discover what the Commission was hiding from him.

Beck believed the Ferris Committee was meant to discredit the recently organized HEPCO (due in part to his own suspicious mind, but also because of the involvement of anti-public ownership individuals with the committee), and thus he avoided meeting its members during their May visit. During the Committee’s second and third visits to Ontario in June and December 1912, Beck again tried to evade meetings with the New Yorkers, but when he found it unavoidable to speak to them, he acted abrasively and unhelpfully, a fact which was even reported in the Toronto press.\textsuperscript{115} Of course, Beck was also incensed when Ferris criticized the Commission in a speech at Watertown, New York on 3 November. Addressing his audience, the state senator said of the HEPCO: “My opinion is that the facts will, when they are published, be sufficient answer to any further agitation of that plan.”\textsuperscript{116} In other words, Ferris not only saw his inquiry as a reprimand to public ownership in New York State, but also in Ontario.

The Ferris Committee delivered its final report in January 1913. Given the circumstances of the committee’s investigations, it is perhaps not surprising that it did not endorse state or municipal ownership. Instead, the Ferris Committee sided with another progressive policy option, the practice of regulation, which was underway in New York State. The committee’s majority report concluded that the HEPCO delivered power below cost to domestic customers, by means of heavy indebtedness to the Province.\textsuperscript{117} It also described the idea of state

\textsuperscript{116} Ibid., 108.
development of St. Lawrence power as “utopian.” The fact that the report cast doubt on the financial probity of the HEPCO had ramifications both for American interest in public ownership and the fear that Beck and other officials had about opposition to the undertaking within Ontario. Premier James Whitney, with whom the Hydro’s chairman was sometimes at odds, curtly responded: “There are a number of very extreme statements for some of which there is no foundation whatever.” Beck called the Ferris Committee’s report “absolute rot.” In opposition to the Ferris report, the State Conservation Commission submitted its own findings in January 1913 to endorse the adoption of Ontario-style public ownership.

The issue also prompted civil engineer Reginald Pelham Bolton to write An Expensive Experiment in 1913, which was perhaps the first widely-publicized American critique of the HEPCO. Bolton had accompanied the Ferris Committee on its visits to Ontario and provided testimony. Indeed, a minority report by J.L. Patrie endorsed a HEPCO-like body for New York State and claimed that the Ferris Committee made conclusions against the Commission mostly due to the testimony of Bolton, who he claimed received much of his information from a dismissed HEPCO employee. The Commission, in Bolton’s opinion, was based on a kind of progressive ideal for social cohesion:

Utopian and sentimental as it may be considered, it nevertheless exhibits an unusual spirit of common devotion in its combination of all classes and interests in the effort, demonstrating a disregard of ultimate consequences, but reflecting in its purpose and aim, public spirit and interest in general welfare.

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118 Ibid., xv.
119 Toronto Globe, 16 January 1913
120 Ibid.
122 State of New York, Report of the Joint Committee of the Legislature on the Conservation and Utilization of Water Power. (Albany: J.B. Lyon Co., State Printers, 1913), xix-xxxi; he refers to a “Mr. Aiken,” which seems to be a reference to Kenneth L. Aitkin, the former general manager of the Toronto Hydro-Electric System who testified to the Committee (see 107-147). See also Plewman, 1947, 111-12.
He noted that Canadian nationalism aided the public power movement in Ontario, due to consciousness of the province’s dependence on imported American coal.\textsuperscript{124} For Bolton, the movement began as a sort of conspiracy initiated by manufacturers who sought cheap power at public expense, but which was hijacked to the extent that domestic electricity users were now subsidized by the HEPCO.\textsuperscript{125}

Bolton especially emphasized the HEPCO’s political role within Ontario, such as his allegation that the Commission actively hid operating information from the provincial government:

>This suppression of information has extended, not merely to the people, but to the representatives of the people in Parliament and to the Ministry in charge of public affairs. That this is actually the case, was made evident by a conversation of the writer with one of the present Ministry, who expressed astonishment at the facts relating to the burden of indebtedness which the Hydro-Electric Power Commission had rolled up, combined with the expenditures of municipalities.\textsuperscript{126}

Given the constant struggles between Beck and his cabinet colleagues over the Commission’s expenditures and governance, this reference is not very surprising. But the fact that it was publicized in the United States was worrying to HEPCO supporters in Ontario.

The incident shows the asymmetrical nature of transnational influences in Canada and the United States, as American criticism the HEPCO was taken very seriously in Ontario, whereas Ontarians’ responses to such criticism was of little import in the United States. Beck displayed a reflexive response to the Ferris Committee’s report. Although its findings could have no direct effect on the HEPCO’s operations in Ontario, the Commission’s chairman displayed great sensitivity to its claims. This is perhaps not surprising, as the report insinuated the HEPCO pursued the very secretive and monopolistic tendencies he had criticized. Of course, Beck also

\textsuperscript{124} Ibid., 12.
\textsuperscript{125} See ibid., 24, 27, 130-131, 147-148.
\textsuperscript{126} Ibid., 272-273.
felt the New York inquiry was motivated by the private electricity industry’s desire to undermine the principle of public ownership, in the United States and Ontario. Despite his experience with the Ferris Committee, Beck travelled to Albany in December 1913, to appear before another New York State legislative committee, this time to endorse Governor Martin Glynn’s proposal to develop hydroelectricity on the Erie Canal and other waters.\textsuperscript{127} This proposal, like others, was unsuccessful due to the opposition of conservatives and the private utilities, but the public ownership of hydroelectricity remained a major goal for New York State progressives in the following decades.\textsuperscript{128} The public power debate in New York State was reflexively referenced in Ontario. Beck mentioned the Ferris Committee in public appearances in Ontario, as a way of indicating the foreign origin of any criticism of the HEPCO. For instance, in a speech to West York Tories in early 1913, Beck directly accused the private power interests of Illinois, New York, Oregon, and other states of influence on the Ferris report.\textsuperscript{129} The report may have also influenced Beck’s conflict at that time with the Toronto Hydro-Electric System, when he fought to force the municipal utility to lower its rates instead of investing surplus funds in buying-out local competition or building new generating capacity.\textsuperscript{130} In other words, Beck may have then desired a concrete demonstration of the ability of public ownership to achieve increasingly lower rates. Although the Ferris Committee’s actions did not make a direct impact on the HEPCO’s operations, it began a tradition of American criticism of the commission, to which Ontarians reflexively responded.

\textsuperscript{127} See \textit{Globe} and \textit{New York Times}, 13 December 1913, and Plewman, 1947, 135. Glynn was elected Lieutenant Governor in 1912 and took the governorship after the impeachment of William Sulzer in late 1913; he did not defend his ticket-mate, perhaps, due to anger at Sulzer over his veto of a hydroelectric plant on the Mohawk River; see Dominick C. Lizzi, \textit{Governor Martin H. Glynn: Forgotten Hero}. (Valatie, NY: Valatie Press, 1994).
\textsuperscript{128} Plewman pointedly claims that New York State lacked an Adam Beck to achieve the creation of a publicly-owned state utility (see Plewman, 1947, 118).
\textsuperscript{129} Plewman, 1947, 119-20. Beck’s reference to Illinois may indicate his early awareness of NELA’s activities, as they were pioneered by Samuel Insull.
\textsuperscript{130} Belfield, 1981, 246-7. In the next chapter, I also discuss the HEPCO-THES conflict in terms of Beck’s leadership ambitions and his tendency to sacrifice local autonomy to province-wide control.
Conclusion

During the Progressive Era, reformers in Ontario and New York State thus began to advocate for changes to the ways in which electricity was supplied to their cities. In a reaction to Hearst’s campaigns for public ownership, New York State adopted regulation and made hesitant moves towards conserving hydroelectric sites. In Ontario, a group of Toronto urban reformers united with German-Canadian progressives from the Southwest to campaign for public ownership of power generated on the Canadian side of Niagara Falls. Although the electricity policies of these jurisdictions diverged, progressives in each place were operating in a similar effort, to bring some form of government control over how the new form of energy was sold and consumed in their societies.

Progressives in Ontario and New York State were pluralistic, both in the social composition of their campaigns and in their definitions of political goals. The differences between their campaigns’ achievements are not simply due to the class backgrounds of their supporters or the threat of socialism in either jurisdiction. Rather, ideological pluralism and historical contingency influenced the development of public power movements on either side of the international border. Importantly, the relatively early achievement of public ownership in Ontario made it the object of interest to American politicians and progressive activists, setting the stage for two decades of debate in the United States on the viability of the HEPCO model.
Chapter 2: “Among the People of Hydro Land”: American Debates about Ontario’s Hydro Commission during the 1910s and 1920s

The attitude of American progressives towards investigating and publicizing the Hydro-Electric Power Commission of Ontario was perhaps best summed-up by Judson King in “Among the People of Hydro Land,” a pamphlet published in 1926 by the National Public Government League, a progressive lobby group: “We believe if the people knew the facts about public operation of power a public opinion would be created that no President or Member of Congress would dare to ignore.”¹ That King and other prominent American reformers looked to the HEPCO as a model is perhaps not surprising. In 1925, he estimated that the average price paid by domestic consumers of electricity was 7.5 cents per kilowatt hour in the US, but only 1.85 cents per kilowatt hour in Ontario.² The low cost, reliable service, and wide availability of electricity to domestic users and farmers made the province stand out in North America in these decades, attracting attention from across the continent.

American progressives sought ideas for electricity policy from Ontario, both for regulation and public ownership, and these ideas were disseminated by means of the same “vectors of diffusion” which were central to the transnational dissemination of other progressive ideas and policies: international conferences, fact-finding visits, and individual publicists and brokers, along with the press and a variety of publications.³ American progressives came to understand the HEPCO through these means during the 1910s and especially in the 1920s. At the same time, the commission was attacked by privately-owned utilities, via their lobby group, the National Electric Light Association (NELA), due to fears that it would serve as an inspiration to

Americans seeking public-ownership in the sector. This criticism was sustained by a significant public relations campaign in the United States, including the publication and broad diffusion of critical pamphlets and reports about the Ontario utility, most notably the Murray Report of 1922, the Wyer Report of 1925, and James Mavor’s 1925 book *Niagara in Politics*.

A reflexive relationship is evident during this period: HEPCO officials could take great pride and seek legitimacy in the fact that the provincial utility was becoming more and more popular as a policy model in the United States, but the criticism that this provoked was also taken very seriously in the Ontario political system. During its 1919-1923 tenure, the United Farmers of Ontario (UFO)-Independent Labor Party (ILP) coalition government led by Premier E.C. Drury attempted to enforce the cabinet’s control over the Hydro and its powerful chairman. Beck and other HEPCO officials used their contributions to American debates to promote the Commission’s independence from the provincial government but would otherwise become incredibly defensive when foreign critics attacked them. Therefore, the intention of this chapter is twofold: firstly, it asserts that over time the HEPCO became increasingly central to American progressive debates about electricity policy; and secondly, the so-called sense of “paranoia” about threats to the HEPCO displayed by Beck and other Ontario political figures must be understood in the context of these American debates.⁴

⁴ In discussing the 1934 provincial election, H.V. Nelles mentions that the HEPCO “had developed a paranoid reaction to all forms of criticism and had acquired the distressing habit of replying to invective in kind.” (Nelles, 1974, 474). Nelles indicates the importance of American private electric utilities’ attacks on the HEPCO. But the purpose of my intervention in this chapter is to indicate the reflexive nature of this criticism, which linked the HEPCO, the Ontario political system, American progressives, and private utilities into a broader and multifaceted debate. An early instance of Beck’s “paranoia” was his strong opposition to the involvement of the Canadian General Electric Company in a contract for HEPCO transmission equipment. Belfield discusses the possible basis for this fear of conspiracy due to the lack of safety guarantees for Canadian General Electric’s state of the art technology; missed in this discussion is the fact that Frederic Nicholls of the EDC was associated with Canadian General Electric (Belfield, 1981, 209-213). Even minor public criticism of HEPCO provoked official responses. In 1930, Premier Henry admonished University of Toronto Professor C.B. Sissons for mentioning the high cost of electricity to farmers at a conference of rural United Church ministers. Sissons thought the commission had pressured Henry to do so. (see C.B. Sissons, C.B. *Nil Alienum: The Memoirs of C.B. Sissons*. Toronto: University of Toronto Press, 1964, 217-18).
Four main developments brought Ontario into the middle of American debates over electricity: firstly, American progressives made tentative inquiries into the HEPCO, beginning in 1913; secondly, the proposal to create a state-owned utility modelled on the HEPCO in California; thirdly, an attempt to prevent the federal government from selling hydroelectric assets at Muscle Shoals, a site on the Tennessee River; and fourthly, the "Giant Power Survey," an attempt by Pennsylvania governor Gifford Pinchot, a progressive Republican, to promote lower electricity costs and rural electrification through business-government cooperation in production and stronger regulation in distribution and transmission. These four developments occurred more-or-less simultaneously, and each influenced the other due to an overlap in participants and underlying ideas. In each case, the HEPCO was used by American progressives as a model for the public ownership of electricity, and thus subsequently attacked by the private power lobby as an example of political corruption and inefficiency. Beck and the commission’s supporters not only defended the HEPCO’s reputation in the United States, but also sought to use its international prestige to gain support from the Ontario public. Thus, although American public power activists were mostly unsuccessful in advancing their agenda in the 1910s and 1920s, these decades did witness the diffusion of their ideas. The spread of these ideas came not only due to vectors of diffusion such as fact-finding visits or publications, but also (ironically) thanks to the NELA’s publicity campaign against the HEPCO, which induced American progressives to investigate the Ontario commission more closely. Put in another way, these progressives believed the publicity campaign the NELA waged against the HEPCO demonstrated the efficacy of the Ontario model, and thus drew their attention north of the border. Additionally, despite the ebb in progressive fortunes during the 1920s, these activists and politicians maintained their interest in public power and stricter regulation into the following decade. The unceasing efforts
of these individuals to reform the electricity industry represent a continuity between the
Progressive Era and the New Deal.

HEPCO as the “Ontario Experiment” or “Ontario Model”

Running throughout the specific instances of emulation and criticism of the HEPCO in
the United States was the reification of the commission and its operations as “the Ontario
experiment” or “Ontario model.” In presenting the HEPCO in this abstract way, American
progressives thought of it, and sought to present it, as an institution which could be copied in
their own political environment. The use of the terms “experiment” and “model” also reveal the
meaning of the HEPCO to American progressives. The phrase “Ontario experiment” implied the
novelty of the commission, but also suggests that its continued existence confirmed the
possibility of public ownership elsewhere, while “model” highlights the intention of American
reformers to use the HEPCO as a reference for creating similar institutions. Defined in terms of
organization, ideological intent, and financial and technical operation, the Ontario experiment or
model could thus fulfill a variety of needs for American electricity policymakers and reformers.

The Ontario model was, firstly, an organizational concept: municipalities controlled local
electricity distribution systems, while a regional body oversaw the generation and transmission
of electricity, with each function united by the principle of public ownership. It was in regard to
this organizational form that the term model was most directly used, as it made Ontario stand out
from other jurisdictions. Municipal ownership in the area of distribution was of course well-

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5 For an example, see “Ritchie Takes Stand for Private Power,” *New York Times*, 16 September 1931.
6 For an example, see “Mills Sees Smith Yielding on Power,” *New York Times*, 16 March 1926.
7 See, for example, Harold E. Patten, “The Undeveloped Water Power Resources of New York State: An
Examination of the Ontario Hydro Electric Power System as a Model Plan for Their Development,” (MA thesis,
Columbia University, 1930). Patten argued for the Ontario model vs. other options then under consideration in New
York State (these were: private generation, transmission, and distribution; state generation and transmission, with
private distribution; and state generation, transmission, and distribution).
known across Canada and the United States, but Ontario’s innovation was to supply such local utilities with publicly-transmitted, and latter publicly-generated, electricity. In Europe, some regional jurisdictions, such as Bavaria, created authorities after the First World War to generate and transmit electricity to municipal distribution systems, but Ontario is notable for the relatively early creation of HEPCO and its huge scale.\footnote{On Germany, see Count Hugo Lerchenfeld, “Electric Power in the German Commonwealth,” \textit{Annals of the American Academy of Political and Social Science}, 118, Giant Power: Large Scale Electrical Development as a Social Factor (March 1925): 14-20.} Ontario also differed from many European efforts in public electrification because of the relative autonomy and activism of municipal governments in the province. The relationship between the member municipalities and the Ontario government was in fact ambiguous, leading many to argue that the HEPCO was really “a trustee” acting on behalf of the municipalities, or even a federation of the municipalities. Nevertheless, the emphasis in Ontario on municipal cooperation and participation in the public power movement was especially appealing to American progressives as it seemed to promote local control and democratic engagement.

The financial operation of the HEPCO, referred to by the slogan “Power at Cost,” was also a major feature of the Ontario model, as it was understood by American progressives. Power at cost seemed to marry fiscal prudence with the democratization of electrical technology. It also implied fairness in the price of electricity for domestic users, as opposed to the practice of private electricity utilities in giving lower rates to large commercial and industrial users. The concept was a political, not technical, reality, however, because of the arbitrariness with which the true “cost” of power was determined in Ontario. Commercial and industrial users effectively subsidized domestic and rural consumers in the province. Yet these low rates, along with the innovative efforts of the HEPCO to promote consumption, helped to stimulate demand,
especially among farmers. The Ontario commission was certainly a pioneer in this promotional strategy, uniting electrical modernization with its hybrid municipal-provincial organizational form of public ownership.

Although it only began a concerted strategy for rural electrification after 1911 (when its transmission network to Toronto and Southwestern Ontario cities became operational), the HEPCO was recognized as a world leader in providing access to electricity for farmers and other rural residents. Because of its pioneering efforts in this field, the commission could only compare its progress in rural electrification against its achievements in urban areas of the province. Yet its accomplishments in rural electrification made it a model for other Canadian provinces and the United States. By the mid-1920s, only 2.7% of American farms had central electric station service, as compared to 27% in southern Ontario. The HEPCO intensified its efforts in the late 1920s, and by 1945, 42% of farms in Southern Ontario had central electric station service, as compared to 19% for Canada as a whole. This high rate of rural electrification was not only achieved through the aforementioned strategies of consumption promotion and demand-inducing low rates, but especially by the adoption of taxpayer-funded construction subsidies in the early

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9 On the Ontario commission’s unique efforts to promote rural electricity use, such as the creation of the “Hydro Circus” travelling display, see Julie Andres, “Power to the Remotest Hamlet: The Promotion of Rural Hydro in Ontario, 1910-1929,” (MA thesis, University of Guelph, 2007).

10 Nelles goes so far as to compare Beck’s aggressive expansionism to that of Samuel Insull, the independent and aggressive private utility magnate of Chicago and the Midwest, and ponders how much they knew of, and influenced, each other (Nelles, 1974, 362). Insull certainly knew much about Beck, because the former was a leading organizer of the NELA, and was thus partly responsible for the anti-HEPCO campaign in the United States (see also “Chicago and Ontario Operations Compared,” Electrical World, 74, 4 (26 July 1919): 204-5, for a public statement by Insull about the HEPCO). Insull resembled Beck in his use of demand-stimulating rate-cutting and promotional innovations, but there is no evidence that either influenced each other in the use of these techniques. For more on Insull, see M.L Ramsay, Pyramids of Power: The Story of Roosevelt, Insull and the Utility Wars. (Indianapolis, IN and New York: Bobbs-Merrill, 1937), and Forrest McDonald, Insull. (Chicago: University of Chicago Press, 1962).


13 Fleming, 1992, 16.
1920s. As a result, after 1911 rural electrification became a key feature of the Ontario model when it was promoted and discussed in the United States.

Lastly, the HEPCO provided American progressives with living proof of the technical feasibility of an integrated, regional, and publicly-owned utility. In one sense, this was because the commission showed that a democratic government could competently administer such a huge undertaking. The technical example of the HEPCO was also important due to its ability to demonstrate the costs of operation and technological requirements, because the data of private utilities in the United States was often suspect or withheld. In other words, the commission gave American progressives trustworthy data and advice with which they could plan their own publicly-owned systems and critique the prevailing rates and service standards of the private electricity companies. In this way, American reformers could also make use of HEPCO to fight for better rate regulation.

In these areas - organization, ideology, and financial and technical operation - the HEPCO stood out as a model for American progressives to emulate, and as an experiment which vindicated their efforts to promote equitable access to electricity in the United States. However, it was also because of this role as policy model that the American electricity lobby launched a sustained campaign to malign the Ontario commission.

The Reception of the Ontario Experiment in the 1910s and 1920s

During the 1910s, American progressives began to become familiar with the HEPCO by several means: conferences, publications, research trips, and especially individual policy

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14 It was in this sense that Roosevelt and others referred to the HEPCO, and publicly-owned utilities generally, as a “yardstick” (see chapter 4).
promoters. These vectors of diffusion, especially when brought together via organizations, brought the HEPCO to the attention of American progressives interested in both the public ownership and regulation of electricity. It appears that, at least at first, Ontario politicians and HEPCO officials were pleased with the attention and eager to promote their utility in the United States. This sense of pride was later joined by apprehension, when the commission faced strong criticism from the private utility industry and others. By the end of the 1920s, Ontarians were more interested in protecting the international reputation of the HEPCO than in actively exporting the public power idea.

It should be emphasized that American progressive interest in the HEPCO also did not develop in a uniform way. Rather, the discovery of the Ontario experiment in the United States was an uneven, but cumulative, process. At first, individual electricity policymakers learned about the HEPCO and established tentative links with it. Over time, the more ardent of these activists and politicians grew familiar with the commission, and they began to deliberately make ideological and practical use of the Ontario model in their own debates. Aside from California, Georgia, New York State, and Pennsylvania, there is evidence of interest in the HEPCO from activists and politicians in states like Maine, Massachusetts, South Carolina, Texas, Washington, and Wisconsin before the New Deal. With the development of personal links with HEPCO officials, American public power activists began to visit the province for fact-

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19 See Cunningham to Norris, 15 December 1930, LOC, Norris Papers, Box 217, File Cr-Cy.
21 See Hoan to Maguire, 4 May 1931, Princeton Library, Lilienthal Papers, Box 52, File: Miscellaneous (1931).
finding trips and meetings. This process of diffusion was uneven because while many significant public power activists and politicians grew very familiar with the HEPCO and subsequently made great use of it as a policy model, others (such as Al Smith), did not become as closely attached to the commission. The diffusion process was also cumulative, in that American familiarity increased over the years after the foundation of the HEPCO and the Ontario model became a regular feature in debates over electricity policy.

Links developed between public power advocates in Canada and the United States, but Ontario received comparatively little notice from American progressives before the First World War. Organized under the auspices of the reformist mayor, Rudolph Blankenburg, “The Conference of American Mayors on Public Policies as to Municipal Services,” held at Philadelphia, on 12-14 November 1914, provided a major opportunity for advocates of both public ownership and regulation to discuss their ideas.²² Pro-HEPCO views were presented by Toronto mayor H.C. Hocken, who expressed his transnational progressivism at the beginning of the conference: “We count Toronto as among the American cities. While it is not the same flag, we feel that there is only one people in the North American Continent, all animated by the same democratic ideals.”²³ He thus linked the transnational exchange between progressives to the shared “Anglo-Saxon” history of the English-speaking white population of each country. Hocken also pointedly emphasized the influence of American progressives for the ideas which were then in vogue in the Canadian municipal reform movement, for instance claiming that Toronto adopted a plan for its sewers from Atlanta, a plan for playground improvement from New York,

²³ Ibid, 4. That Hocken, a Tory stalwart and the publisher of the Orange Lodge’s Sentinel newspaper, could nevertheless express himself in arch-progressive terms to his fellow American municipal reformers is a fact that I believe deserves further study.
and accounting reforms from Philadelphia. The HEPCO was only mentioned in Hocken’s remarks on public ownership in Toronto; otherwise, Toronto was only mentioned once and Ontario not at all by the other speakers. The other presenters, including progressive mayors like Newton D. Baker, James M. Curley, and John Purroy Mitchel, and experts such as Louis Brandeis, Felix Frankfurter, and Milo R. Maltbie, did not seem to have given much notice to Ontario at all. This is probably not surprising, as there were already many American examples of municipally-owned electricity distribution monopolies by 1914. The HEPCO example simply was not needed at the municipal level. European experiments in public ownership received much more attention, such as in the remarks by Frederic C. Howe on developments in Germany and the United Kingdom. Transatlantic influences from Europe were very significant to US progressives during this era, a trend begun with the wave of American social science students going to German universities in the late nineteenth century.

Blankenburg also took a strong stand on local utility regulation, seen in his employment of Morris L. Cooke as Director of Public Works during his mayoral administration in Philadelphia (1912-1916). An enterprising progressive mechanical engineer, Cooke was a devoted follower of Frederick Winslow Taylor, the founder of Scientific Management. When Blankenburg was elected mayor of Philadelphia in 1911, he asked Taylor to become his Director of Public Works. However, suffering from ill health, Taylor suggested the mayor hire his acolyte, Cooke, who was well-informed of reforms in other American and European cities, especially in Germany. The 1914 conference was a result of a successful rate case which Cooke

24 Ibid, 5.
27 See Rodgers, 1998, especially 76-111.
waged on behalf of the city against the Philadelphia Electric Company. This struggle, along with Cooke’s growing concern about corporate influence on the American engineering profession and his work in logistics during the First World War, led him into more and more activity in the issue of electricity policy reform.\(^{28}\) As will be discussed later in this chapter, Cooke looked to the HEPCO for technological and ideological support during his tenure at the head of Pennsylvania’s Giant Power Survey Board in the mid-1920s.

In the 1910s, a few members of Congress took an interest in the HEPCO as a policy model. Outside of New York State, the earliest evidence of any significant attention paid to the HEPCO by Americans is an unsigned October 1913 memo on rural use of hydroelectricity written for Representative Ashbury F. Lever, the Chairman of the House of Representatives’ Committee on Agriculture. The HEPCO seems to have been of interest to the memo’s author because of the data provided by its newly established farm demonstration unit, but also because rural electrification, unlike municipal ownership, was a costly undertaking that private power companies were unlikely to initiate willingly.\(^{29}\) It is unclear what use Lever made of this document, but he was a member of the House Special Committee on Water Power in April 1918, when Beck was asked to testify. The Special Committee was formed in 1918 to consider a bill to allow the construction of dams on navigable rivers.\(^{30}\) From Beck’s testimony, it appears that Lever and the Special Committee’s Chairman, Thetus W. Sims of Tennessee, invited Beck to


\(^{30}\) As the bill touched on the jurisdiction of three House committees (Agriculture, Interstate and Foreign Commerce, and Public Lands), the Special Committee was created to streamline the legislative process.
testify to promote the idea of public ownership in the United States. (The Toronto Globe proudly reported that a congressman stated, “I wish we could steal you” to Beck.31). Congressional progressives like Sims and Lever looked to the HEPCO as a model for lower electricity rates and farm electrification, especially for their rural Southern constituents. For his part, Beck seems to have seen his testimony as a chance to defend the HEPCO from criticism by the private electricity industry. Aside from giving a very straightforward history of the HEPCO up to that time, Beck used the occasion to denounce “a pretty big organization watching us, not only in Canada but in the United States” (presumably the National Electric Light Association), which he accused of publishing and distributing thousands of copies of Reginald Bolton’s An Expensive Experiment, which appeared in the aftermath of the Ferris Committee’s report.32 Beck, who travelled to Washington with his chief engineer, provided detailed information but also appeared quarrelsome when pressed by one member of the Committee. Asked about any comparison between the HEPCO and the regulation-through-leasing scheme then considered by Congress, Beck replied:

Well, our proposition being a provincial one, or a State undertaking, there isn’t any cohesion, in a way, between what you are trying to do and what we are doing. I realized that when I came here, and I thought it was more or less of little value to you, my coming here.33

He further bristled when pressed by another congressman about the Ontario commission’s powers to expropriate private property.34 Beck's comments pointed to the localized nature of power generation in the United States, which stood in sharp contrast to what the HEPCO was accomplishing at a regional level in Ontario. Ironically, when regional electricity development

31 Toronto Globe, 18 April 1918, 4.
33 Ibid, 745-746.
34 Ibid, 749.
began in the United States in the 1920s, it was ultimately under the aegis of private utility
holding companies operating across the boundaries which divided state regulatory regimes.

The ultimate result of this legislative effort was the Federal Power Act of 1920, which
created the Federal Power Commission to govern the development of public waterways. Around
the turn of the century, conservationists grasped the significance of hydroelectric power and
pressured Congress to pass the Rivers and Harbors Act of 1899. This statute had made it illegal
to dam navigable rivers without a federal licence. At first, these licenses were handed out
relatively freely, but in 1903 Theodore Roosevelt blocked a dam at Muscle Shoals, signalling a
more restrictive approach to the nation's river resources. However, federal interests had focussed
on maintaining navigation rights on rivers and had left the regulation of hydroelectric power to
individual states. The 1920 act was intended to mediate between competing private and public
development interests.\(^\text{35}\) Thus, the Federal Power Commission was a compromise between the
laissez-faire and regulatory approaches, falling short of public ownership. A long-term plan for
the public operation of the federal government’s hydroelectric power sites, especially Muscle
Shoals on the Tennessee River, remained an unfulfilled idea.

Until the end of the 1920s, American progressives interested in the reform of the
electricity industry were largely divided between those who supported regulation and those who
favoured public ownership, which has been described by Jay L. Brigham and others.\(^\text{36}\) These
policy options were represented by an array of organizations. Although the National
Conservation Association was formed to advocate for an array of Progressive Era “conservation”
causes, it was immensely important for its support of retaining federal control over hydroelectric

\(^{35}\) Charles K. McFarland, "The Federal Government and Water Power, 1901–1913: A Legislative Study in the
Nascence of Regulation," \textit{Land Economics} 42, 4 (1966): 441–5. For more on the FPC and related issues, see also
Donald C. Swain, \textit{Federal Conservation Policy, 1921-1933}. (Berkeley and Los Angeles: University of California
Press, 1963), especially pp. 96-122.

\(^{36}\) Brigham, 1998.
sites, and in its role as an information clearing house. The Public Ownership League of America was perhaps the most strident pressure group in favour of state control. The National Popular Government League, associated with Judson King and George W. Norris, was more moderate in favour of public ownership.

The National Conservation Association (NCA) was formed in 1909 by Gifford Pinchot, then the head of the federal Forest Service and a close collaborator with Theodore Roosevelt in elaborating conservation policies. The NCA had two major goals: to transfer the control of national forests to the Western states, and to secure legislation to regulate hydroelectric power on federal land.37 After he was ousted from his position in the Taft administration in late 1909 during a conflict within the Department of the Interior, Pinchot used the NCA as a political base to continue his efforts in shaping conservation policies in the United States. At its peak, the NCA had 2000 members and a mailing list of as many as 5000 people, encompassing the leading adherents of the conservation movement.38 Harry Slattery, Pinchot’s private secretary at the Forest Service, became the NCA’s secretary in 1912, and acted as a major lobbyist for conservation legislation in the federal capital.39 Although the NCA was closed in 1923 after Pinchot’s gubernatorial election victory in Pennsylvania, he continued to employ Slattery and others in conservation politics.40 Aside from his support for electricity industry reforms as governor of Pennsylvania between 1923 and 1927, Pinchot was also a key ally of Senator George Norris in the fight against the privatization of Muscle Shoals.

40 Ibid., and Miller, 2001, 276. An academic study has yet to be written about Slattery’s unique place in American progressivism. In addition to his activity as a major conservation lobbyist, he later served as administrator of the REA.
The major legislative achievement of the NCA was the passage of the Federal Water Power Act of 1920. This law represented a compromise between conservationists and congressional conservatives, but it prevented the privatization of federal hydroelectric sites, limiting private developers to fifty-year leases and putting these projects under the regulation of a Federal Power Commission.\(^{41}\) Although public ownership advocates thought the act did not go far enough in protecting the federal government’s hydroelectric assets, it succeeded in keeping these sites, such as at Muscle Shoals, under public ownership and thus frustrated attempts to permanently alienate them.

Another public power lobby group, the National Popular Government League (NPGL) was led by Judson King from its foundation in 1913 until his death in 1958. A quintessential progressive, King began his activist career by working for Toledo’s reform mayors, Samuel M. “Golden Rule” Jones and Brand Whitlock, and by editing the Toledo *Independent Voter*. In 1913, a Committee of Fifty, led by Norris and Pinchot, raised funds to create the NPGL, of which King would be virtually the only employee for the next forty-five years. The League concerned itself with a broad array of progressive causes, but most important was its advocacy of referenda and other means of direct voting; it was due to a 1922 public power referendum in California that King first became directly involved in electricity policy debates and learned of the HEPCO model. Although the NPGL continued to promote referenda and other progressive causes throughout its existence (such as the treatment of American Indians), King came to focus almost exclusively on the question of electricity rates and public ownership. As a close associate

of Norris, he provided vital research to the senator during the Muscle Shoals debates in Congress during the 1920s.\(^4^2\)

Meanwhile, the Public Ownership League of America (POL) was organized in Chicago in May 1916, with progressive icon Jane Addams as the first member\(^4^3\); its first conference took place in November 1917 in Chicago. Long-time POL secretary Carl D. Thompson seems to have been conscious of the HEPCO by 1917 at least, as evidenced in a survey he wrote of municipal ownership movements around the world.\(^4^4\) He was able to declare that municipal ownership, especially of electric utilities and streetcar systems, was more advanced in Canada than the United States, but his discussion of the Ontario commission is rather rudimentary.\(^4^5\) Thompson was much more loquacious about the development of municipal ownership in Germany and the United Kingdom.

At the POL’s second conference, held 15-17 November 1919 in Chicago, the ongoing argument for the government ownership of the national railway network, called the Plumb plan, formed the focus of the papers presented. However, among talks on electoral reform, the farmers’ movement, public utilities, and other progressive issues, HEPCO engineer R.T. Jeffrey presented on Ontario’s great experiment in public ownership. Otherwise, where foreign experience was cited, it was most often to European, especially British, attempts at public


\(^{4^5}\) Thompson, 1917, 12-13; elsewhere, he notes the huge decreases in electricity rates in Toronto and Winnipeg but does not investigate any further (86-87).
ownership. For instance, in papers presented to the conference, both Delos F. Wilcox and POL President Albert M. Todd could point to British cities like Glasgow in order to argue for municipal ownership of streetcar systems.\footnote{Proceedings Public Ownership Conference. Bulletin No. 14. Public Ownership League of America, Chicago, 1919: 25-31, 35-45.}

Jeffrey’s presentation, made officially on behalf of Beck, stands out in a conference which otherwise did not focus much attention on Ontario. The relatively few references to the HEPCO was partly due to the dearth of Canadians in the POL’s membership. By late 1919, of the POL’s 3404 members, only nine resided in Canada.\footnote{Ibid, 17-18; aside from the nine Canadians, the POL had a member in Cuba, Mexico, New Zealand, and the Philippines.} But the transnational nature of the HEPCO as a progressive symbol is seen in the title of Jeffrey’s paper: “‘America’s Greatest Publicly Owned Electric Light and Power System’ and Its 3 Cent Rate for 235 Cities.”\footnote{Ibid, 131-142.} Jeffrey’s paper followed familiar themes, such as Ontario’s lack of coal, but it is especially notable for how he presents the image of the Commission’s chairman to an American audience:

One of the members of that original commission was Sir Adam Beck, to whom the people of Ontario owe a deep debt of gratitude, which they can never repay, and it is greatly due to his clear vision of the possibilities of the Province in the acquisition and development of the great natural water power resources of the Province for the people, and to his untiring efforts in striving to attain that end, instead of allowing these resources to be absorbed by private interests, to be developed, operated and controlled by these interests, that Ontario owes the phenomenal success of this great public enterprise, which is the largest and most successful system of its kind in the world today.\footnote{Ibid, 133.}

This praise occurred only a few weeks after the 20 October 1919 provincial election, after which Beck’s political future seemed uncertain, having been defeated in his constituency in London and his alleged and abortive attempt to seize the leadership of the United Farmers of Ontario caucus (which will be described in the next chapter).
By the early 1920s, American progressives’ knowledge of the HEPCO had become much more widespread, and Thompson directed much more attention to Ontario. Thompson’s increased interest in the HEPCO was probably the result of Beck’s congressional testimony and the promotion of the Ontario model in various states. By the time he published a book about public ownership of electricity utilities in 1922, he recognized that the Commission was likely now the largest electricity system in the world and was suitable for emulation in the United States.  

It was given a pride of place in a significant part of the text and is upheld as the model for potential state-level developments in the United States. Thompson’s book also included an expanded version of Jeffrey’s 1919 paper (which had also been published in the HEPCO’s official newsletter) and an essay by Beck on the inauguration of the Queenston-Chippewa plant.

The POL held a conference in Toronto on 10-13 September 1923, which was co-sponsored by the City of Toronto and the HEPCO. In the interim since the 1919 meeting, the POL, along with many other progressive groups, had become more aware of Canadian developments, especially regarding the HEPCO. Presumably the League wished to have the meeting in Ontario to survey the commission’s operations and to investigate the newly nationalized Canadian National Railway. However, over time, the POL became less important in the public power movement, in part because of a perceived dogmatism over the issue of public ownership vs. regulation. Thompson made several ineffective attempts to implore mainstream progressives like Morris L. Cooke to attend the POL’s conference in Toronto during September

51 Ibid, 165-199 and 200-209.
1923 and tried to get him to join the League by at least 1922. Cooke came to rely on the HEPCO’s technical data in his involvement in Pennsylvania Governor Gifford Pinchot’s “Giant Power” plan of 1923-1927, an aborted hybrid private-public electricity project. It was only after the failure of Giant Power, and his increasing familiarity with the HEPCO, that Cooke came to unequivocally advocate for public ownership. As progressive advocacy groups, the NCA, NPGL, and POL each represented different approaches to public ownership and achieved varying levels of success in achieving these ends. But each was quite important for providing information to activists and policymakers about regulation and public ownership, and in doing so they made Americans familiar with the HEPCO.

The California Public Power Referendum of 1922

In the early 1920s, progressives in Georgia and Washington proposed to establish statewide systems directly based on the Ontario commission. The campaign for public power in California is especially interesting for the ways progressives employed Ontario as an ideological

53 Thompson to Cooke, 14 July 1922, 21 April 1923, and 15 May 1923, FDRPL, Cooke Papers, B. General Correspondence, Special Alphabetical File, 1925-1930, Box 113: S, T, U, V; File: “T to 1929.”
54 On the abortive “Erickson bill” of 1923 in Washington State, which was directly based on the HEPCO, see Michael Knight Green, “A History of the Public Rural Electrification Movement in Washington to 1942” (PhD dissertation, University of Idaho, 1967), 110-13. Evidence in Georgia is more fragmentary. There is an indication of Georgians’ interest in the Hydro as early as 1918, when Atlanta voted to adopt municipal ownership and mayor-elect James Lee Key announced he was going to investigate the Ontario commission; see “Georgia City Votes to Adopt Municipal Ownership,” The Duluth Labor World, 14 December 1918; see also Carl D. Thompson, Municipal Electric Light and Power Plants in the United States and Canada. (Chicago: Public Ownership League of America, 1922), 214-215; the HEPCO’s chief municipal engineer R.T. Jeffrey spoke to the National Municipal League of Georgia convention in Atlanta in July 1919, and Marion Jackson, the League’s attorney, compared electric rates between Canadian and Georgian cities and towns of comparable size. These addresses moved J.E. Grafton, chairman of the Rome Rivers and Waterways Committee to write to his senator, Hoke Smith, to urge him to fight for government production of hydroelectricity (see J.E. Grafton to Hoke Smith, 18 September 1919, LOC, Pinchot Papers, Box 686, File: “Public Utilities: Water Power: National water power bill, 1919-1921.”). A 1921 pamphlet of the Municipal League of Georgia also shows the great interest Ontario held for these southerners (“The Municipal League of Georgia: Its Origin, Purpose and Organization,” FDRPL, Cooke Papers, I. Special File, 1910-1924, Box 173: “Men’s Clothing Industry (Cont’d.) – New Republic Article,” File: “New Republic Article”). The hydroelectric bills proposed by the League were killed in committee in the Georgia House of Representatives, but supporters tried reintroducing them in the state senate in 1922 (see Marion M. Jackson to Cooke, 20 May 1922, FDRPL, Cooke Papers, I. Special File, 1910-1924, Box 174: “National Electric Light Ass’n (NELA),” File: “National Electric Light Association – I.”).
resource during a major referendum campaign. Like their counterparts in New York State, California progressives became interested in the issue of conservation in the early twentieth century. In 1913, the state legislature, following the direction of Governor Hiram Johnson, passed a bill to create a state conservation commission, which would regulate water and hydroelectric resources. Private interests challenged the law in a referendum in 1914 but were unsuccessful in overturning it.55 Yet California progressives were unsuccessful in turning the commission into an activist body, and the state’s hydroelectric and utility policies became increasingly conservative, especially after 1916.56

These California activists soon discovered the Ontario commission as a model on which to base their proposed state-owned utility. HEPCO engineer R.T. Jeffrey was invited to speak at a meeting of the League of the Southwest in December 1921 at Riverside, California. The year before, California progressives had begun a campaign for a publicly owned electricity utility in their state. In front of an audience of progressive municipal politicians and reformers, Jeffrey emphasized the cultural, racial, and ideological commonalities between Canadian and American progressives: “We speak the same language as you do, we look somewhat the same, we have the same ideals, and we have the same problems to meet as you do.”57

The California referendum organized in 1921 was to create a state agency modelled along the lines of the HEPCO: government ownership of production and transmission, with distribution conducted by municipal utilities. During the previous year, the California League of Municipalities sponsored a bill in the state senate calling for such a public body, but the measure died in committee; later it gained enough support to be considered as a referendum question

during the November 1922 election. In a speech to the Commonwealth Club of California in March 1922, Louis Bartlett, the mayor of Berkeley and president of the League, went out of his way to defend the HEPCO, claiming recent American criticism of the commission was meant to defame the California scheme. In May, progressive activist and San Francisco Examiner legislative reporter Franklin Hichborn also wrote on behalf of the referendum supporters to Drury to inquire about the Ontario government’s relationship with the Commission.

The opponents of the proposed Water and Power Act tried to portray the HEPCO as a radical solution to high electricity rates and limited electrification. Supporters tried to present the provincial utility as a pragmatic body which had proved its usefulness. The campaign against the referendum measure, spearheaded by half a dozen private utilities, was led in the north of the state by Pacific Gas and Electric Company (under the name “Greater California League”) and in the south by Southern California Edison Company (under the auspices of the “People’s Economic League”). A 1923 state senate inquiry into the referendum campaign found these forces spent just over $500,000, while supporters spent a little over $150,000. Advertisements and documents produced by the Greater California League and the People’s Economic League clearly show how the utilities sought to criticize the HEPCO as a means of defeating the Water and Power Act.

58 Carl D. Thompson, Confessions of the Power Trust (New York: E.P. Dutton & Co., 1932), 513. It is for this reason that King became directly involved in the campaign: the NPGL had been set-up, in part, to promote plebiscitary democracy. The leading figures of the campaign were William Kent, Rudolph Spreckels, John Randolph Haynes, Francis J. Heney, C.K. McClatchey, William Mulholland, Franklin Hichborn, and Clyde L. Seavey (see Mowry, 1951, 287).

59 “How the Water Power Act Will Help,” Pacific Rural Press, 1 April 1922, 376; William J. Locke, secretary of the League, would also point to the Hydro as evidence that private enterprise could flourish under public ownership (see “Two Vital Issues on Power Act Reviewed; Facts Given on Bond Limit, Board Power,” 25 October 1922, San Francisco Examiner, LOC, King Papers, Box 87: Scrapbook: 1922, Water and Power Act, California.)

60 Plewman, 1947, 309.
61 Thompson, 1932, 513-519.
62 See, for example, Text Book of California Water and Power Act. (San Francisco: Greater California League, 1922).
Supporters of the proposal, on the other hand, consistently brought up Ontario as a model for electricity development and defended the HEPCO against criticism. The official campaign pamphlet of the State Campaign Committee for California’s Water and Power Act made much of the HEPCO as a positive example on which California should model its Water and Power Board. The State Campaign Committee also highlighted the irony that A.P. Gianni, president of the San Francisco-based Bank of Italy, had co-signed a pamphlet (“Shall California be Sovietized?”) which called the Water and Power Act a “Socialist” and “Soviet” scheme, given that the Bank was then promoting Ontario provincial bonds as excellent investments. Elsewhere the Committee stated: “If Ontario and Los Angeles have been “sovietized”, the power companies are doing Lenine [sic] and Trotzky [sic] a brotherly service by advertising these achievements as being of soviet inspiration.” Of the HEPCO, it could conclude: “The power trust, fighting California’s water and power act, has made violent attacks on the Ontario system. Other attacks have been made, BUT NEVER BY ANY OF THE MUNICIPALITIES GETTING SERVICE FROM THE COMMISSION – NEVER BY THE FARMERS OF ONTARIO – NEVER BY THE RATEPAYERS OF ONTARIO!”

A key theme of the State Campaign Committee was that the Water and Power Act had already been proved by the operation of the HEPCO. Leading progressive conservationist Gifford Pinchot spoke in favour of the proposed Act at a meeting of the League of California Municipalities in late September:

They will tell you it can’t be done, because it has never been done. But it has been done with enormous success. You gentlemen of the League of Municipalities are familiar with

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64 Ibid., 24-27.
65 “California’s Water and Power Act” [special referendum newsheet], LOC, King Papers; Box 87: Scrapbook: 1922, Water and Power Act, California.
66 Ibid. (emphasis in original).
the wonderful success of the Province of Ontario in taking power from Niagara Falls and
distributing it at something like one fifth of what private companies were selling it for to,
I think, something like a hundred different municipalities. And what Canadians have
done in Ontario, of course Californians can do in their own State.  

State Campaign Committee executive director Rudolph Spreckels also wrote approvingly of
public ownership not only in Cleveland and several municipalities in California, but also Ontario
and Winnipeg.

In the spring of 1922, Americans made Ontario central to their national debate over
electricity policy due to an anti-public ownership pamphlet written by American utility engineer
William S. Murray. This pamphlet was published by NELA, the electricity industry’s primary
lobby group, and was thus seen as a corporate attack on a foreign public utility. It was also timed
to influence a public power referendum in California that fall, which was directly inspired by
Ontario’s HEPCO experiment. Thus, many progressives came to see the Murray report as not
just an attack on the HEPCO, but on any attempts to emulate it in the United States.

Although formed in the 1890s to represent the interests of the private electricity utility
industry, NELA’s coordinated public relations efforts against public ownership only began in
earnest after the First World War, in a climate of economic uncertainty and talk of government
intervention in key national industries. This campaign included major efforts to publish and
distribute a wide array of materials across the United States, in an attempt to decisively turn
public opinion against public ownership. By the mid-1920s, NELA had a budget of over $1

67 Ibid.
million per month. A later investigation by the Federal Trade Commission revealed that the NELA paid $8,830 to Murray’s engineering firm and spent a further $13,800 to print 10,000 copies of the report for distribution to American civic groups, colleges, libraries, schools, and other institutions.

A consulting engineer with experience both in electrified railways and hydroelectricity, Murray originally came into contact with the HEPCO when he was hired by the commission to defend its attempt to build a network of radial railways, which was subject to an official government inquiry, the Sutherland Commission, in 1920-1921. Indeed, Murray earlier gained press attention for his lavish praise of Beck’s own radial plan for Ontario, and for an outburst while testifying to the Sutherland Commission in November 1920, in which he offered to fight a government-appointed lawyer over his critical line of questioning. Coming at a time of increasing strain between the HEPCO and the Ontario provincial government (especially due to the cost overruns of the commission’s project at Chippewa), the 1922 publication also had wide ramifications north of the border.

As both a technical document and an ideological polemic against public ownership, the report received a mixed reception. At its core, Murray’s report alleged that the HEPCO was a financial disaster that subsidized domestic power consumption by overcharging industrial users.

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71 Thompson, 1932, 502.
73 *Toronto Daily Star*, 22 and 23 November 1920; Murray seems to have abandoned his caveats about construction costs in an earlier report to the Hydro, which was made public by Beck in June 1920 (see *Toronto Daily Star*, 18 June 1920).
74 Plewman suggests that NELA decided to publish the report at this time because of the poor relations between Beck and Drury (see Plewman, 1947: 299); Murray seems to have had a friendly relationship with Drury before the report was published (see Murray to Drury, 13 Dec 1921, Archives of Ontario, E.C. Drury Office Records, MS 1675, File 03-05-0-067: “Super Power Report.”).
and sinking the province into debt.\textsuperscript{75} However, the publication was riddled with technical errors. For instance, he reported that Toronto’s tax rate was 52.8 mills when it was actually 32.8 mills; Murray also said that the provincial government had never given permission for an individual or corporation to sue the HEPCO, when in fact twenty-five fiats had been granted.\textsuperscript{76} The author of the \textit{Toronto Daily Star}’s “Spotlight” column was very critical of Murray, yet could also point out that the report had much more detailed information on the Commission’s massive Chippewa development than contained in any of the commission’s recent annual reports or official statements.\textsuperscript{77}

As a leader of the public power movement in the United States, Morris L. Cooke moved quickly to attack the Murray report in the American press. On 3 May 1922, Cooke contacted Paul U. Kellogg, editor of \textit{The Survey}, with an offer to review the report, which he said was being distributed by the private utilities’ lobby in California and Georgia ahead of their respective referenda.\textsuperscript{78} (On the other hand, neither Beck nor the Toronto press seem to have commented on the report until the following week.\textsuperscript{79}) Similarly, Cooke begged Herbert Croly to fight the report in the editorial section of \textit{The New Republic}, and later asked for permission to refute it in print. This critique finally appeared in late June and was directly based on material provided by Beck and other top HEPCO officials, who were also shown an early draft for

\begin{footnotesize}
\begin{enumerate}
\item[76] Plewman, 1947: 301; additionally, Plewman says that Murray listed incorrect figures for the average cost of horsepower in Toronto and Buffalo (302).
\item[77] \textit{Toronto Daily Star}, 16 May 1922.
\item[78] Cooke to Kellogg, 3 May 1922. FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Box 27, File 324: Survey Associates.
\item[79] See \textit{Toronto Daily Star}, 10 and 11 March 1922.
\end{enumerate}
\end{footnotesize}
review. He also contacted Newton D. Baker, Samuel Gompers, and several prominent academics in an attempt to get them to publicly criticize the report.

The suggestion that the Murray Report represented a systematic attempt to discredit the HEPCO in the United States, was viewed in different ways by the Commission’s officials and their American progressive allies. Beck was initially slow to respond to the report and was dismissive about its influence in Ontario. In his first public comment, he told the press that HEPCO did not have a large enough staff to respond to criticisms like Murray’s, and that a more effective rebuttal was to be found in the evident satisfaction of the Ontario public. On the other hand, in May 1922 and January 1923, Cooke asked Beck to fund an agency to rebut anti-HEPCO criticism in the United States. Cooke’s idea, a public relations effort by American experts on behalf of, and possibly funded by, a publicly-owned electricity utility in Canada was never realized. Beck was not interested in becoming further involved in the American debate by organizing a progressive lobby group.

It took several months for the HEPCO to make an official statement about Murray’s claims. Beck’s official response to the Murray report, appearing as a pamphlet in August 1922, repeated the allegation that Murray was part of a plan to discourage public ownership by attacking the commission. The 63-page pamphlet meticulously outlined what Beck alleged

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81 See several such letters dated 8 and 9 May 1922, FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Boxes 35-36, File 389(2): “Ontario Hydro-Electric Power.”

82 Toronto Daily Star, 11 March 1922


84 Beck informed Cooke that he did not have the legal authority to distribute such funds on behalf of HEPCO (see Beck to Cooke, 29 January 1923, FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Boxes 34-35, File 389(1): Ontario Hydro-Electric Power Commission)

85 Adam Beck, Re “Murray Report” on Electric Utilities: Refutation of Unjust Statements Contained in a Report Published by the National Electric Light Association entitled, “Government Owned and Controlled Compared with
were Murray’s numerous errors in reporting costs, and legal and technical details of the HEPCO’s operations. The central problem, to Beck, was the American engineer’s allegation “that electrical energy is dearer in Hydro municipalities [in Ontario] than it is in other territories to which he refers [e.g. California].”\textsuperscript{86} In September, Murray issued a memo to NELA, meant for publication, in order to defend himself from Beck’s criticism.\textsuperscript{87} NELA’s Public Relations National Section, however, declined to print this reply, as Beck’s pamphlet did not gain significant attention in the United States.\textsuperscript{88} Later, chief engineer Frederick Gaby commented to Cooke of Murray’s statement: “Of course, as you have doubtless noticed by a perusal of the statement, it is not in any real sense a reply to the “Refutation,” but rather Mr. Murray’s own excuse and explanation to the National Electric Light Association for blunder which had been brought to his attention through the reply issued by the Chairman to his Report.”\textsuperscript{89}

Yet, although initially ignored by Beck and HEPCO officials, the Murray report marked the beginning of a sustained public relations campaign against the Ontario commission in the United States. And appearing as it did during Beck’s tense relationship with the Drury government, it had serious repercussions in Ontario. Ironically, the appearance of the report also brought more attention to the HEPCO by American public power activists, causing the latter to study the Ontario utility in a significant way.

As director of the National Popular Government League, Judson King was recruited to take part in the referendum by former Congressman William Kent and radical reformer John R.  

Haynes. The Murray report seems to have motivated him to travel to Ontario in the summer of 1922 to inspect HEPCO’s operations. On the eve of his return to the United States, King enthused to a *Toronto Star* reporter about the Commission: “It’s the greatest thing in the world.” He was especially inspired by Beck, who he compared to his former boss, the legendary Tom Johnson, progressive Mayor of Toledo, Ohio. This trip provided information and inspiration to King in his activities in California in the referendum campaign in October and November and marked the first of many pilgrimages by American progressives to Ontario to see the miraculous Ontario experiment.

King also described his findings in Ontario in a series of seven special articles for the *San Francisco Daily News* that appeared over the ten days leading up to the referendum vote on Election Day, 7 November 1922. Entitled “Miss Hydro, Housemaid,” these articles emphasized the benefits publicly-owned electricity had for the rural and urban women of Ontario. In his first article, “Thousands Do Cooking and Housework by Electricity,” King profiled Mrs. Jack Cullum of Niagara Falls, who he had met during his earlier trip to Ontario that summer. “Jack is a mechanic and works for wages, yet his wife has a labor-saving outfit the sight of which would make most California housewives break the first commandment.” Included with the article was a picture of Cullum and a copy of her hydro bill. King’s recorded conversation with Cullum is indicative of the ways progressives saw the effect of the publicly-owned hydroelectricity for Ontario’s women:

> Mrs. Cullum was a comely woman. She bore no traces of being a “tired housewife.”

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90 Judson King to NPGL members, 18 November 1922, LOC, Gifford Pinchot Papers, Box 1537; File: “Water Power: Miscellaneous.”

91 *Toronto Daily Star*, 22 July 1922.

92 “Truth About Ontario,” “Miss Hydro, Housemaid No. 1: Thousands Do Cooking and Housework by Electricity,” *San Francisco Daily News*, 28 October 1922, LOC, King Papers; Box 87: Scrapbook: 1922, Water and Power Act, California. (The implication is that Mrs. Cullum’s appliances would provoke idolatry).
“Keep a hired girl?” I inquired.
“No,” she replied. “I think a woman who has electric equipment like mine who needs or wants a hired girl is lazy.”

[...] I hastened to disclaim any personal insinuations.
“Hydro is my hired girl,” she added. “I do all my work in one-half the time and with one-fourth the work and have a chance to keep well and enjoy life.”

(In a later publication, King said that “Mrs. Cullom,” “a handsome woman, fresh, vigorous, and evidently not overworked,” claimed to be able to do her housework in one half of the time and one third of the effort previously expended.94) King also recounted his meeting with Mrs. Eph Kinzie, a farmer’s wife who lived near Preston: “To look at Mrs. Kinzie, one would easily imagine what life would be for her without the help of electrically driven household machinery. She was frail and with her five children —!”95 King also wrote of a conversation he had with J.W. Purcell, the chief rural engineer, about farmers’ support for the HEPCO. Purcell’s statement represents a misremembering of the commission’s history, and a veiled attack on the United Farmers of Ontario government then in power in Ontario: “...they started this whole thing. The farmers’ organizations began the movement for public ownership of hydroelectric power. To commit political suicide in Ontario all a political organization has to do is to come out against municipal ownership.”96

King compared the campaigns for public ownership in California and Ontario, concluding they were the ultimately the same:

On the one side, like in the present fight in California, were the investment bankers, the power companies, and the “trust,” the special interests and all the rest.

93 Ibid.
95 “Miss Hydro, Housemaid No. 6: Municipal Ownership Saves Farm Wife from Drudgery,” San Francisco Daily News, 3 November 1922, LOC, King Papers, Box 87: Scrapbook: 1922, Water and Power Act, California.
96 Ibid.
On the other hand were progressive cities and towns, farm and labor organizations, and a few men, public-spirited and with means, who led and financed the campaign.\(^97\)

After praising the leadership of Beck, King also criticized those who would say that the California plan, like its Ontario model, would give too much power to a small group of men:

> When in Toronto I suggested that their power commission wielded “great powers” as though that were dangerous, they smiled and assured me in the words of the Irishman “that was the original intension.”
>
> “Can’t you see,” said a prominent business man of Toronto, “that Beck’s only real power is to produce cheap power for us? That’s what we wanted; what we are getting; and why we gave the power – it’s the only way in this age of large scale production.”\(^98\)

King commended Toronto Hydro-Electric System chairman P.W. Ellis as “a living denial of the statement that it is impossible to get competent and honest men to manage publicly owned utilities.”\(^99\) For King, the HEPCO’s greatest support came from its low rates. He described the electricity bill of Appleton & Co., a dry goods store in Galt, comparing it to the prevailing rate in San Jose, which was 325% higher: “It is not recorded, however, that Appleton has lost his initiative or suffered mental deterioration because of this saving, as opponents of the people’s power bill here charge is the case under such circumstances.”\(^100\)

Later, evidence appeared which suggested Murray was employed by the private utilities to testify against public ownership, as he made many well-publicized speeches in California during the referendum campaign of 1922. In January 1924, HEPCO officials became interested in the testimony of Wigginton E. Creed, president of the Pacific Gas and Electric Company, made during a state senate inquiry into the activities of the private utilities during the

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99 Ibid.

100 “Miss Hydro, Housemaid No. 2: San Jose Light Bill $25.44 Would Be $7.82 in Ontario,” *San Francisco Daily News*, 30 October 1922, LOC, King Papers, Box 87: Scrapbook: 1922, Water and Power Act, California.
referendum.\(^{101}\) Creed’s testimony revealed that Murray had been well-paid for his work in speaking against the proposed power law, a fact that Cooke gleefully related to his friends in Ontario.\(^{102}\) Sending a copy of the testimony, he wrote: “I think Sir Adam will be amused to the point of being interested in seeing how thoroughly discredited the Ontario Hydro-Electric undertaking is in Southern California.” Indeed, the inquiry revealed that Murray was paid $5,583 to speak against the proposed Water and Power Act.\(^{103}\) An individual named George A. Hughes, referred to as “a president of a large manufacturing concern” in Ontario, was also brought to California to speak to civic organizations against the HEPCO and the Water and Power Act.\(^ {104}\) This man was probably no other than George A. Hughes, an American utility promoter and inventor of the electric stove, who was president of the Edison General Electric Appliance Co (General Electric, its owner, was the most important NELA member). The “concern” in Ontario was most likely his Canadian subsidiary.

For progressives, the November 1922 referendum was unsuccessful, as most California voters rejected the creation of a state-owned utility. In part, Californians balked at the potential cost, as the Water and Power Act would have required the state to issue $500 million worth of bonds to finance the creation of the system. Further referenda occurred in California in 1924 and 1926, but both failed to enact a Water and Power Act based on the Ontario model. But it is also likely that the private electricity industry, which Judson King alleged to have spent $1,500,000

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\(^{101}\) Cooke to Gaby, 6 January 1924, telegram from Gaby to Cooke, 7 January 1924, and letter from Cooke to Gaby, 8 January 1924, FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Boxes 35-36, File 389(3): “Ontario Hydro-Electric Power.”

\(^{102}\) Cooke to Gaby, 9 and 15 January, and 4 February 1924, Gaby to Cooke, 7 February 1924, FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Boxes 35-36, File 389(3): “Ontario Hydro-Electric Power.”

\(^{103}\) However, one anti-Water and Power Act organizer claimed that the Hydro was so discredited that Murray’s services were not in great demand, and he only ended-up making two speeches; see Thompson, 1932: 523.

during its campaign, helped to turn public opinion against the act.\textsuperscript{105} However, the 1922 campaign is significant for its widespread debate on the HEPCO experience and for drawing Judson King into the public power issue and introducing him to the HEPCO. He dedicated the November 1922 National Popular Government League bulletin to a discussion of the California referendum. Discussing the import of the campaign, he wrote “…I’ll further venture that most of you have never heard of the great Hydro-Electric System of the province of Ontario, Canada, after which this California Act was patterned.”\textsuperscript{106} In a letter to NPGL members from California that month, King promised to publish a bulletin about Ontario should enough interest be expressed for the information.\textsuperscript{107}

**Further NELA Attacks on the Ontario Experiment**

King’s NPGL bulletin on the HEPCO finally appeared in April 1923, entitled “Human Nature, Efficiency and Electricity: The Strange Story of Ontario.” In this pamphlet, based on what he discovered during his trip to Ontario in the summer of 1922, King developed many of the themes first expressed in his articles for the California referendum, reiterating the HEPCO’s low rates, financial reliability, and the improvement the utility brought to the lives of working-class and farm wives like Mrs. Cullom and Mrs. Kinzie. Interestingly, King used the language of New Era business progressivism, along with American national pride, to argue for the emulation of the HEPCO in the United States. This emphasis on efficiency, along with King’s rhetoric of indignation and discovery upon travelling to Ontario to realize the low rates feasible under the


\textsuperscript{107} King to NPGL members, 18 November 1922, LOC, Pinchot Papers, Box 1537; File: “Water Power: Miscellaneous.”
commission’s public ownership regime, is a noteworthy theme in this strand of American progressivism. King was then involved in a major national debate over the federal government’s ownership of Muscle Shoals, and he and others significantly employed the example of the HEPCO in their efforts to retain public control of the major hydroelectric site.

Muscle Shoals was a hydroelectric complex on the Tennessee River in northern Alabama. During the First World War, it was developed as a centre for nitrate production for the American munitions industry. After the end of the war, congressional debates began over what to do with the site. The issue gained added intensity in July 1921, when Henry Ford offered to buy the Muscle Shoals nitrate plants and lease the hydroelectric complex for 100 years, as the basis for a new industrial centre in the South. This outraged conservationists like Gifford Pinchot, who believed a deal with Ford would alienate an important hydroelectric site from public control.

Senator George W. Norris of Nebraska, a member of the Senate’s small progressive bloc and the chair of its Agriculture and Forestry Committee, argued that the site should be kept under federal control and used to produce inexpensive fertilizer for the nation’s farmers. In the spring of 1922, Norris introduced a bill for a federal corporation to operate Muscle Shoals, with surplus power to be sold to local consumers. It appears Norris did not originally model this proposal directly on the HEPCO, but over the next few years he and Judson King came to seek more and more information on the Ontario commission, as a means of justifying the public ownership of Muscle Shoals.

King followed up the April bulletin with another in October, after he received the HEPCO’s 1923 annual report. In the new bulletin, he noted the strong reaction from his readership to the earlier publication, particularly due to his comparison of rates. “I don’t know of

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any bulletin of ours in recent years that seemed to produce such a gasp of astonishment as that one. It seemed unbelievable that Mrs. Cullom, for example, could get electric house service in Ontario for $3.55 a month which would cost $23.18 in Washington, D.C.**109** King reviewed the history of the HEPCO and emphasized the capitalist and Conservative *bona fides* of its founders: “These men were not soap-boxers or half-baked idealists in this world of realities and lies.”**110** As elsewhere, he characterized the new commission as a “voluntary partnership of municipalities.”**111** King’s pamphlet appeared during a crucial period during the debate over Muscle Shoals, which he repeatedly referenced, arguing that the Ontario model was one that should be adopted for its operation. Norris later had the pamphlet read into the congressional record and published by the public printer.**112** Thanks to NPGL’s sponsorship, 10,000 copies were sent to California and Washington State for public power campaigns.**113**

King’s examination of the HEPCO soon garnered attention in progressive circles. In May 1924, King was asked by Norris to speak about Ontario before the Senate Committee on Agriculture and Forestry. Progressive Party nominee Senator Robert M. La Follette, Sr., used King’s comparison of electricity rates on Canadian and U.S. side of International Railroad Bridge at Niagara Falls in his Madison Square Garden speech in the presidential election of that year; La Follette became the first presidential candidate (aside from the Socialists) to endorse public ownership of hydroelectricity.**114** King’s comparison of Ontario and Washington, DC electric light bills was also included in his pamphlet “How Reclamation is Being Wrecked and

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107 Ibid., 4.
110 Ibid., 4.
111 Ibid., 5.
Why,” of which 100,000 copies were printed by the Democratic National Committee for the 1924 campaign.\textsuperscript{115}

Like many other members of the public power movement in the United States, Senator Norris thought HEPCO was part of an international struggle for the public ownership of utilities. In late November 1924, Norris contacted Beck for information about a document circulating around Washington which compared electricity rates in Ontario and the United States, as he wanted to know if the data in the document was extracted from the Murray report of 1922.\textsuperscript{116} The four-page anonymous document, entitled “Comparative Power Costs,” was not actually based on Murray’s earlier publication, because it makes reference to the Ontario commission’s operations in 1923, but it makes similar claims and was probably also produced by utility interests in reaction to the Muscle Shoals debate.\textsuperscript{117} As such, the anonymous pamphlet repeated the arguments that industrial electricity consumers were subsidizing domestic use and that the commission did not pay taxes (as privately-owned utilities did in the United States). Beck’s detailed reply to the pamphlet’s charges, in a private letter to Norris, is revealing in his defense of the cost of the Chippewa development. Here Beck attempted to gain the sympathy of Norris by claiming the project’s inflated cost was solely the result of Ontario’s patriotic decision to supply ready power to American defense industries across the border.\textsuperscript{118} It also seems that Norris never received Beck’s earlier refutation to the Murray report, Re “Murray Report” on Electric Utilities, which symbolizes the clumsy way the Ontarians sometimes displayed in managing the HEPCO’s reputation in the United States.\textsuperscript{119} Norris was able, however, to secure a copy of

\textsuperscript{116} Norris to Beck, 28 November 1924, LOC, Norris Papers, Box 291, File: Canada.
\textsuperscript{117} “Comparative Power Costs,” LOC, Norris Papers, Box 291, File: Canada.
\textsuperscript{118} Beck to Norris, 9 December 1924, LOC, Norris Papers, Box 291, File: Canada.
\textsuperscript{119} Norris to Beck, 27 December 1924, LOC, Norris Papers, Box 291, File: Canada.
Beck’s pamphlet from King, and proceeded to send a long list of detailed technical questions to the Hydro’s chairman.120

Aided by the information he learned about HEPCO, in late 1924 Norris defeated the Underwood bill, a Senate measure endorsed by the Coolidge administration which would have authorized the long-term lease of the Muscle Shoals complex to a private developer. King claimed that with a comprehensive development plan under federal ownership, the output of the hydroelectric complex could be raised to 1-2 million horse power: “Such enormous power, delivered to the manufacturers, householders, storekeepers and farmers of the entire South at cost, as in Ontario, would be an untold blessing which would dwarf the story of Ontario.”121 King’s comparison of electricity rates in Ontario and Washington, DC, was shown on the Senate floor by Norris during the debate in late December 1924, and he claimed some of his fellow senators expressed astonishment at the facts. The Hearst chain’s Sunday newspapers published the figures on December 27.122 Reflective of a sense of provincial pride, “Triumph of Hydro Causes U.S. Senate to Kill Power Bill,” a special dispatch in the Globe, claimed that pro-HEPCO speeches in the Senate by Norris and Henrik Shipstead of the Minnesota Farmer-Labor Party was central to the defeat of the Underwood bill.123

In January 1925, another critical report appeared at a crucial point in the debate over Muscle Shoals. Although it did not directly address the federal government’s operation of the complex on the Tennessee River, Samuel S. Wyer’s Niagara Falls: Its Power Possibilities and Preservation was viewed as a direct attack on the idea of public ownership in the United States. It ignited another round of indignation by HEPCO officials, recriminations in the press and

120 Norris to Beck, 30 December 1924, LOC, Norris Papers, Box 291, File: Canada.
122 Ibid., 6.
123 Globe, 22 December 1924.
political arena, and further investigation by public power advocates in the United States. Coming as it did in the aftermath of two royal commissions into the commission’s operations, the publication came at a sensitive time in Ontario politics. This report also came at a critical juncture in the debate in Congress over the federal government’s operation of the Muscle Shoals project, at a time after Henry Ford withdrew his offer to purchase the complex in October 1924. Thus, it was a direct challenge to public power leaders like Senator Norris, who had used the HEPCO to argue against the Underwood bill in late 1924.124

Wyer’s report was especially controversial because it was published by the Smithsonian Institution and heavily promoted by the utility lobby. NELA purchased 3,000 copies of the report, to distribute as it had done with the Murray report of 1922, and later brought out a new edition under its own imprimatur.125 Regional NELA affiliates like the Illinois Committee on Public Utility Information and the New England Bureau of Public Service Information also widely distributed a press release based on the report.126

The reaction of the progressives in the public power movement was immediate. Cooke quickly contacted Norris to organize a public response after receiving a copy in mid-January. He accused Wyer, a consulting engineering who he initially suspected to be in the employ of the gas utilities (because of his denigration of the use of electricity for heating and cooking), to have published his report under the Smithsonian to benefit from the institution’s prestige and to use its

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124 Preston J. Hubbard characterizes the Wyer report as retaliation against Norris for using the HEPCO as a positive example (see Hubbard, 1961, 155n19); Norris’ biographer Richard Lowitt correctly points to the importance of the Wyer report scandal in the Senator’s thinking about electric policy, but he does not connect the incident to larger efforts to discredit the HEPCO in the United States (see “Ontario Hydro: A 1925 Tempest in an American Teapot,” *Ontario History*, 49, 3 [September 1968]: 267-274).

125 Thompson, 1932, 504-505.

126 King to Pinchot, 7 February 1925, LOC, Pinchot Papers, Box 262, File: K. Wyer was secretly paid to write and publish the pamphlet by the Duquesne Power and Light Company (see Christie, 1983, 58).
franking privileges to send the publication to a myriad of organizations. Cooke also contacted King to further coordinate a response by the public power movement.

The issue reflected badly on the Smithsonian Institution, which was a federal organization. Norris admonished Smithsonian Secretary Charles D. Walcott for his decision to publish the report. Indeed, the matter became serious enough that Secretary of Commerce Hoover personally discussed the matter with Walcott. Privately, Norris alleged that Walcott was acting in accordance with the anti-government ownership views of higher government officials when he agreed to publish it. A few months later, he called for Walcott’s removal. Hoover’s interest in the issue could perhaps be connected to his personal friendship with Walcott, but it is also possible that the Wyer pamphlet was considered vital to federal electricity policy debates, such as the Coolidge administration efforts concerning Muscle Shoals, or Hoover’s advocacy for a “Super Power” system (see below). But most importantly, the pamphlet created new interest among American progressive politicians and policy activists in investigating Ontario experiment.

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127 Cooke to Norris, 16 January 1925, LOC, Norris Papers; Box 300; File: Samuel Wyer; Wyer’s connections with the gas industry were subsequently confirmed by a journalist’s investigation (see ibid., “Memorandum In Re Smithsonian Publication on Niagara Falls – Its Power Possibilities and Preservation,” 19 January 1925).
128 Cooke to King, 17 January 1925, FDRPL, Cooke Papers; B. General Correspondence, Special Alphabetical File, 1925-1930; Boxes 97-116; Boxes 104-105: I, J, K; File: “K to 1929; Judson King.”
129 Norris to Walcott, 18 January 1925, LOC, Norris Papers; Box 300; File: Samuel Wyer.
130 “Memorandum In Re Smithsonian Publication on Niagara Falls – Its Power Possibilities and Preservation,” 19 January 1925, LOC, Norris Papers; Box 300; File: Samuel Wyer).
131 Norris to Cooke, 13 May 1925, LOC, Norris Papers; Box 300; File: Samuel Wyer.
132 For instance, Hoover and Walcott were neighbours and were both involved in the National Parks Association; see Ellis L. Yochelson, *Smithsonian Institution Secretary, Charles Doolittle Walcott* (Kent, OH, and London: Kent State University Press, 2001), 398-99.
133 Yochelson downplays the importance of the Wyer pamphlet and the Smithsonian Secretary’s role in publishing it (see Yochelson, 2001, 420-425). He neglects to consider the context for Wyer’s pamphlet (i.e. the ongoing campaign against the HEPCO by the NELA), or the inaccuracies it contained.
Almost immediately after the appearance of the Wyer report in January 1925, Norris decided to visit Ontario in the summer, to see the Hydro’s operations for himself.\(^{134}\) He cast his trip to Ontario as a pilgrimage to a promised land, writing to a HEPCO engineer:

> My trip through Canada was an education in itself. I had read your reports; I had analyzed many of your statements; I had read numberless descriptions of various units; and I formed a general idea of what you were doing, but I never fully comprehended your wonderful and successful work… I do not believe that you people on the ground and doing this great work, fully realize what it all means to civilization and humanity. You are giving an example to the world that will be of great benefit after all of us who are now living have passed on.\(^{135}\)

(Norris was also favourably impressed by the fact that a Mountie prevented him from taking a revolver across the border, assuring the Nebraskan that it was not necessary to carry a sidearm to protect oneself in Canada.\(^{136}\)) This trip had important implications for Norris’ thought about electricity policy, strengthening his belief in the HEPCO as a model for development at Muscle Shoals.

From a memo prepared by a fellow reporter for Edwin J. Clapp of the Hearst-owned *New York American*, it appears Wyer misled Smithsonian and Department of Commerce officials by telling them he took the data from an unpublished report of a royal commission, but in fact he had used the Gregory Commission’s public report.\(^{137}\) In the text of Wyer’s report, no mention is made of any document from an Ontario royal commission. A Smithsonian official also said that the institution had published Wyer’s pamphlet in the quickest time he had ever seen.\(^{138}\) The Smithsonian did not follow its usual practice of securing an estimate for the cost of printing in the Wyer case; instead, the Institution’s editor claimed the pamphlet was rushed to print, without

\(^{134}\) Norris to Beck, 18 January 1925, LOC, Norris Papers, Box 291, File: Canada.

\(^{135}\) Norris to White, 11 July 1925, LOC, Norris Papers, Box 246, File #265: Ontario.

\(^{136}\) Neuberger and Kahn, 1937, 214.

\(^{137}\) “Memorandum In Re Smithsonian Publication on Niagara Falls – Its Power Possibilities and Preservation”, 19 January 1925, LOC, Norris Papers, Box 300, File: Samuel Wyer.

\(^{138}\) Ibid.
the time for an estimate of publication costs. Walcott later admitted that Wyer paid the full printing costs. It also became apparent that Michigan Republican Senator James J. Couzens warned Walcott about Wyer’s connections to lobby groups over a year before.

The American progressives, as in other instances, grew impatient with the response of HEPCO officials. They did not understand why Beck did not immediately cooperate with public power activists and sympathetic reporters to refute the Wyer report’s claims. Timing was important for the Americans, because of the ongoing debate on Muscle Shoals in the Senate. Referring to Beck’s published reply to Wyer, Re Wyer-Walcott Report, King remarked to Cooke in early February:

The Canadian bunch are queer fellows. They simply will not play the game with us, or take any cognizance of the time element, and they are always about ten days or a month late. It cost a pretty penny, by telephone and wire, both for Clapp and myself to get this stuff out of Beck. You will see by the pamphlet that there is not a damn thing in it that he could not have dictated within two or three days and let Clapp have it when the stuff was hot and good news.

These American progressives do not seem to have understood that congressional debates were of little importance to Beck and other HEPCO officials. In other words, by the mid-1920s, Beck clearly exhibited a local understanding of the HEPCO’s significance, in contrast to his participation a decade earlier in the public power debate in New York State. American progressives may have believed that the commission was part of a transnational movement against monopolism, but Beck and other officials were only interested in expanding the

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139 Ibid.
140 Charles D. Walcott to Senator Pepper, 13 February 1925, LOC, Norris Papers, Box 300, File: Samuel Wyer.
HEPCO’s influence within the province’s boundaries. The only importance of the Wyer report for them was in protecting the commission’s reputation within the Ontario political system and perhaps in protecting the province’s credit rating on international markets. Although transnational progressivism had inspired movements in both Ontario and the United States, by 1925 the motivations of reformers in each place had clearly diverged.

Like the earlier works by Murray and Wyer, a 1925 book by former University of Toronto political economist James Mavor, *Niagara in Politics*, gained immediate attention amongst public power supporters and critics in the United States. Mavor’s book, in its cutting description of the Hydro as a vast political machine which controlled its provincial host, is perhaps much more of an enduring criticism than the misleading technical reports of Murray and Wyer. But its sponsorship by the NELA shows just how far American utilities were willing to go in discrediting the HEPCO in the United States. Mavor’s first published criticisms had appeared in a series of articles in the *Financial Post* in the latter half of 1916, at a time of controversy for the HEPCO within Ontario’s political system.\(^\text{144}\) Appearing several months after Beck’s death, Mavor’s 1925 book did not cause as much of a scandal in Ontario as the earlier reports by Murray and Wyer. Mavor’s narrative is almost a caricature of the creation of the HEPCO, in which “subversive” elements like radical Social Gospellers, trades unionists, and Communists took advantage of the founding of the commission to further their own nefarious ends.\(^\text{145}\) Mavor was far more original in noting that the HEPCO had become so large and influential that it had effectively subverted the two-party system.\(^\text{146}\) In such circumstances, the provincial utility gained

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\(^{145}\) James Mavor, *Niagara in Politics* (New York: E.P. Dutton & Company, 1925), 73, 78-84

\(^{146}\) Ibid., 241.
an unprecedented degree of autonomy from cabinet and responsible government became confused.

Almost immediately after its appearance, suspicions arose about the purpose and provenance of *Niagara in Politics*. Copies of Mavor’s book were sent to every member of Congress, leading Cooke to connect it to the electric utility lobby’s role in the Murray and Wyer reports.\(^{147}\) He assumed that it was not meant to influence public opinion in Canada as much as in the United States. In responding to an inquiry by Edward Keating, editor of the US newspaper *Labor*, HEPCO engineer Arthur V. White accused Mavor of being associated with corporate interests.\(^{148}\) Norris encouraged Keating to write an expose on Mavor’s earlier book attacking a government-owned telephone system in Manitoba, to further discredit Mavor in the US.\(^{149}\)

These suspicions were probably correct. The later Federal Trade Commission investigation revealed that Mavor received $3000 from NELA around the time of the publication of his book, and that, like the Murray report of 1922 and the Wyer report of 1925, NELA spent a large sum (in this case, allegedly $10,000) to distribute it to civic groups and public institutions.\(^{150}\) George L. Hoxie of Los Angeles paid Mavor $1000 for information when Hoxie was writing a report on HEPCO for NELA, but Mavor’s name was not disclosed by Hoxie until a judicial order.\(^{151}\) The utilities also published a special pamphlet entitled “The Deadly Parallel” to

\(^{147}\) “Memorandum on Mavor’s – “Niagara in Politics”” by Cooke, 1 February 1926, LOC, Norris Papers, Box 246, File #265: Ontario.

\(^{148}\) White to Keating, 22 January 1926, LOC, Norris Papers, Box 291, File: Canada. Interestingly, Keating had sent a letter to the editor of the *Globe*, but Stewart Lyon instead forwarded the letter to White to answer, thus showing the close interaction of the HEPCO and its supporters in the press.

\(^{149}\) Norris to Keating, 7 February 1926, LOC, Norris Papers, Box 291, File: Canada. Mavor was paid to write the book by AT&T (interestingly, the original manuscript was much more balanced in analysis than the published version) (see MacDougall, 2014, 185, 307n25).

\(^{150}\) See Gruening, 1931, 78; and Thompson, 1932, 350-351, 472, 507, 510. It was alleged that part of Mavor’s payment came by way of Dr. George L. Hoxie of the Southern California Edison Company, who was paid $6,782.92 by NELA to study Ontario. Nelles notes that Mavor produced a series of anti-Hydro articles in the 1910s but suggests these were motivated more by ideology than material gain (Nelles, 1974, 405-406n26).

\(^{151}\) See “Memorandum on Letter of Mr. X to Professor Frankfurter Re Power Trust Investigation by the Federal Trade Commission,” no date, LOC, Frankfurter Papers, reel 113.
compare some of Mavor’s statements about the HEPCO with those of socialist Carl D. Thompson of the Public Ownership League of America.\(^{152}\)

**HEPCO and the Giant Power Survey, 1923-1927\(^{153}\)**

In 1923, Pennsylvania Governor Gifford Pinchot began a statewide investigation into electricity policies. The recommendations of the so-called “Giant Power Survey” were ultimately blocked in the state legislature, but it marks an interesting chapter in American thinking on electricity policy, one in which the HEPCO served as an example of the technical possibilities for low rates and as a model for the social revolution which could be achieved by rural electrification. Incorporating a mix of public regulation and private ownership, the Giant Power plan and its advocates used the HEPCO in different conceptual and rhetorical ways than the supporters of direct public ownership. The public ownership movement, led by Norris and taking part in the national debate over the federal government’s continued role in producing hydroelectricity at Muscle Shoals, used the HEPCO as an example of the successful public operation of an electrical utility. The supporters of Giant Power, on the other hand, invoked the Ontario experiment to argue for broader access to electricity, especially in rural areas, and to criticize the inflated rate schedules of the privately-owned utilities. In its combination of policy recommendations, Giant Power can be seen as an example of the ideological merger Jay L. Brigham describes as occurring between the progressive groups that supported public ownership and those that preferred regulation.\(^{154}\) In this way, the partisans of public ownership and those of

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\(^{152}\) Thompson, 1932, 507-508.


\(^{154}\) Brigham, 1998, 11.
regulation moved closer to each other, abandoning sectarianism in their pursuit of reform to the electricity industry (Cooke, for instance, was a member of the pro-regulation group, but the Giant Power experience brought him into dialogue with the public ownership movement, which he essentially later joined as a member of the PASNY and REA; likewise, the New Deal was marked not just by major public power projects like the TVA, but also the adoption of greater federal regulation through the Public Utilities Holding Company Act). The Giant Power project also made direct connections between electricity prices and public welfare. In the words of Ronald C. Tobey, Cooke “synthesized the rational housekeeping movement, with its emphasis on transformation of the household, and the Progressive power movement.”

Morris L. Cooke, the director of the Giant Power Survey Board described the plan as “the establishment of large sized by-product and power stations, located near the coal mines, supplying current to the trunk lines of an integrated transmission and distribution system which also carries the electricity derived from water power; the while making possible the distribution of current to the rural population; together with a reduction of rates, especially to the small consumer…” The name “Giant Power” was an answer to the “Super Power” plan then gaining currency among corporate liberals and engineers, as a way to create an integrated electrical grid in the northeastern United States. While Giant Power was to involve the creation of a new generation, distribution, and transmission system, to create and pool huge amounts of electricity in the State of Pennsylvania (with potential extension throughout the region), Super Power was merely “the interchange of small quantities of surplus power at the ends of the distribution wires of each system.” As it would involve much less regulation and technological innovation, the

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155 Tobey, 1996, 50.
157 Report of the Giant Power Survey Board, 1925, vii-viii. Belfield shows that the US War Department’s intervention in the electric generating companies on the Niagara River during the First World War, forcing
Super Power plan was much more palatable to the private utility industry, as will be shown below. Giant Power was thus conceived of as both a political and technological solution to the issue of high electricity prices and rural electrification.

The individuals involved in the Giant Power Survey came to understand HEPCO through fact-finding trips to Ontario, one of the “vectors” of progressive policy diffusion described by Rodgers. Although these reformers saw their cause as one and the same as that of the Ontario commission, HEPCO officials, through their correspondence, revealed a hesitancy to become too closely associated with the Pennsylvania project. This dissonance underlines the differences in motivation for public power supporters in Ontario and the United States.

Pinchot moved to set up an inquiry into the electricity industry in Pennsylvania almost immediately after taking office in January 1923. The administration received an appropriation from the General Assembly of the Commonwealth of Pennsylvania of $35,000 for the Giant Power Survey Board, although he asked for $50,000.\(^{158}\) Two of the men Pinchot named to the Board were noted conservationists he had worked with in the US Forest Service: Attorney General George Woodruff, and Deputy Attorney General Philip Wells.\(^{159}\) Morris Llewellyn Cooke was named director of the Board, which was a key appointment, because of his earlier contact with HEPCO. In his role as Acting Director of the Utilities Bureau, Cooke contacted an official of the Toronto Hydro-Electric System as early as 1918.\(^{160}\)

Many individuals attached to the Giant Power Survey Board were known to Cooke from his days as Director of Public Works in Philadelphia. One of the lawyers retained by the city for horizontal integration, served as the genesis of the Superpower idea, and provided the momentum for the formation of a regional system, under private ownership, in the 1920s (see Belfield, 1981, 275-6, 298, 307-8).

\(^{158}\) McGeary, 1960, 298.
\(^{159}\) Ibid.
its case against the Philadelphia Electric Company in 1914 was Harold Evans, who took part in Giant Power. Judson C. Dickerman, the head of the Bureau of Gas, and who assisted in the 1914 case, was later named the deputy director of the Giant Power Survey Board. Electrical engineer George H. Morse, another future Giant Power associate, acted as an expert witness in the 1914 rate case. Cooke later claimed that Giant Power engineer Otto Rau was the first person in the United States to wire a house for electric light. This team was also notable for the fact that many of its members later took leading roles in the public power movement, such as the creation of the PASNY and the TVA.

The HEPCO was a key supplier of information to the Giant Power Survey Board, particularly in establishing technically feasible minimums for electricity rates and in outlining rural electrification strategies. Although the information flow was asymmetric, with HEPCO mostly supplying data to the Giant Power Survey, the Pennsylvanians did provide some material to the Ontarians. Cooke and the other power reformers provided information about anti-HEPCO propaganda by the power industry in the United States. But overall, the individuals involved in Giant Power were much more dependent on the HEPCO for information and technical expertise than vice-versa. This contradicts a claim that the Giant Power plan did not significantly rely on the technical advice of outsiders.

The Giant Power Survey sought a great deal of technical information from the HEPCO, underlining the Pennsylvanians’ dependence on the Ontario utility for engineering data that they could not otherwise afford to pay for or acquire in the United States. In one letter, Morse asked

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Gaby for information on rural electricity use in an area approximating the size of an American county, about twenty-five miles square. On the same day, Morse sent another letter to Gaby, asking for data on many farm electrical devices. He ended this letter: “We anticipate that the information we are now asking for and which we propose to use in our report, can be made the basis of popularizing and extending rural electrification in the State of Pennsylvania.”

Perhaps understanding the demands he had placed on the HEPCO, Cooke wrote Gaby: “…I am sorry if this put you to trouble in looking into the matter and assure you that in view of your very many courtesies we are distressed to feel we were unreasonable in that instance.”

The Giant Power Survey Board’s report, presented to Pennsylvania’s General Assembly in 1925, involved a multi-faceted plan for greater regulation and government control over the electricity industry. On its technical side, this involved the creation of huge electricity plants at coal mine sites in the western part of the state, and the development of a high-voltage transmission and distribution network. But as Thomas P. Hughes shows, the Giant Power idea was most controversial because of the large amount of control it gave to the government of Pennsylvania to direct development in the electricity industry, both in economic and technological terms. As Hughes explains, in addition to rate regulation by the Public Service Commission, a proposed Giant Power Board would oversee the creation of new (and separate) generation and transmission companies. Not only would regionally-based private electric utilities be converted into either single-purpose generation or transmission enterprises, but Giant Power legislation would allow the state to expropriate the new companies with the same fees these
companies had paid into escrow, for the amortization of the cost of the coal mines and transmission line rights of way. The private companies were also alarmed by the proposal for electricity rates not to be set according to the cost of investment, but rather the prudent investment theory (by which rates are established by reference to the rational employment of assets, not their market value, to avoid overcapitalization). Rural distribution cooperatives were also to be encouraged to further farmers’ access to electricity. Lastly, the Giant Power plan involved a proposal for Pennsylvania to make agreements with neighbouring states to regulate interstate transmission in the absence of stronger federal action.

The many requests for information from HEPCO led directly to many of the technical details used in the Giant Power report. The importance of HEPCO for the Giant Power Survey Board’s information is slighted, however, by the relative dearth of titles in the Ontario section of the bibliography of its report.167 In October and November 1924, Cooke wrote to HEPCO for details on power transmission losses from Niagara Falls to Windsor.168 This information ended up in the Giant Power report, along with an example from Germany, to argue for the feasibility of long-distance transmission.169 HEPCO information was a key part of Morse’s contribution, a technical report on rural electrification. In addition to Ontario, rural electrification examples were used from other states and foreign countries like France, Germany, New Zealand, and Sweden. Figures were cited for Toronto Township to show the low electricity rate of 6.21 cents per kWh, which would fall to 3.92 cents per kWh once the local system’s debt was fully amortized.170 This compared to rates of well over 7 cents per kWh prevailing for farmers in

168 Cooke to Gaby, 20 October 1924, and 4 November 1924; Gaby to Cooke, 28 October 1924; Jeffrey to Cooke, 11 November 1924; FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Boxes 35-36, File 389(3); “Ontario Hydro-Electric Power.” Cooke to Jeffrey, 14 November 1924, FDRPL, Cooke Papers, K. Giant Power Survey Papers, 1924-25; Box 187, File 10: Gaby, Frederick T.
170 Ibid., 129-130.
Pennsylvania. Morse also detailed HEPCO’s method of extending transmission lines into rural areas, which involved recruiting local farmers into construction work and applying a government bonus to the costs. He stated, however, that this answer “may or may not be applicable in this state.” The data on Chatham, Ridgetown, Saltfleet, and Simcoe that Cooke and Morse begged Gaby for in spring 1924 appeared in the appendix to the latter’s report. HEPCO was also cited for rural rate structures.

The promoters of Giant Power used the periodical press to advocate for their plan. The March 1924 issue of Survey Graphic and the March 1925 issue of the Annals of the American Academy of Political and Social Science were both devoted to discussing the merits of the project. In each case, the HEPCO was invoked as an example of the social consequences of cheap electricity, especially for rural people. Beck and Gaby also contributed to these publications, but in their submissions, they were not so much interested in promoting public ownership in the United States, but rather defended the HEPCO’s reputation from criticism, such efforts were ultimately meant to protect the commission’s political independence in Ontario. Like some of the contributions from American writers, Beck and Gaby presented the HEPCO as “partnership” of, or a “trustee” for, the cooperating municipalities, rather than an arm of the provincial government.

Survey Graphic’s special issue on Giant Power discussed the Pennsylvanian idea in several essays, by social reformers, technical experts, and politicians (Pinchot and Governor Al Smith of New York State). Ontario, of course, appears in many of the issue’s articles, largely

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171 Ibid., 134.
172 Ibid.
173 Ibid., 285-286.
174 Ibid., 300, 303-304.
due, of course, to a sentiment which appeared on the “Editorials” page: “Why should the
domestic rate per k.w. hour range from nine to fifteen cents in most American cities and towns
when most towns and cities in Ontario get it for three cents and less?”176 Although certainly not
the only theme found in the Survey’s Giant Power issue, HEPCO certainly figures prominently in
it.

Aside from explaining the history and operations of HEPCO, Beck’s article is interesting
for the ways in which it is directed at internal political debates in Ontario. For example, he made
a very provocative statement, in light of the ongoing struggle between the Canadian federal
government and the province for control of power produced on the international section of the St.
Lawrence: “The province of Ontario is the owner of Canada’s equity in the water power in the
international portion of the St. Lawrence river…”177 He also struck out against the recent critical
works then circulating in the United States: “There has been a great deal of opposition to the
program of the municipalities in their hydro-electric undertaking, but criticism of the results
obtained has come almost entirely from outside sources. Probably no public reform has
experienced more misrepresentation than has the work of the commission.”178

A special issue of the Annals of the American Academy of Political and Social Science
was also organized to promote the ideas of the Giant Power Survey. In these papers, HEPCO was
presented alongside France, Germany, the United Kingdom, and other countries as foreign power
experiments worthy of emulation in the United States. These included an article by French
engineers A. Antoine and A. Libault,179 two articles by Count Hugo Lerchenfeld, a member of

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177 Beck, 1924, 588.
178 Ibid., 650.
179 A. Antoine and A. Libault. Annals of the American Academy of Political and Social Science, 118, Giant Power: Large Scale Electrical Development as a Social Factor (March 1925): 10-13; Cooke seems to have kept Antoine
the conservative Bavarian People’s Party, one by Heber Blankenhorn, the London correspondent for Labor, and a review of developments in Western Europe, Ontario, and New Zealand by Harold Evans, Counsel of the Rural Electric Committee, Pennsylvania Council of Agricultural Organizations. (Evans, probably in an unconscious error, characterizes Ontario as a “country” along with Germany, Denmark, Sweden, and the other states he reviews.)

The use of the fact-finding visit, another important “vector” of transnational progressivism, was also important in acquainting the promoters of Giant Power to the HEPCO. In late May 1923, Cooke and Robert W. Bruère, associate editor of The Survey, visited HEPCO facilities after attending an American Society of Mechanical Engineers’ convention in nearby Montreal. This was the first of many trips each man would make to Ontario. As Cooke described to Gaby: “I think both Mr. Bruère and I would like to use this trip in order to fully familiarize ourselves with the Ontario development, and by this I do not mean entirely of course its technical aspects. Mr. Bruère especially is interested in the social implications of all you are doing and will want to get in touch with your consumers of several classes.” Cooke seems to have greatly enjoyed his visit. To Gaby, he wrote: “Both Mr. Bruere [sic] and I have returned apprised of developments in Canada (see Cooke to “M.” Antoine, 7 December 1931, FDRPL, Cooke Papers, D. General Correspondence, 1930-1932, Boxes 117-118: “A, B, C,” File: “A.”).


Cooke had earlier endeavored to interest Beck in sending HEPC officials to present and discuss papers at the convention, to ensure sympathetic views towards the Commission’s operation; see Cooke to Beck, 5 February 1923, FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Boxes 35-36, File 389(2): “Ontario Hydro-Electric Power.”

very much enthused over all that we saw and anxious to pave the way for something of the same kind here in this country, whether under public or private auspices.”

To Rau, Cooke wrote: “It is the finest piece of government work that I know of anywhere, so I have come back more than ever enthused over the possibilities of Giant Power not only in Pennsylvania but throughout the United States.” Cooke evidently had several private conversations with Beck, in which the latter emphasized the anti-HEPCO propaganda then circulating in the United States. As Cooke later recounted to a Pennsylvania correspondent: “He remarked to me with a merry twinkle in his eye ‘I think most of our difficulties are financed on your side of the border.’

Bruère was accompanied to Ontario by his wife Martha Bensley Bruère (also an associate editor of The Survey) during the 1923 trip and another in 1924. She was much inspired by her time in Ontario, which is shown in two articles she wrote in support of Giant Power. The couple were active supporters of the Country Life Movement before the First World War, and it is evident that their interest in the HEPCO and Giant Power was mostly due to the issue of rural electrification. Bensley Bruère’s “Hydro”-utopianism is evident in “Following the Hydro,” an article for the special Giant Power issue of Survey Graphic in March 1924. In recounting her summer 1923 trip to Ontario, she presented Woodstock as an ideal city, with “no poverty,” few servants (due to the accessibility of electric devices), a diverse industrial base, and a counted citizenry: “It seemed to me that in Woodstock the cure of cheap power was pretty effective.”

She was also pleased by the “long series of Hydro villages” of 1000-3000 people, such as

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187 Cooke to Rau, 4 June 1923, FDRPL, Cooke Papers, A. General Correspondence, Numerical File, 1910-1929, Box 81, File #289: Rau, Otto M.
188 Cooke to Fred L. Miller, 3 July 1923, LOC, Philip P. Wells papers (hereafter “Wells Papers”; part of Pinchot Papers), Box 2893; File: Giant Power – Misc – 1923.
190 Martha Bensley Bruère, “Following the Hydro,” Survey Graphic, 1 March 1924: 591-594
Norwich, Petrolia, and Watford. But her real enthusiasm was for “the real Hydro country,” the farming areas which now had access to electricity. Bensley Bruère delighted in recounting the new freedom gained by farmers’ wives due to labour-saving devices, and the end of out-migration for farmers’ sons and daughters. She described how she followed

the Hydro along the smooth roads, till its steel towers stood out black against the sunset and the whole of Ontario was a field of fire fenced in by a ring of electricity, and not a factory chimney in any of the distant towns to smudge the sky with black, and all the whirling windmills that had once set like giant daisies against the sky, broken and wilted and useless, and all the mud roads turned to concrete, and all the pioneer poverty done away.  

Religious imagery is also obvious from an anecdote she received from a HEPCO representative:

When they got Hydro in here, they wanted to get it into the church first thing, so on Saturday I had it connected up. Then on Sunday Sir Adam Beck spoke in the church, and Lady Beck gave the music. Well, what he said was as good a sermon as I ever heard. I don’t remember if he used a text or not, but the thing he spoke about was “Let there be light.” And there was the Hydro while he talked blazing all over the place.

The combination of a modernist literary style, a technological utopianism, religious imagery, and Beck idol worship was evident throughout Bensley Bruère’s Giant Power pieces on Ontario.

Another article, for the March 1925 Giant Power issue of the Annals of the American Academy of Political and Social Science, was incredibly evocative and emphatic in presenting the HEPCO in utopian terms. Bensley Bruère described an automobile trip across Ontario in 1924, poetically recalling the beautiful and orderly countryside, “where one long smooth concrete road crossed another long smooth concrete road like the white markings on a tennis court”. She stopped at the house of a country doctor and asked his wife to describe the benefits of electricity to rural life. Bensley Bruère presented rural electrification in Ontario as an emancipatory crusade for women, remarking of the doctor’s wife and her daughter-in-law: “Both

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191 Ibid., 592-593.
192 Ibid., 594.
193 Ibid., 593.
194 Martha Bensley Bruère, “What is Giant Power For?” Annals of the American Academy of Political and Social Science, 118, Giant Power: Large Scale Electrical Development as a Social Factor (March 1925): 120-123.
these women had been freed by the fact that plenty of electric power was available at their doors and that it cost them only about 3 cents a kilowatt hour. For them leisure and ease were not only possible but cheap.”195 She went on to compare two towns, one in New York State, in a beautiful setting on the Hudson River, the other in an ordinary landscape in rural Ontario, and concludes of the latter: “…cheap electricity has given its women not only freedom from drudgery and leisure and ease, but opportunity as well. With us drudgery survives because electricity is excessively dear.”196 But it goes without saying that Bensley Bruère seemed to ignore the ambiguous effects of electrification on the lives of rural women, who may not have seen significant changes to the gendered power relationships in their households.197 Nevertheless, the basis of Bensley Bruère’s enthusiasm for the Ontario model is clear if one keeps in mind the limited extent of electrification to farms and rural areas during the 1920s. In 1924, one expert claimed, only 6.4% of Pennsylvania farms had access to electricity, compared to less than 2.7% across the United States.198 In southern Ontario, by contrast, about 27% of farms were electrified, a rate only matched in California and only exceeded in Denmark, Germany, and Sweden.199

In a short piece for the Survey about a trip to a plowing match near Sarnia, Bensley Bruère also described how a display by the HEPCO held-out the benefits of modernity to all rural people:

…to the twenty thousand people at the Plowing Match the use of electricity was a vital matter, and they had come there anxious to learn of anything which could make their work easier… The people blocked the entrance to the Hydro tent, unable to get in till some of those slowly milling round and round inside came out. Old men and women

195 Ibid.
196 Ibid., 122.
198 Harold Evans, “The World’s Experience with Rural Electrification,” Annals of the American Academy of Political and Social Science, 118, Giant Power: Large Scale Electrical Development as a Social Factor (March 1925): 39. I use the term “access to electricity” to refer to central station service, as opposed to private generation, which was exceedingly rare.
199 Brown, 1980, 17; Evans, 1925.
were just as interested as young farmers’ wives, and the children were entranced. But none were more spellbound than three Indian women, who kept the demonstrator busy a long time with the details of operation of a white enameled electric cook stove and then retired to a corner for earnest consultation among themselves. It is a bit startling to see an Indian women, even one wearing something approaching modern dress, whose blanket-wrapped mother had held deer meat on a stick over the fire at the teepee door, preparing to buy an electric range. But why not, when her husband was a contestant in the Plowing Match?²⁰⁰

She saw these First Nations women (probably from nearby Ipperwash or Walpole Island) as symptomatic of the modernity Ontario’s rural population enjoyed, thanks in part to the HEPCO:

“This gathering was the social expression of a people whose economic organization was in a more or less primitive agricultural stage, but who had the most up-to-date mechanical equipment that an industrial civilization could furnish them.”²⁰¹ The 1923 and 1924 trips also brought Bensley Bruère recognition as an expert in the area women’s use of electricity. Morse sought her advice on estimating domestic electricity usage by farm families in Ontario.²⁰² As he wrote to her: “The information desired is distinctly that of a woman’s sphere, and that is one reason we are appealing to the ladies to help us in the matter.”²⁰³

The Giant Power idea was a direct challenge to the “Super Power” proposal of consulting engineer William S. Murray, who carried out a survey of northeastern power sources for the Department of the Interior in 1921.²⁰⁴ Murray, of course, was the same man who wrote the 1922 pamphlet critical of the HEPCO, and his pro-private leanings are evident in the Super Power proposal. The plan, later supported by Secretary of Commerce Herbert Hoover, entailed the

²⁰¹ Ibid.
²⁰² Martha Bruere to George H. Morse, 19 March 1924, FDRPL, Cooke Papers, K. Giant Power Survey Papers, 1924-25, Box 186, File: Bruere, Robert.
²⁰³ Morse to Martha Bruere, 24 March 1924, FDRPL, Cooke Papers, K. Giant Power Survey Papers, 1924-25, Box 186, File: Bruere, Robert.
creation of huge new power plants to serve a new high-voltage transmission network. Unlike the Giant Power idea, however, there was no room for any notions of greater government regulation or public ownership in this proposal. Like the other numerous causes promoted by Hoover, who as secretary and later president held over 3000 conferences to publicize and solve specific social and economic problems, Super Power was an attempt to promote cooperation as a solution to problems in the private electricity industry, obviating the need for further regulation or public ownership. Lower electricity rates were to be achieved through the cooperation of state governments and private utilities, under the supervision of the federal government, which would work together to build an interconnected grid across the eastern coast of the United States.

In his book *Superpower – Its Genesis and Future*, Murray went to great lengths attacking public ownership. He singled out the HEPCO for special criticism: “Although the great natural falls at Niagara are not comparable with any other developed water-power service, the advocates of Federal, Municipal, or State ownership have used the Ontario hydro-electric system as their greatest argument.” He argued that the low HEPCO rates frequently cited by public ownership supporters were only prevalent in southern Ontario, and that domestic rates were unnaturally subsidized by commercial and industrial electricity users. Murray presented data that suggested Ontario was less efficient in producing electricity than the private power industry in Quebec. He also published an extract from his 1922 report, which accused the HEPCO of hiding the true costs of producing electricity and lacking the management of prudent capitalist managers.

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207 Ibid., 28.
209 Ibid., 29-31.
eastern seaboard had taken place, Murray argued that the private power industry was not to blame: “Politics, propaganda, and reports of the character of the Pennsylvania Giant Power Survey Board, in my opinion, are the basic reasons for delay. These are the elements which prejudice the public mind.”

Attacking Pinchot for his criticism of high rates for domestic electricity users, Murray wrote: “I wish it were recognized by our politicians and Bolshevist friends that the chief expense of furnishing power to the consumer lies in its distribution from the power station after it has been generated.” In criticizing the Giant Power idea to create farmers’ electricity cooperatives to distribute energy to rural areas, Murray dismissively wrote: “I am, indeed, in favor of according the farmer the fullest possible advantage in the use of electricity, but the carrying out of the plan suggested by Governor Pinchot, in my opinion would, instead of creating an asset to the farmer, impose upon him a serious liability.” Any benefit to the farmer, Murray surmised, would come from cross subsidizing rates or tax increases.

Murray was a key mover behind Secretary of Commerce Hoover’s Northeastern Super Power committee. Cooke was appointed by Pinchot to be one of the Commonwealth of Pennsylvania’s representatives on the committee. Cooke later wrote to Gaby about a preliminary technical meeting he attended in January 1924, at which Murray was inexplicably present and continuously criticized the HEPCO. Cooke also suspected that Hoover’s 1923 conference with the chairmen of the northeastern states’ public service commissions was organized and led by Murray and M.H. Aylesworth, the secretary of NELA. However, the Super Power idea, like

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210 Murray, 1925, 69.
211 Ibid., 156.
212 Ibid., 204-205.
214 Cooke to Pinchot, 16 October 1923, LOC, Pinchot Papers; Box 1370; File: “Cooke, Morris L.”; Kendrick A. Clements claims that Hoover was not motivated by any mercenary interests in his support for the Super Power plan, but rather by an inflexible commitment to an older progressive notion of “efficiency” and an engineer’s aversion to
Giant Power, failed to gain traction. Although not a plan involving regulation of rates or government ownership, Super Power was of little interest to the electricity industry, which wanted to maintain its autonomy. As Thomas Hughes writes: “America’s utilities proceeded with interconnection, but not in accordance with a master government scheme for an entire state or region. The vision of planned social revolution through technology gave way to the long-standing confidence that private enterprise and American technological genius would bring profit and progress.”

In a memo dated 20 April 1925, Cooke outlined the Pinchot administration’s strategy for power reforms, to be centered in three offices: the Public Service Commission (PSC), the Attorney General’s office, and the Governor’s office. Action was to be followed in four areas: formation of a national super-power committee; negotiations with five neighbouring states; cooperation with Norris and other congressional leaders for favourable federal legislation; and a Muscle Shoals committee to be formed “along lines already discussed with Norris and Wells”.

In an attached memo, Cooke suggested the appointment of Clyde King and Harold Evans to the PSC, along with the appointment of Dickerman as chief engineer. In every area, Cooke and Pinchot faced setbacks.

It is perhaps unsurprising that the radical proposals in the Giant Power plan failed due to the widespread opposition of the private electricity industry. As Thomas Hughes says, “Pinchot and Cooke were not simply proposing a radical technology; they were proposing radical change entering a political debate over public ownership; see Hoover, Conservation and Consumerism: Engineering the Good Life. (Lawrence, KS: University Press of Kansas, 2000), 88-89.

215 Hughes, 1983, 313.
217 Ibid.
in the deepest sense of the word. They were calling for a shift in power, an economic revolution.” In 1925, the Pinchot administration introduced 19 bills in the General Assembly to enforce the recommendations of the Giant Power report; all of these measures died in committee, after facing strong opposition from the utility industry, business organizations, and the state’s various Republican factions. (In fact, Pinchot tried to make the issue a national one, by making speeches in Denver, Los Angeles, and San Francisco in the summer of 1925.) Pinchot saw interstate federal regulation as unachievable, and thus sought to form an alliance with other regional governors. In the fall of 1925, New Jersey, New York, and Pennsylvania formed a “Tri-State Power Commission”, but the effort collapsed due to the opposition of William A. Prendergast, the chairman of the New York State Public Service Commission, and the disinterest of New Jersey politicians. A modified Giant Power bill was considered by a joint hearing of the state senate’s Committee on Corporations and the lower house’s Manufacturers Committee in January-February 1926, but was rejected due to technical arguments from engineers and the public relations pressure of the utilities.

The governor also faced opposition from his state’s regulatory commission. Pinchot fought a continual battle against the state PSC over its perceived lack of initiative in fighting the utilities. After the clear defeat of the Giant Power proposals by early 1926, the PSC put out an order requiring private utilities to extend lines to any rural area with at least three electricity-

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219 Hughes, 1983, 312.
220 McGeary, 1960, 299, and Christie, 1972, 495-496; Char Miller also points out that the defeat of Giant Power was connected to the fact that Pennsylvania had one-term limits for governors, thus limiting their ability to influence events over the long term (see Miller, 2001, 261); Christie particularly blames a lack of support from Pinchot’s farmer allies, along with the tepid response of organized labour, for the defeat (see Christie, 1972, 501-505).
222 Christie, 1983, 80-81
223 Hughes, 1983, 310-12. The hearing also included the testimony of a former congressman, who accused the Giant Power plan of socialism.
224 McGeary, 299-302.
using farms to a mile, with construction costs to be fully borne by the utilities.²²⁵ The order also called for the creation of “rural distribution associations,” similar to Ontario’s rural power districts. By 1927, with Pinchot out of office, the state’s utilities convinced the PSC to cancel the order and substitute it with one requiring farmers to pay part of the construction costs.

But despite the failure of the Giant Power plan by the time Pinchot ended his gubernatorial term in January 1927,²²⁶ the proposal is significant for the way it brought American progressives into even closer contact with HEPCO officials and thus disseminated the idea of Ontario’s “Hydro experiment.” Giant Power was rejected due to the opposition of the private utilities, who feared the high level of regulation (and threat of nationalization) included in the plan, along with engineers who rightly pointed to its rigid technological specifications. However, American power reformers became well-acquainted with the HEPCO thanks to the Giant Power Survey Board. This knowledge of the Ontario commission came through classic progressive vectors of diffusion, such as fact-finding trips. Despite the enthusiasm of American progressives, HEPCO officials were leery of too close an association with the public power movement in the United States, perhaps due to NELA-funded criticism.

Conclusion

By the 1920s, the HEPCO had become something of a model for American progressives who were working on reforming the electricity industry. Although they did not always have a clear understanding of the HEPCO and its workings, groups like Carl Thompson’s Public Ownership League and Judson King’s National Popular Government League believed that the Ontario commission was a clear example of the benefits of public ownership. Senator George W. Kline, 2000, 135.

²²⁵ Pinchot ran again in 1930 and narrowly won
Norris came to rely on the HEPCO during Senate debates over the privatization of the US government’s ownership of the Muscle Shoals power complex. As with public ownership supporters, the Giant Power activists came to understand the HEPCO through progressive vectors of diffusion, such as publications and fact-finding missions. This enthusiasm among progressives for the Ontario experiment also mobilized the private electricity industry, via the National Electric Light Association, into publishing critiques.

By 1927, the American public power movement was in a stalemate with the private electricity industry. Although progressive leaders like Norris were able to frustrate plans to increase private ownership in the sector, such as at Muscle Shoals, they were unable to expand public control. Projects for public ownership (such as in California) and greater regulation (such as in Pennsylvania) were successfully blocked in the 1920s, thanks to the efforts of the NELA and other industry groups. However, throughout this period, American progressives came to further refine their ideas for electricity policy reform, helped in large part due to their exposure to the HEPCO. The existence of the Ontario commission helped to sustain American efforts throughout the period, by demonstrating the efficacy of public ownership and rural electrification.
Chapter 3:  
Adam Beck, Progressivism, and the Internationalization of Ontario Hydro Politics, 1910-1925  

Introduction  

Between the beginning of energy transmission by the Hydro-Electric Power Commission in 1910 and his death in 1925, Adam Beck was, aside from the premier, the most powerful figure in Ontario’s political system. As HEPCO chairman, Beck aggressively promoted the utility’s interests and pushed it into the new fields of generation and the operation of electric railways (“radials”). In doing so, he resisted cabinet control and shaped the HEPCO into a body that sat uneasily between the provincial state, municipalities, and civil society. Beck’s hydroelectric politics highlight not only Progressive Era concerns, such as anti-monopolism and efficiency, but also underline the transnational significance of the HEPCO. Due to American criticism of the Ontario experiment, electricity policy debate in the province gained a new valence and drama they might not otherwise have displayed. This was a reflexive dynamic, as Ontarians responded to American reactions towards their operation of the HEPCO. American observation of Ontario politics changed Ontarians’ political behaviour. The actions of NELA made Beck and his supporters sensitive to any criticism in Ontario, and they quickly came to cast their domestic opponents as enemies of the public power idea who were potentially allied with the private electric utilities in the United States. In other words, the HEPCO and the public power movement not only became the locus for progressive energies in Ontario, but additionally injected international controversy into provincial politics.

During the early twentieth century, the public power movement offered a possibility for reorienting Ontario’s political culture and party system by mobilizing citizens on behalf of the HEPCO and absorbing other progressive causes, such as public telephony and railway electrification. This movement had a much greater appeal than prohibition (the other great
reform issue of the era), uniting Ontarians across class, party, and religion. This integrative aspect of the HEPCO’s politics adds a dimension to our understanding of the ideological morphology of the province, which has long interested historians of Ontario. Peter Oliver, for instance, claimed that the Hearst government did not lose the 1919 election due to labour and rural unrest, but rather internal disorganization, a position disputed by James Naylor, who emphasizes the presence of labour radicalism in Ontario.¹ What this debate misses is the wide progressive appeal of the HEPCO, which could champion and promote (at least on the level of rhetoric and ideology) the interests of small manufacturers, middle-class householders, farmers, and unionized skilled labour. This chapter will also help to answer a question asked by S.J.R. Noel: “what happened to Ontario clientelism after Mowat?”² Although the Conservative and Liberal parties continued as patronage-fuelled organizations into the twentieth century, the HEPCO also arose as a political vehicle by combining progressive ideological appeals with the use of clientelist relationships. Just like the Independent Labor Party and United Farmers of Ontario, the HEPCO movement employed patronage as part of its partisan behaviour, showing the limits of radical and progressive attempts to reform the political culture.³ In other words, what will follow is partly an organizational explanation of the Ontario political system in the first few decades of the twentieth century. Although businessmen succeeded in this environment, so too did other interest groups and social movements. Having been instigated by a hybrid interest


³ Elsewhere I have shown that the ILP and UFO used patronage to reward ideological supporters, which they saw as different from political reward based on partisanship. (See: Mark Sholdice, “‘Patronage, like Hamlet’s ghost will not down!’: The United Farmers of Ontario-Independent Labor Party Provincial Government and Political Patronage, 1919-1923,” Ontario History (Autumn 2014): 191-213).
group-social movement, the HEPCO earned the support not just of provincial manufacturers but a wide range of Ontarians.

Beck turned the HEPCO into an independent political organization during a period of new social and political divisions in Ontario. As happened in the United States, the province experienced challenges to its two-party system, the rise of farmer and labour political movements, increased interest in social reform, and the implementation of prohibition. Support for government ownership of hydroelectricity bridged these divides, and thus the HEPCO under the leadership of Beck began to occupy a central place in provincial politics. Indeed, after the 1919 election Beck may have considered taking the premiership, at the head of a pro-HEPCO coalition of progressives. However, no permanent political realignment took place. Beck either rejected the premiership or was denied it, and his ambitious plans for the expansion of HEPCO-owned electric railways were thwarted by the Drury government. When the Conservatives returned to power under Howard Ferguson in 1923, Beck rejoined cabinet and the HEPCO came under more firm oversight by the provincial government. By the time of Beck’s death in 1925, progressives remained divided between the various parties, but public ownership was firmly established as a consensus in Ontario politics.

The following chapter outlines the key components of Beck’s political operations and will then explain his relationship with four successive premiers: Whitney, Hearst, Drury, and Ferguson. The trajectory of Beck’s career may be well-known (from Tory cabinet minister to political independent and back again), but the emphasis here will be on his place as a leader of the province’s progressive movement. As argued throughout this dissertation, it is in the context of transnational progressivism that the actions of the HEPCO (and its first chairman) can be best understood. This progressivism was pluralistic and sought to advance values like anti-
monopolism and equal access to technology, just as much as it promoted economic goals like low electricity rates. By the 1920s, the commission “subsidized its voter-shareholders at the expense of other consumers,”⁴ a fact that underlines its political, rather than merely economic, nature. In other words, the HEPCO was a collective, and contested, attempt to restructure the electricity industry under public control, rather than a narrow expression of manufacturers’ self-interest. Despite the fact they organized the first pro-“hydro” meetings, Ontario’s progressive businessmen quickly lost leadership of their crusade: under Beck, the movement became something other than a straightforward quest for cheap industrial energy.

But despite the pluralism in the ideological, political, and social composition of the public power movement, Beck conceived of public ownership, in the form of the HEPCO, as the panacea for many economic, political, and social problems in the province. This explains why he prioritized the commission over all other policy areas, going so far as to consider forming a “pro-Hydro” government after the 1919 election. Beck’s singular vision also explains the conflicts he engaged in with various premiers and cabinet colleagues who he believed to be hostile to public ownership. Thanks in part to the NELA-funded campaign in the United States, Beck came to believe that any domestic criticism or opposition to his plans was the result of the machinations of corporate monopolists. Provincial politics became imbued with a sense of international intrigue thanks to the interest in the commission from American progressives and their foes in the private utility industry. Feeling as he did that the HEPCO was the solution to Ontario’s problems, and that it was under threat from American-inspired domestic enemies, the actions of Beck and his supporters during this period become more explicable.

Beck and the Public Power Movement

The creation and early growth of the HEPCO took place during a period of new divisions in Ontario politics and society, but Beck’s unique contribution was to turn the utility into a centre of activity that could unify progressives from diverse backgrounds. By combining pressure groups, allied newspapers, cross-party supporters, and a populist style or aesthetic, Beck established an independent power base in the 1910-1925 period, which has been termed the “public power movement.” Notably, each of these four elements were related to Progressive Era developments: for instance, at a time when the two-party system was weakening, the HEPCO’s auxiliary movement provided an outlet for political action for partisans, non-partisans, and anti-partisans; Beck’s populist style was also well-adapted for presentation by the increasingly independent and reformist daily press.

A few interrelated pressure groups provided the organizational vehicles for supporters of this movement. The Ontario Municipal Electric Association (OMEA), which was the 1912 re-foundation of an earlier Municipal Power Union of Western Ontario, and the Hydro-Electric Railway Association of Ontario (HERAO) were “non-partisan” organizations, in the sense that they did not identify with the Conservative or Liberal parties. However, unlike most other non-partisan groups (which tended to restrict their actions to policy recommendations and lobbying), the OMEA and HERAO openly and assertively engaged in provincial politics by campaigning for the expansion of the HEPCO in local referenda, supporting candidates in municipal and provincial elections, and endorsing Beck’s actions as commission chair. As a result, these pressure groups could claim non-partisanship in regard to the party system, but otherwise acted as partisan organizations in the HEPCO’s interests. Other groups were founded to organize
municipal utilities and advocate for a St. Lawrence canal and power project. Until his death in 1925, Beck closely controlled these groups, using them to organize his supporters and promote his policies from outside cabinet and the provincial legislature. For instance, at one point in his acrimonious relationship with W.H. Hearst, Beck publicly called on the OMEA to directly make demands on the premier. The HEPCO also supplied these groups with funds, either directly or indirectly, for their lobbying activities and campaigns. It will be shown below that the OMEA and HERAO were funded with premiums earned through the HEPCO’s insurance contracts. The HEPCO also paid OMEA and HERAO activists for their expenses in promoting the utility’s interests in municipal by-law campaigns. These groups gave the appearance of genuine grassroots support for the HEPCO and its chairman, but the commission maintained direction through funding and close relationships with the leadership. The OMEA has been called Beck’s “captive pressure group,” but such captivity seems to be at least partly voluntary. In many ways, the commission’s network of pressure groups prefigures the Tennessee Valley Authority’s model of “grassroots democracy.”

Newspapers, especially the daily press in Toronto, were also key elements of Beck’s movement. Before the diffusion of the radio in the mid-1920s, newspapers represented the most popular information medium. By the early twentieth century, Canadian newspapers, like their US counterparts, were becoming independent of partisan control and started promoting reformist

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5 The Association of Municipal Electric Utilities (AMEU) and the Great Waterways Union of Canada (GWUC), respectively. The AMEU was meant as a former for municipal electric engineers, but it also served as a vehicle for Beck to turn these employees into an organized interest group. The GWUC was founded in 1912 under the initiative of D.B. Detweiler, but like the hydro-electric movement, this group was soon taken over by Beck and his supporters and used to promote a St. Lawrence project to deliver more electricity to HEPCO.

6 Globe, 2 September 1916.

7 For example, the HEPCO paid salaries and expenses to HERAO president T.J. Hannigan and others for work on various January 1923 radial by-laws votes (see Lucas to Wallis, 30 August 1923, AO, MS 1730 – Ferguson office records, File #44, “H.E.P.C. Radial Railways: Expenditure re Inquiry” (1923)).

8 See Nelles, 1974, 366.
ideas. Of the six major Toronto newspapers in 1910, Beck could generally count on support from five: *The Globe, News, Star, Telegram*, and *World*. Editors, publishers, and reporters of these papers, such as John Ross Robertson of the *Telegram*, Joseph E. Atkinson and W.R. Plewman of the *Star*, and Thomas Stewart Lyon of the *Globe*, took great personal interest in hydroelectric matters. Only the anti-reform, high Tory *Mail and Empire* openly stood against Beck. By the 1920s, the two key newspapers in Toronto’s progressive politics were the *Star* and the *Telegram*, the former having a Liberal/labour stance, the latter aligned with progressive Conservatives and the Orange Lodge. Each would generally support competing slates in Toronto’s municipal elections, demonstrating a permeable party system on the municipal level. By 1924, the *News* and the *World* were closed, which further emphasized the importance of the *Star* and *Telegram* as activist and progressive daily newspapers. The official organ of the UFO, the *Farmers’ Sun*, became important after the 1919 election and followed a generally anti-Beck editorial line, as it disagreed with the HEPCO’s governance. Beck bestowed patronage on supportive newspapers with HEPCO advertisements, and punished criticism by withdrawing such largesse. For instance, after the Peterborough-based *Farm and Diary* adopted an anti-radial editorial line in 1920, it failed to receive HEPCO advertising.

Beck was also aided by a weakening of the party system which occurred in the early twentieth century. This has been noted by Canadian historians, but most significantly at the

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10 For broad accounts of the municipal partisanship of the *Star* and *Telegram*, see: Harkness, 1963; and Ron Poulton, *The Paper Tyrant: John Ross Robertson of the Toronto Telegram* (Toronto and Vancouver: Clarke, Irwin & Company, 1971). Hector Charlesworth recalled that during the First World War, an unnamed newspaper editor (presumably either Robertson or Robinson of the *Telegram*) “subsequently the most rabid hater of Germans as such, was compelled to make these reservations in the case of his chief political hero, Sir Adam Beck, on both sides the child of emigrants from Prussia.” (see *More Candid Chronicles: Further Leaves from the Note Book of a Canadian Journalist*. Toronto: The Macmillan Company of Canada, 1928, 199). The *News* was purchased from Flavelle by a syndicate led by Frank Cochrane in 1907 due to dissatisfaction in the provincial and federal Conservative organizations with the *Mail and Empire* as the party’s organ in Toronto (see Brown, 1975, 127-8). The *News* failed to compete, and after a brief rechristening as the *Times*, was closed in 1919.
national level. Thanks to the decline in partisanship, the public power movement gained support from across the political spectrum and the HEPCO became a vehicle for independent political activity, alongside the established parties. Aside from a number of personal supporters within the Conservative Party caucus, Beck was able to establish support among Liberals and Labour politicians across the province. His influence also extended to the Ontario caucuses of the federal parties. Although he faced his most significant opposition from the United Farmers of Ontario, he could also count on some support from within that organization. Beck’s cultivation of allies on municipal councils throughout Ontario also led to party-like behaviour at the local level between pro- and anti-HEPCO factions. In Toronto, there were two broad factions: a quasi-machine associated with the Conservative Party, the Orange Lodge, which included Tommy Church; and a less cohesive group of Liberals, trade unionists and independent Tories, supported by the Star, which contained leading municipal politicians like Sam McBride and Jimmy Simpson. Although both factions publicly claimed total loyalty to Beck, the latter was more critical and independent. The HEPCO and its movement also provided financial support for allied politicians, such as I.B. Lucas or Tommy Church, who were given lucrative legal work. This was a new kind of political patronage in Ontario politics, as these

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13 For instance, in January 1919, almost every member of Burlington’s council resigned to protest the reeve’s surprise decision to invite Sir Adam Beck to speak to them (see *Globe*, 20 January 1919).
14 William J. Smyth’s recent work on the Orange Lodge in Toronto underlines the importance of the organization in the city’s politics, as a loosely-organized mechanism for distributing patronage, but he does not further delineate the Lodge’s municipal alliances; see William J. Smyth, *Toronto, The Belfast of Canada: The Orange Order and the Shaping of Municipal Culture* (Toronto: University of Toronto Press, 2015).
15 Church was hired by the THES at a $300/month retainer in the early 1920s, but some complained that he did little legal work (see *Daily Star*, 25 August 1923). After leaving the commission, Lucas was given temporary legal work at $600/month (see *Daily Star*, 15 June 1922) and was later hired to run its legal department.
rewards were bestowed on individuals for supporting Beck and the HEPCO, rather than a specific party.\textsuperscript{16}

Lastly, Beck employed a distinctive populist aesthetic or style in mobilizing his supporters, and the public power movement in Ontario and the United States rested on populist assumptions in their political theory. Populism found strong expression in techniques such as the use of frequent by-law referenda campaigns, mass meetings, and parades.\textsuperscript{17} Nelles notes that Beck “ran Hydro as a curious kind of plebiscitary corporation.”\textsuperscript{18} In Canada, plebiscitary populism is most often associated with the Social Credit government of Alberta, which employed the theory as a means of accommodating a democratic system with an anti-political and technocratic economic and social philosophy.\textsuperscript{19} In the case of Ontario’s hydro-populism, plebiscitarianism was used to politicize what otherwise would appear to be technical decisions over the electricity system. Although the by-law votes were originally part of Ontario’s municipal governance system, they came to resemble progressive ideas about non-partisan direct democracy, and otherwise local decisions over an electric utility were tied into larger debates about corporate monopolism and economic modernization.\textsuperscript{20} Beck also endorsed plebiscitary populism as a means of imposing his views on a sometimes-reluctant cabinet and provincial legislature. The frequent hydro by-law referenda campaigns mobilized mass support, in a

\textsuperscript{16} For a similar transformation in patronage politics under the UFO government, see Mark Sholdice, “‘Patronage, like Hamlet’s ghost will not down!’: The United Farmers of Ontario-Independent Labor Party Provincial Government and Political Patronage, 1919-1923,” \textit{Ontario History} (Autumn 2014): 191-213.
\textsuperscript{17} However, one associate remembers Beck expressing dislike at a particularly over-the-top floor show at a HEPCO pressure group meeting (see Edward Victor Buchanan, \textit{A History of Electrical Energy in London}. London: Public Utilities Commission, 1966, 90).
\textsuperscript{18} Nelles, 1974, 402.
\textsuperscript{20} For example, as will be shown below, a municipal election and by-law referendum in Toronto in January 1923, which was ostensibly about the HEPCO’s control over railway entrances and a subway, became a proxy battle between supporters of local autonomy and Beck’s partisans. The campaign also involved allegations of corporate and NELA-related influences.
democratic way, for public ownership in Ontario, but in doing so undermined liberal democratic norms.

Part of Beck’s populist rhetoric was to emphasize his progressive bona fides. For instance, at a Tory event at Weston in 1913, Beck called the HEPCO “the most progressive step any Government has ever taken.”21 Another time he declared, “I am neither a Grit nor a Tory, but a Radical.”22 Indeed, Beck became emblematic of a particular style, one that was inspirational for uses outside of hydroelectric politics. The Globe could call Beck the “apostle for public ownership, missionary for the new religion of progressive Canadian democracy.”23 Rev. Dr. Carman told the Toronto Methodist Conference that “[e]very Methodist minister should be an Adam Beck,” and used the HEPCO as a metaphorical model for the Methodist Church to emulate.24 Children were also named after Beck, such as Adam Hydro Jones of Guelph.25

The pro-HEPCO movement was often likened to a “machine” by critics.26 For example, one county warden attacked the use of HEPCO employees in advocating for municipal policy changes, saying: “...for what purpose are these men employed? Is it to perform some specific work in connection with Hydro enterprises or to campaign in various municipalities and thus set up the Hydro commission as a Tammany boss?”27 Beck, on the other hand, declared that HEPCO and its supporters did not constitute a machine because it stayed aloof from partisan politics.28 Despite its lack of overt identification with any political party, the HEPCO movement did engage in tactics typically of machine politics, such as patronage, which Beck used to gain and

21 Globe, 20 February 1913.
22 Ibid., 29 October 1915.
23 Ibid., 27 March 1914.
24 Daily Star and Globe, 8 June 1911; another Methodist minister who publicly praised Beck was the radical Salem Bland (see Daily Star, 7 April 1919).
25 Daily Star, 22 October 1913.
26 Plewman, 1947, 100.
27 Daily Star, 27 December 1922.
28 See for instance comments by Beck at a radial by-law campaign event in Stratford, where he stated that HEPCO was not a machine because its jobs were not governed by partisan patronage (Globe, 21 December 1915).
consolidate support for his policies. “Movement” is probably a more accurate description than “machine” for the political behaviour of Beck, the HEPCO, and his allies, because it was a loosely organized coalition which contained individuals of diverse backgrounds who sometimes fought each other as much as they fought opponents.

Another common accusation made against Beck’s political practices was the charge of autocracy, sometimes connected after 1914 to his German ancestry in a claim of “Prussianism.”

The commission chairman responded to this in various ways. One was denial: “Autocrat? There is no such word known to the members of the Hydro commission. If there were there would be distrust and unpleasantness. But there is no autocrat.” Another time he would claim: “My nature is not that of an autocrat… It was the law that was put into our hands that was autocratic. We were made autocrats by act of parliament. Thank God we were, because that autocracy has made Hydro a success.”

E.V. Buchanan, a key ally of Beck as the general manager of London’s Public Utilities Commission, later recounted:

I like to think of Beck as a benevolent dictator. He was an idealist. His idea of Hydro was translating the natural water resources of the province into better living conditions, convenience and comfort in the home, the farm, the office, and the factory. But he thought more of people in the mass rather than of individuals. He had little or no interest in the desires or ambitions of a person.

This autocratic side of Beck’s populism was perhaps a key source of his success in building the commission, but it also put a strain on the Ontario political system.

An important feature of Beck’s political theory was the idea that the HEPCO was a partnership between the participating municipalities, rather than a branch of the provincial state. The idea was also expressed in the claim that the HEPCO was a trusteeship, operating on behalf

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29 See, for instance, McBride’s comments in Daily Star, 5 April 1919.
30 Daily Star, 11 February 1922.
31 Daily Star, 7 December 1922.
32 Buchanan, 1966, 89.
of the municipalities. As Neil B. Freeman has argued, Beck and his HEPCO associates made these claims to preserve their autonomy vis-à-vis the provincial cabinet and legislature.\textsuperscript{33} Simply put, this theory held that the HEPCO was not a government department or instrument of the provincial cabinet, but instead an organization acting on behalf of the contracting municipalities. It was clearly popular to progressives, sharing features with Hoover’s ideal of the associative state, which was meant to employ private initiative and community volunteerism instead of state coercion in promoting the public good. The idea was also attractive to progressives due to their strong presence at the municipal level, in both Ontario and the United States. At the time he introduced legislation to create the HEPCO in May 1906, Premier Whitney was explicit that one of the intentions of the act was to give the government control of the appointment of members of the new commission, unlike the Snider commission of 1903, whose members were elected by the municipalities.\textsuperscript{34} But despite this clear intent, Beck and others used the ambiguity in some parts of the HEPCO’s statutes to argue that it was an independent body acting on behalf of, and thus responsible to, the participating municipalities.

HEPCO officials promoted the idea of municipal cooperation or trusteeship to the Ontario population and to American audiences. In both cases, the communications strategy was meant to influence public opinion within the province. A December 1916 Toronto by-law campaign ad could thus announce: “Hydro is Your Property. Sir Adam is Trustee.”\textsuperscript{35} In opposition to this, Whitney, Hearst, and Drury would all promote the idea of turning the commission into a Ministry of Power, with Beck as minister. This would have made Beck liable

\textsuperscript{33} Freeman, 1996. Freeman notes “municipal cooperative ownership was only an elaborate myth disguising government ownership” (ix-x).
\textsuperscript{34} For an expression of this intent, see Globe, 8 May 1906. The gas industry was eliminated from the purview of the act, when the bill was in committee on 9 May; the reason for this decision is unclear.
\textsuperscript{35} Globe, 25 December 1916. See also a Star editorial in which the three HEPCO commissioners are called trustees (Daily Star, 25 February 1921).
to cabinet responsibility and greater oversight, so he and his allies tirelessly fought the proposal. Of course, the idea of the HEPCO as a true municipal partnership was ultimately a fiction. By 1922, liabilities for the HEPCO, represented 55% of the province’s debt, while the municipalities’ notional “ownership” stake in the system, via sinking fund payments, represented less than 2% of the total capital investment.\textsuperscript{36}

The idea of HEPCO as trustee was promoted throughout the United States after the First World War, indicating the popularity of the notion amongst progressive audiences, along with its usefulness in internal Ontario political debates. This mischaracterization of HEPCO’s status was probably attractive to American progressives for its implications of federative co-operation between municipalities, but otherwise enabled the commission’s officials to ideologically defend their independence vis-à-vis the Ontario government. The most frequent and pointed references to the trustee or partnership theory of the HEPCO appear during the early 1920s, in the wake of the Drury government’s attempts to investigate and establish more control over the Commission.

Thus, when commission engineer R.T. Jeffrey spoke on Beck’s behalf at the Public Ownership League’s second conference in Chicago in November 1919, he called it a “partnership of municipalities.”\textsuperscript{37} He also claimed that the HEPCO asked the provincial government to appoint an independent auditor to review its operations, which seems to contradict most historical accounts of the issue.\textsuperscript{38} In a presentation to the League of the Southwest in December 1921 at Riverside, California, after California progressives launched their public ownership efforts, Jeffrey claimed the HEPCO was the result of apolitical “co-operation”

\textsuperscript{36} Daily Star, 18 March 1924; the provincial government, on the other hand, “owned” about a 9% equity stake in the HEPCO system, with the other 89% represented by province-backed debt.


\textsuperscript{38} Ibid., 136; others suggest that Beck only accepted an independent audit of the Hydro after facing criticism from the provincial auditor and his fellow cabinet members over unauthorized expenditures and other problems (see Plewman, 1947, 189-192).
between the municipalities of Ontario.\textsuperscript{39} Between 1922 and 1925, Beck and Gaby used several essays in support of the Giant Power project and the Public Ownership League to argue that the HEPCO was the “trustee” and “special agent” of the participating municipalities.\textsuperscript{40} American progressives accepted the trustee theory at face value and uncritically repeated it.\textsuperscript{41} These interventions in American public power debates could provide external ideological support to Beck’s contemporary struggle with the Drury government in the early 1920s.

At the same time, Beck mobilized his supporters in the context of criticism of the HEPCO in the United States. As discussed in chapter 2, much of this criticism was funded by the electricity industry’s lobby group, the National Electric Light Association (NELA), which sought to combat the use of the Ontario commission in American debates about public ownership. Although Beck was initially willing to promote the commission in the United States, by the early 1920s he began to become wary of American interest, especially due to the publication of several anti-HEPCO tracts. This contemporary campaign by US interests gives an important context to Beck’s constant references to threats against public ownership in Ontario and his distrustful relationship with Premier Drury. In brief, the commission chairman linked the NELA campaign to Drury’s hesitancy to support his policies and communicated this belief to his supporters. This was enabled by his equation of public power with the good of the province.

With his support within and without successive governments, Beck was able to withstand several changes of government and attempts to remove him from the chairmanship of the


\textsuperscript{40} See: Beck, 1924, 585-586; Thompson, 1922, 201, 209; and Frederick A. Gaby, “Electrical Development in the Dominion of Canada,” \textit{Annals of the American Academy of Political and Social Science}, 118, Giant Power: Large Scale Electrical Development as a Social Factor (March 1925): 27.

HEPCO. Although devoted to a radically uncompromising conception of public ownership, his political theory represented multiple strands of progressive thought, such as municipal cooperation, antimonopolism, and anti-partyism. The HEPCO movement was also pluralistic in its political and social composition. As I will relate below, Beck’s influence peaked after the First World War, when he may have considered converting his movement into a progressive, pro-HEPCO provincial government.

It is also important to highlight the ways in which HEPCO’s involvement in American public power debates reflect a reflexive, transnational dynamic between events in Ontario and the United States. Although he was often wary of being criticized by Americans, Beck occasionally made interventions in policy discussions south of the border. Although he increasingly became reluctant to involve himself in US politics, Beck used such opportunities to promote the HEPCO as a policy model for the emulation of American progressives, as he was strongly motivated by a desire to reinforce the notion of the commission’s independence vis-à-vis the provincial government. Likewise, when the HEPCO came to be criticized by a public relations campaign funded by NELA, Beck and others came to fear the American private power lobby’s activities in Ontario’s domestic politics. The international border thus was not a barrier to ideological and political debate.

**HEPCO under the Whitney Government, 1910-1914**

After the inauguration of the HEPCO’s transmission operations in 1910, Premier Whitney remained cautious towards Beck and his ambitions for the HEPCO. However, Whitney was mindful of the radical party realignment that would occur if Beck quit the government and
led Liberal and independent progressive forces against the Conservatives.\(^{42}\) As a result, he tried to keep Beck on a short leash with the threat of bringing the utility under greater control by the provincial government. In February 1911, the premier introduced a bill to place HEPCO under the oversight of the Ontario Railway and Municipal Board. But before it came to second reading, Whitney let it die on the order paper: it had been meant as a warning to Beck.\(^{43}\) Whenever the HEPCO chairman too flagrantly flaunted his autonomy, the threat of an administrative reform would emerge as a reminder that the commission could be brought under closer cabinet supervision.

However, the plan to end the commission’s independence reappeared later that year. In calling a new election in late October 1911, Whitney declared his intention to turn the HEPCO into a provincial Department of Power, an idea which Beck was then not influential enough to openly oppose.\(^{44}\) Liberal leader N.W. Rowell opposed the proposal, instead calling for municipal representation on the commission. Rowell claimed: “No more unprogressive, autocratic, or despotic use of power has ever been seen in this Province… [N]othing will tend to more discredit the Hydro-electric development, making a failure out of what might be a success, than by making that enterprise part of the political machine of either party.”\(^{45}\) In the face of widespread opposition, Whitney quickly backed down. But the idea of municipal representation on the HEPCO lived on for the next decade as an alternative to the Department of Power concept.

When Whitney fell seriously ill in January 1914, it was reported that the Conservative leadership was sought after by Beck and W.J. Hanna, but with the party so divided between their respective progressive and corporate Tory factions, Sir William Meredith and W.H. Hearst were

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\(^{42}\) Plewman, 1947, 85.

\(^{43}\) Ibid., 81-2.

\(^{44}\) Ibid., 1947, 82.

\(^{45}\) Daily Star and Globe, 10 January 1912; see also Margaret Prang, N.W. Rowell: Ontario Nationalist (Toronto: University of Toronto Press, 1975), 107-8.
discussed as compromise options. The provincial election of late June produced a large Tory majority, but Beck was able to eliminate two of his personal enemies, HEPCO commissioner W.K. McNaught and cabinet minister Joseph O. Reaume, from the legislature. One account holds that Beck’s allies in Toronto’s Tory-Orange machine blocked McNaught’s re-nomination, and that the HEPCO chairman used his cross-party influence in the Conservative and Liberal caucuses to have Reaume’s North Essex riding redistributed; when Reaume ran for the Tory nomination in Windsor, he was defeated by Oscar Fleming, a Beck ally. Further, Beck’s position was strengthened by Whitney’s election promise that the HEPCO (and not municipalities or private companies) would have an exclusive right to generate electricity in the province.

Although he would not have been acceptable to the Hanna faction in caucus, Beck appears to have made attempts throughout 1913 and 1914 to promote his cause for the Conservative leadership. For instance, the ongoing controversy between the HEPCO and the Toronto Hydro-Electric System (THES) over the former’s attempt to force a rate cut in Toronto may have been related to Beck’s leadership aspirations. Likewise, Beck’s offer of service to the federal government on the outbreak of war in August 1914 emphasized his loyalty to Canada and

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46 Daily Star, 6 January 1914. Hector Charlesworth also notes that Beck’s “temperament” also precluded his achievement of party leadership after Whitney (see Charlesworth, 1925, 192).
48 Freeman, 1996, 41.
49 See an editorial note, Globe, 5 June 1914. Beck began a major controversy in mid-December 1913, when the Telegram leaked the news that the HEPCO would recommend major rate reductions for the THES; this was the first the THES’ commissioners (including the HEPCO’s appointee R.G. Black) had heard of the proposal (see Plewman, 1947, 136). Freeman suggests it is significant that Black (as former general manager of the Toronto Electric Light Company) and THES chair P.W. Ellis had opposed Beck on the issue of government ownership in 1906 (see Freeman, 1997, 40); however, the THES-HEPCO conflict can also be seen as a debate over local autonomy vs. HEPCO control, which was the basis for further conflict in Toronto in 1916 and 1923 over the control of railway lines. As mentioned in chapter 2, Belfield also suggests the possibility that the Ferris Committee report influenced Beck’s actions (Belfield, 1981, 246-7).
was publicized in the press. However, Beck was not to be leader. Whitney died in late September 1914, and around the same time, Beck’s rival John S. Hendrie was appointed lieutenant-governor by the federal government. As this was a period before formal caucus control over party leadership, Hearst was sworn in as premier by Hendrie on October 1 and Beck quit cabinet, claiming that it was to allow Provincial Treasurer I.B. Lucas to become the cabinet’s representative on the HEPCO, as Lucas took the place of Hendrie. However, it may be that the promotion to Lieutenant-Governor of Hendrie, a foe, and the appointment to the HEPCO of Lucas, a close ally, were major concessions to Beck for being denied the premiership.

HEPCO under the Hearst Government, 1914-1919

After the denial of the premiership and his departure from cabinet, Beck maintained a distrustful relationship with Hearst, which almost became an open break in 1919. Throughout Hearst’s tenure as premier, Beck pressed forward in moving the HEPCO into two new areas: the construction of electric railways and the generation of electricity. Aside from Hearst’s resistance to expanding the commission’s operations and debt, the wartime shortage of workers and the power demands of munitions manufacturing limited Beck’s options. However, Hearst was too politically weak and unfamiliar with the commission’s operations to mount serious opposition to Beck.

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50 Of course, aside from any considerations over the leadership, Beck may have made the declaration to defend his cabinet position in the face of anti-German sentiment (see Globe, 5 August 1914). Beck had also addressed his German ancestry at a Massey Hall election rally (see Plewman, 1947, 154). Plewman claims that Beck’s enemies spread innuendoes about his German sympathies throughout the war (Plewman, 1947, 203-204).

51 Globe, 2 October 1914. This rumour is supported by a secret political will dated 17 May 1914, in which Whitney declared that his first preference was for Cochrane. In the event of Cochrane declining, he suggested Hearst or Lucas, but with decided emphasis on the former (see Envelope 9, AO, Hearst fonds, MU 1308). The possibility of Cochrane as leader would have been opposed by Beck, as the former was an enemy (see Plewman, 1947, 87). See also Brian D. Tennyson, “The Succession of William H. Hearst to the Ontario Premiership –September 1914,” Ontario History, 66, 3 (September 1964): 185-189.

52 Freeman, 1996, 41-2.
The issue of the commission’s independence from cabinet again became a major issue. Hearst tried to control the HEPCO by forcing it to undergo review by the provincial auditor. This issue arose in 1916, when Provincial Auditor James Clancy reported that he could not conduct a full audit of the commission for the years 1909-1914 because it was not cooperating, and that it had spent over $800,000 without authorization by cabinet. Provincial Treasurer Thomas McGarry introduced a bill to give the HEPCO more control over its day-to-day operations, but with the proviso that a cabinet-appointed comptroller countersign all of its cheques, and that it submit to an annual audit. The OMEA, HERAO, and Liberal opposition complained that this was an assault on municipal authority over the commission, but the bill passed. However, amendments in 1917 and 1918 weakened the comptroller’s power, and one was never even hired. The issue of HEPCO’s audits and its spending power remained a significant political issue and contributed to the conflict between Beck and the Drury government after 1919.

Hearst was particularly resistant to the theory that the HEPCO was a municipal body or should be partly controlled by the municipalities. For instance, as he told a pro-Beck deputation in April 1916:

> It does not seem to me that a representative of the municipalities would occupy a logical or proper position on the Commission. In many matters the interest of the Commission is opposite to the municipalities, or rather, the Commission is one contracting party and the municipalities another contracting party in an agreement.

It seems Hearst was resistant to representation for the municipalities on the HEPCO, due to Beck’s great influence. Such a local representative could quickly become a proxy for Beck, thus further decreasing the provincial government’s control over hydroelectric policy.

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53 Plewman, 1947, 189.
54 Ibid., 190: Freeman characterizes the McGarry bill as a compromise with Beck, although it did move in the general direction of turning the commission into a cabinet-supervised department (see Freeman, 1996, 46).
56 “Hydro Radial Bonus”/“Statement to Hydro Deputation, Apr. 12/16,” AO, F 6-1 (Hearst Speeches); book 1, item #23, envelope #1.
Aside from his proposal for a network of electric railways (to be discussed below), the other issue that Beck promoted throughout this period was for HEPCO to generate its own electricity. He began to call for generation in April 1914, but the idea was most significantly developed under Hearst. However, Beck worked against several proposals for the public ownership of transportation and generation assets when he believed these agreements would take control away from the HEPCO. Just as the commission’s supporters attacked the Mackenzie corporate syndicate in Toronto for its control of the street railway and the local distribution system, they also criticized the continuing operation of the syndicate-owned EDC at Niagara. (Indeed, Beck blocked a 1913 attempt by the City of Toronto to buy the streetcar and distribution system from the Mackenzie interests, because it did not also include the EDC.57) Aside from the EDC, the two other private generating companies at Niagara were the Canadian Niagara Power Company and the Ontario Power Company.

In March 1916, the government purchased the Seymour power interests in central Ontario, on behalf of HEPCO’s member municipalities. Peter Oliver speculates that Beck opposed the purchase because of his primary loyalty to the Niagara system.58 However, it could be argued that Beck was against the deal because the government directly made the purchase. At least on a symbolic level, this was a blow to the concept that the HEPCO was simply a municipal partnership (in which the municipalities issued bonds to back those of the commission). In responding to criticism from eastern Ontarians, Beck stated that the value of the Seymour

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57 See Globe, 23 May 1913 regarding the negotiations between Mackenzie and Mayor Hocken. Beck was also against paying for any of the Mackenzie interests until their franchises expired (the streetcar’s franchise ended in 1921) (see Plewman, 1947, 128-129).

interests was inflated due to overcapitalization, which points to another possible reason as to why he opposed the deal.\textsuperscript{59}

Beck also expressed reservations about the provincial government’s control of the HEPCO’s Chippewa project, which began in 1914. The original plan was for the HEPCO to build a canal from the Welland River to Queenston to divert water to a projected generation plant, to produce 100,000 hp. By late 1916, faced with wartime power shortages and foreseeing a need for a larger electricity supply into the future, Beck began negotiations for the purchase of the Ontario Power Company’s plant. With the addition of this complex to the project, the HEPCO sought to dig an even bigger canal to produce 900,000-1,000,000 hp.

This huge project, construction on which was to begin after the cessation of the war, would be so expensive as to require direct government debt guarantees, beyond what the municipalities could support. HEPCO supporters were shocked at the implication that the Ontario government, and not the municipalities, would ultimately own the project. Hearst seems to have believed the distinction was irrelevant, but he felt such pressure from the OMEA and others that he allowed pro-municipal ownership resolutions to be put before the voters at the January 1917 local elections. The by-laws passed with large majorities, and Beck was able to buy the Ontario Power Company by mid-1917. The huge financial demands of the Chippewa project began to mount into the tens of millions after excavation on the canal was started in mid-1918.

\textit{Beck in Opposition, 1919-1923}

By 1919, the unpopularity of the Hearst government gave an opening for Beck to assert his independence. In this period, there was the possibility of a major realignment of the

\textsuperscript{59} \textit{Globe}, 2 September 1916.
provincial party system, with the rejection of the Conservatives and Liberals in favour of new farmer and labour parties. There were also suggestions of a new progressive, pro-HEPCO party under Beck, but this ultimately did not come to pass.

Despite his poor relationship with Beck, Hearst was too weak to remove him from the HEPCO. Aside from Hearst’s less-than-commanding leadership style, Beck had a significant amount of support, both inside and outside the Tory caucus. By early 1919, Beck (with the support of the pro-HEPCO faction in the Conservative Party) was moving toward an open revolt against the premier. For instance, Beck privately threatened Hearst with an intention to publicly denounce the government’s lack of support for the radial project. The political options considered by Beck and his supporters were either his replacement of Hearst as Tory leader, or his election at the head of a non-partisan pro-HEPCO government. In August, the Parkdale branch of the Great War Veterans’ Association passed a resolution that appears to have asked Beck to try to form a new party. Also in August, H.A.C. Machin, Tory MPP for Kenora, expressed his support for Beck leading a new party under Beck’s leadership.

Rumours about the possibility of Beck creating a progressive party persisted throughout the campaign and its aftermath. For instance, a claim was made during the campaign that the Hearst government used its regulatory power to ban a pre-movie advertisement for theatres, which promoted Beck as premier. UFO Secretary-Treasurer J.J. Morrison claimed he was

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60 Oliver, 1975, 36-37. Nelles presents his abandonment of Hearst in terms of Beck’s difficult personality, but it is also significant that the government was clearly losing popularity at the time; thus, Beck’s revolt can be seen as his attempt to save his independent power base and to gain the premiership (see H.V. Nelles, “Beck, Sir Adam”).
61 See letters of April and May 1919 between Beck and Hearst in AO, Hearst fonds, MU 1307, envelope #4; Beck was unhappy that the cabinet would not cooperate in changing the terms of a proposed radial to Hamilton. In the letter dated 9 May 1919, Hearst complained that Beck had never given him any information about the project, as he did not know anything “except what I have read in the newspapers.”
63 Daily Star, 14 August 1919.
64 Ibid., 18 August 1919.
65 Globe, 20 October 1919.
approached by an associate of the HEPCO chairman, asking that United Farmer candidates withdraw in certain ridings, to allow the election of Beck supporters. When announcing his own independent candidacy, Arthur C. Pratt, the Conservative MPP for Norfolk South, declared that Beck would also run as an independent. After a week of silence, Beck confirmed that he was running as an independent to protect the HEPCO. Tory organizers seem to have been unable to get anyone to run against Beck in London, and the local Liberals also withdrew their candidate. An attempt was made by Brantford mayor Morrison MacBride (also an ILP candidate) to induce the London ILP candidate to withdraw too, but this failed.

Beck thus fought the 1919 election in London as an independent candidate, with the backing of the local Tory organization, against ILP candidate Dr. H.A. Stevenson, who was also a former mayor and Beck’s Liberal opponent in 1914. Beck pivoted to the left in his campaign, and imported labour supporters to speak on his behalf, like Toronto’s Joe Gibbons. Beck also promised to resign the HEPCO chairmanship within 24 hours if defeated. However, London was swept up in the Ontario electorate’s general mode of restlessness, as neophyte farmer and labour candidates gained popularity at the expense of veteran politicians. Postwar labour unrest was evident in London, where a heckler yelled “You cannot eat Hydro” at the HEPCO chairman. Beck lost to Stevenson in the 20 October election, but did not quickly resign, as he had pledged. Similar upsets occurred across the province. Of 111 seats, the UFO gained 45 and the ILP 11; a veterans’ representative was also elected. The Liberals took 29 seats and the Tories were reduced to 25. Various coalitions were suggested, such as a Liberal-UFO government, but

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66 Johnston, 1986, 61; Morrison claimed he and the UFO executive rejected the plan, recommending that Beck instead run as a United Farmer candidate.
67 Globe, 17 and 23 September, 2, 6, and 11 October 1919.
68 See Globe, 17 October 1919.
it quickly became clear that a UFO-ILP-veterans combination was most likely. The situation was complicated by the fact that the UFO had conducted its campaign without a formal leader, thus necessitating the selection of a premier-designate.

Drury later recounted in his memoirs that it was Manning Doherty who first proposed Beck as UFO leader on 21 October, at the first post-election meeting of the UFO directors and MPPs-elect at the United Farmers’ Cooperative Company headquarters in Toronto on King Street. A committee was delegated to collect Beck from the HEPCO offices on University Avenue, but Drury denied the veracity of a story, later repeated by R.A. Farquharson, that Beck climbed the building’s fire escape to avoid notice by newspaper reporters. Drury claimed that the leadership was firmly declined by Beck at that meeting. However, contemporary newspaper reports of maneuverings within the UFO, along with other sources, indicate that Drury’s memoirs are probably incorrect on the selection of the premier in late October 1919.

Beck’s inclination to take the premiership is underscored by numerous stories in the Toronto daily press, which spent a week discussing the possibility of the HEPCO chairman as premier, or at least as part of the new government. A rumour appeared on 23 October that Beck would be offered the seat of the newly elected UFO-ILP MPP in West Elgin, the home riding of OMEA president W.K. Sanderson, who spoke at length to the press in favour of the idea. Over the next several days, the story of Beck’s involvement in negotiations to run in West Elgin was repeated, along with the news that three other MPPs-elect had offered to resign their seats in his

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70 Drury claimed the meeting then turned to J.J. Morrison, who also refused, leaving himself as the next obvious candidate; see Drury, E.C. Farmer Premier: Memoirs of the Honorable E.C. Drury. (Toronto and Montreal: McClelland and Stewart, 1966), 86. On the story of the fire escape, see R.A. Farquharson, ‘When Sir Adam Beck Tried to be Premier,’ Saturday Night, 67, 36 (14 June 1952): 13, 20. For a newspaper report of Doherty’s initiative vis-à-vis Beck, see Globe, 22 October 1919. Star reports from late September state that Beck may have already been considered for UFO leadership, but J.J. Morrison, (the organization’s secretary-treasurer), and the UFO executive rejected this idea because he was not a farmer (see Daily Star, 17 and 20 September 1919). Tennyson notes a claim by made by Morrison in his unpublished memoirs that Pratt unsuccessfully tried to interest him in Beck as UFO leader as far back as early September 1919 (see Brian D. Tennyson, “Sir Adam Beck and the Ontario General Election of 1919,” Ontario History, 68, 3 (September 1966): 160-1).
favour. Additionally, members of the ILP, veterans’ organizations, and pro-HEPCO municipal representatives were publicly agitating for his selection as premier.  

This week of suspense also outlines some of the divisions within a potential progressive coalition under Beck, especially around the issue of prohibition. He had support among United Farmer caucus members for the leadership, but he also faced considerable opposition, which contributed to the week of debate and indecision. Beck biographer Plewman claims he asked the caucus for carte blanche in HEPCO matters, but that this was rejected by Morrison and his supporters. Without firm evidence, it is hard to determine how serious Beck was about taking the premiership of a progressive UFO-ILP coalition government. Perhaps he demurred from the unprecedented nature of the situation, a publicly-owned utility becoming the locus of a provincial government. The other major impediment to his premiership was prohibition. Beck and the Tory faction which supported his leadership ambitions were opposed to the Ontario Temperance Act of 1916, whereas the majority of UFO MPPs were supporters of even further restrictions on alcohol. Divided as they were by prohibition, Ontario progressives would not take part in a major partisan realignment under Beck’s leadership. 

By 29 October, the situation had resolved itself. The UFO caucus gathered to select Drury for the premiership. On the same day, 400 delegates, representing the 198 municipalities in the HEPCO system, met at Toronto City Hall for an OMEA meeting which soon turned into a pro-Beck rally, probably meant as a demonstration of strength to the new premier. The delegates

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71 *Globe*, 22, 23, 24, 27, and 28 October 1919; *Daily Star*, 23 and 25 October 1919. For veterans’ support of Beck, see United Veterans League advertisement, *Globe*, 24 October 1919, which states the group had yet to decide between Dewart or Beck for the premiership. George Halcrow, ILP MPP for Hamilton East, called for Drury to resign in favour of Beck as late as January 1920 (see *Globe*, 22 January 1920).

72 Plewman, 1947, 117-118. In his memoirs, Morrison claimed he blocked Beck due to his fear that he was only using the UFO to further his larger ambitions (see Johnson, 1986, 61).

73 *Globe*, 24, 28 October 1919.

74 See Tennyson, 1966, 159-60. Hydro and prohibition were the major policy areas dividing the Conservative caucus by 1919 (see Brian D. Tennyson, “The Ontario General Election of 1919: The Beginnings of Agrarian Revolt,” *Journal of Canadian Studies*, 4, 1 (February 1969): 31-2).
unanimously demanded that Beck remain as chairman of the three-person commission, with the remaining members to be named by the government and themselves. Beck’s attention was now focused on protecting his power over HEPCO against any encroachment by the new government.\footnote{Globe, 30 October 1919; Daily Star, 30 October 1919. C.B. Sissons offered an interesting psychological portrait of Beck during the Drury government: "I talked with Sir Adam only once. That was when Dean DeLury and I called at his office to ask him to speak at the Open Forum. He did not answer us at once, but without the slightest pretext embarked on a regular tirade against Drury. Only at length when he had calmed down did he vouchsafe a negative answer to our courteous request. We could hardly believe our ears, and concluded that his imperious mind had been pretty well shattered along with his vaulting ambitions. Or was it jealousy? Had he really aspired to the premiership?" (Sissons, 1964, 201-2).}

Due to this strategy, Beck stayed aloof from overtly partisan politics, despite calls for him to join the cabinet or run for a seat in the provincial legislature. Plewman says Beck was offered a place in the new cabinet, but this claim is vigorously denied by Drury in his memoirs.\footnote{Plewman, 1947, 251; Drury, 1966, 117-118.}

Suggestions for a Ministry of Power arose from time to time over the next few years, but the HEPCO chairman denounced them. Beck also did not run in a November 1920 by-election in the Northeast Toronto riding, in which he could have been easily elected. Instead of Beck, the pro-HEPCO movement was represented by “Hydro-Conservative” candidate Alex C. Lewis. Lewis was an Orangeman, member of the Parliament Street Methodist Church, former municipal reporter for the Telegram, publicity manager for the HEPCO, and secretary of the Canadian Deep Waterways Association. At an election meeting, he declared that he recognized Beck, not Ferguson, as his leader.\footnote{See Globe, 8 November 1920. Lewis was first involved in the public power movement when he was hired by Toronto City Council to run HEPCO’s public relations campaign in Toronto for the 1 January 1908 by-law referendum (see Plewman, 1947, 51).}

Beck also declined to contest the Tory leadership in December 1920. Instead, he used his movement to protect his position at the HEPCO. On 12 December, the OMEA led a deputation of 300 representatives to meet with Drury and ask that Beck be kept on the HEPCO. They further requested for the HEPCO to be increased from three to five members,
with two of these commissioners to be appointed by OMEA member municipalities. Drury expressed his general agreement with Beck’s leadership but decided to stall for time in committing support for the radial plan or changes to HEPCO’s governance.\textsuperscript{78}

Drury realized that he was trapped with Beck. The latter could effectively mobilize his network of newspapers, politicians, and pressure groups to force his policies on the provincial government, and as he remained outside of cabinet, he was immune to its collective responsibility. Neither could Drury ask for his resignation, as he recounted in his memoirs when describing a private conversation with Beck in the cabinet dining room in fall 1921:

Sir Adam looked at me with a twinkle in his eye. “Drury,” he said, “why don’t you fire me? I’m nothing but a bother to you.” “Sir Adam,” I said, “I’m not only going to not fire you, I’m not going to give you a reasonable excuse to resign.” I am not sure that he would not have welcomed dismissal. At that time he was undoubtedly the most influential person in the province. He had a large and devoted following and adequate support. In the Hydro-Electric Association he had an efficient organization. In spite of all he said, he undoubtedly had political aspirations. If I had dismissed him, he would have become a martyr, and could easily have headed a Hydro-Electric Party and swept the province.\textsuperscript{79}

This non-partisan independence allowed Beck to resist direct cabinet control of HEPCO, contributing, in no small part, to the UFO-ILP government’s defeat in the next provincial election.

Throughout its tenure, the Drury government had little control over the HEPCO’s operations. Upon taking office, Drury named newly elected UFO MPP Dougall Carmichael as a minister without portfolio and government representative on the HEPCO. The other commissionership was held by I.B. Lucas, who lost his seat in the 1919 election. When the cabinet finally moved to establish its control and forced Lucas forced out of his

\textsuperscript{78} Daily Star, 12 December 1919; Globe 13 December 1919; Drury, 1966, 97-98. Indeed, nearly two weeks before, newly elected UFO MPP Albert Hillyer was so disturbed by reports of the upcoming meeting that he sent a letter of warning to Drury (see Albert Hillyer to Drury, 27 November 1919, AO, Premier E.C. Drury Correspondence, MS 1657, RG 03-04-0-007, “Hydro Electric: Municipal Representation” (1919)).

\textsuperscript{79} Drury, 1966, 122.
commissionership in 1921 (although he became the HEPCO’s lawyer), Drury appointed Fred Miller, a Toronto contractor and member of the TTC, who he thought would support Carmichael in giving the government a majority on the commission. When Drury later asked to meet Miller because of his support for Beck’s plans, the new commissioner claimed the chairman was blackmailing him over some secret in his private life. Overall, Beck was willing to use any means to expand and consolidate his leadership over the commission, as he saw his position as identical with the strength of public ownership and hence the good of the people of Ontario.

HEPCO Expansionism and the Resistance of the Drury Government

In the 1910s and 1920s, Beck mobilized his supporters in a campaign for a publicly-owned electric railway (“radials”) system, through which he sought to extend his progressive insurgency and to add to his HEPCO empire. The campaign for radials took place at the same time that the commission was encountering increasing criticism in the United States, which may help to explain the stridency of public power advocates in a dispute which was otherwise about a regional transportation network. Almost immediately after HEPCO’s transmission lines began carrying electricity, Beck began to agitate for the expansion of its operations. In the fall of 1912, Beck began a campaign for the creation of a HEPCO-controlled radial network across southern Ontario. In part, Beck was taking a stance against the Mackenzie syndicate, which owned radials in the greater Toronto area. Radials also served Beck’s progressive vision: public ownership of this transportation network would enable the middle and lower classes to move to garden cities

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and suburbs and would efficiently move agricultural and manufactured goods throughout the province. Most notably, Beck may have been empire-building at a time when he foresaw the HEPCO also beginning to generate its own electricity. An electrically-powered railway network could absorb any surplus power from the commission, preventing the need to export it to the United States. A radial system would also allow Beck to expand the HEPCO’s budget and workforce, and indirectly, its political influence. For instance, throughout this period, Beck opposed any attempts by the City of Toronto to buy privately-owned railways on its own initiative; it seems Beck preferred that such lines should form the basis for a HEPCO-controlled line, rather than a municipal one. His forceful campaign for radials caused friction with Whitney and Hearst and led to major crises with the Drury government after 1919.

Beck started with a call for the electrification of the London & Port Stanley Railway, which was owned by the City of London and of which he was president. He arranged for a favourable report from William S. Murray, chief engineer of the New York & New Haven Railway, endorsing electrification. This was, ironically, Murray's introduction to Ontario, which ultimately led to his anti-HEPCO criticisms. Beck’s second action was to organize an allied slate, which won London’s municipal elections in January 1913. 82 London voters approved Beck’s plan in a by-law vote in October, and electrification of the London & Port Stanley Railway was finished by spring 1915. It remained Beck’s model for the creation of radials across the province.

Whitney was evidently hesitant about Beck’s radial plans. Beck was able to put forward a radial bill in the spring of 1913, which allowed municipalities to carry-out radial feasibility studies through the HEPCO. However, these investigations could only proceed with the approval of the Lieutenant-Governor in Council, which may have indicated that Whitney wished to hold a

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82 See Globe, 2 January 1913; the previous council was hostile to Beck and refused to put the electrification idea to a by-law vote.
veto over the campaign.\textsuperscript{83} By late 1913, the HEPCO was planning a Toronto-to-Whitby radial, while other communities wanted lines from Hespeler-to-Toronto and Toronto-to-Georgian Bay. In late March 1914, Beck led a two-thousand-person delegation to Ottawa to demand federal subsidies for the construction of radials and a St. Lawrence canal and power system, but any aid was refused by Borden. Whitney allowed Beck to present a new radial bill in 1914, but like the 1913 act, this only allowed the HEPCO to investigate the issue. The premier evidently opposed the radial plan and tried to use Howard Ferguson to resist Beck’s influence among federal Conservatives.\textsuperscript{84}

Beck continued his agitation for the radial system even after the declaration of war. The HERAO soon organized a one-thousand-person deputation to demand construction subsidies from Hearst. By late 1915, Beck had conceived of a London-to-Toronto radial, along with local lines in the Toronto area, which would cost almost $14 million. Approval for the system was requested from the interested municipalities in the January 1916 local elections. A key part of the plan included the acquisition by the HEPCO of double-track-wide entrances for the radial network in Toronto. As in the Toronto municipal elections of 1923, the 1916 by-law vote came to be polarized between those who supported the HEPCO’s ownership of these lines, and those who believed the city should control them through a local transportation commission. Also, as in 1923, Beck and his allies claimed their opponents were motivated not by concern for local autonomy but rather support for outside corporations.

The 1916 Toronto election was thus a conflict between two groups of progressives: HEPCO partisans and supporters of local autonomy. Included in the latter group were many who

\textsuperscript{83} See \textit{Globe}, 13 May 1913 for an editorial which suggests the government was becoming cautious in the face of Beck’s growing strength.
\textsuperscript{84} Plewman, 1947, 146-7; Hearst also used Ferguson to advance the purchase of the Seymour power interests in central Ontario (see Peter Oliver, \textit{G. Howard Ferguson: Ontario Tory}. Toronto: University of Toronto Press, 1977, 81).
had been early supporters of public ownership, including controller Frank Spence and the Board of Trade. Most of the candidates took a side with either the pro- or anti-radial entrance factions, such as Beck’s ally Tommy Church, who served as the pro-HEPCO mayoral aspirant.

Antimonopoly rhetoric was common among Beck’s supporters, including progressive federal Tory W.R. Maclean and socialist Jimmy Simpson, who frequently claimed that opponents of the radial entrances were connected to the Canadian Pacific Railway. A pro-Beck newspaper ad stated: “Every corporationist is against the by-law.” However, unlike the 1923 campaign, there was no mention of the involvement of American corporate interests; this would only become an issue after the anti-HEPCO publications of the early 1920s.

With this atmosphere of anti-corporate crusade, the result of the municipal election was largely foregone. Most pro-radial entrance candidates were elected, while opponents like Spence went down to defeat. In Toronto and elsewhere, the radial system by-laws received large margins of support. Beck also began to agitate for a Toronto-to-Niagara radial, but this project, like others, were postponed until after the end of the war. After the nationalization of the Canadian Northern Railways in 1917, unsuccessful requests were made by the HEPCO to have the federal government buy some of the other privately-owned lines, on which the utility would operate a radial network. Beck was highly critical, however, of the federal government’s plans to operate the newly nationalized lines in southern Ontario; instead, he demanded these routes for HEPCO. Ironically, he posited that a federally-owned railway system would be inefficient and dominated by patronage.

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85 See Globe, 30 December 1915, 1 January 1916.
86 Globe, 30 December 1915.
87 A Globe editorial noted that Beck was indifferent to the nationalization of the CPR, which was explained by the fact that Beck only wanted public ownership of railways which could serve the interests of the HEPCO (Globe, 14 February 1918).
88 See remarks by Beck to public meeting at Whitby, Globe, 9 May 1919.
Drury was particularly unwilling to support Beck’s plans for a major radial network across the province. By the beginning of 1920, Beck was planning a radial network centred on Toronto, linking with Bowmanville to the east, Port Colborne and Niagara Falls on the Niagara peninsula, and Elmira, Guelph, Kitchener in the southwest. Drury tried to delay a decision on this system throughout the spring of 1920.\textsuperscript{89} However, the provincial government did endorse the bonds for the development of a radial line between Toronto and St. Catharines and allowed Beck to complete the Windsor-area Sandwich, Amherstburg & Essex Railway (both decisions had previously made by the Hearst government).

By mid-1920, the radial issue had become a stalemate, as the Drury government was reluctant to endorse the necessary HEPCO bonds to cover major expenditures. Events came to a head in June, when the federal cabinet agreed to sell two Toronto-area commuter radial companies, along with a Port Colborne-to-St. Catharines railway, to the HEPCO for almost $7 million; interested municipalities were ready to invest over $13 million in HEPCO bonds to cover initial costs of the radial system.\textsuperscript{90} Shocked at the potential cost of the undertaking, Drury used an inquiry to delay and constrain Beck’s electric railway plans. (This had the effect of halting the HEPCO’s radial development, because the provincial government acted as guarantor for its bonds). The radial inquiry took the form of a royal commission, appointed under Justice Sutherland in July 1920 and including representatives of the UFO, labour, business, and engineering. The decision to create an inquiry commission raised great criticism from Beck’s allies, like Tommy Church and Alf Maguire of Toronto City Council, T.J. Hannigan of the HERAO, J.W. Lyon of the OMEA, Tom Moore, president of the Trades and Labour Congress of Canada, and ILP MPPs George Halcrow and Malcolm MacBride. Within days, the HERAO

\textsuperscript{89} For instance, see \textit{Globe}, 30 April 1920, for Drury’s remarks to a pro-radial deputation at Queen’s Park.

\textsuperscript{90} \textit{Globe}, 30 June and 7 July 1920; \textit{Daily Star}, 30 June and 7 July 1920.
assembled a “Hydro Parliament” or “council of war” at Toronto City Hall, but Drury refused to attend, instead suggesting that a delegation come to see him at Queen’s Park. A common claim made by many opponents of the inquiry was that it was inspired by corporate interests, such as the CPR or private power companies. Yet, around the same time, UFO supporters formed the Ontario Hydro Information Association to act as an anti-radial pressure group.

Sutherland reported against radials in August 1921, and Drury responded by refusing to endorse HEPCO radial bonds, noting the cost of the system would be at least $45 million. However, under increasing pressure, Drury relented, and by 1922 allowed the western radial line to go ahead if approved by new municipal by-law votes. This concession highlights the premier’s weakness in relation to Beck and his pro-HEPCO network, but it did allow Drury to delay radial construction for two years. However, by the early 1920s, electric railway networks were becoming outmoded due to personal car and truck ownership, and thus Drury's delay potentially saved the province tens of millions of dollars. The radial inquiry was only one example of Drury's use of this tactic to thwart Beck's ambitions. Drury responded to other public debates over hydroelectric policy by appointing various bodies to investigate the issues. Aside from the Sutherland Commission, a legislative committee and another royal commission were named to investigate rural electrification and the costs of the Chippewa project. Although the public power movement in Ontario was too strong at this time to be openly opposed, even by a premier and his cabinet, the inquiries led to a significant policy change in rural electrification, slowed down Beck’s progress in establishing the radial network, and highlighted HEPCO’s poor governance.

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91 Globe, 9 July 1920; Daily Star, 8 and 9 July 1920.
92 The Ontario Hydro Information Association was created by J.Z. Fraser, one of the UFO’s co-founders (see Johnston, 1986, 112). An important figure in this new group was A.A. Powers, the president of the United Farmers’ Co-operative Company, who took to the press to denounce the radial plan (see, for instance, Daily Star, 27 August 1920).
93 Daily Star, 25 August 1921.
Although the public power movement was founded on the slogan of “power at cost,” this idea became unpopular with the rural population and small communities located far from hydroelectric generating plants. Due to geography and low population density, these Ontarians faced much higher electricity distribution and transmission costs, whereas urban consumers enjoyed lower rates thanks to economies of scale and shorter transmission lines. For rural Ontarians, "power at cost" meant high costs. A legislative committee, chaired by the John G. Lethbridge, a UFO MPP, was appointed in 1920 to consider the popular rural demand for further electrification and a flat rate for power across the province. The flat rate idea was originally supported by small towns, but the Farmer’s Sun adopted it as a vital agrarian issue.\textsuperscript{94} Although it came out against the flat rate, the Lethbridge committee called for a $2 per hp tax, to subsidize power line construction in rural areas. Beck’s allies in the OMEA, HERAO, Globe, and Telegram came out in opposition to the flat rate or tax.\textsuperscript{95} J.R. Cooke, the Tory member of the committee, was particularly favourable to the recommendation to turn the HEPCO into a Department of Power, as he claimed Whitney had foreseen a day when the commission would be so large as to dominate the provincial legislature.\textsuperscript{96} The committee also significantly recommended that legislation be amended so that the legislature would have the right to reject or amend any of the HEPCO’s recommendations, in order to maintain responsible government.\textsuperscript{97} Drury initially hesitated about adopting the Lethbridge committee’s recommendations, as the UFO supported raising funds through a electricity consumption tax and the HEPCO supported direct subsidies from the provincial government. However, the Drury government eventually

\textsuperscript{94} Fleming, 1992, 58.
\textsuperscript{95} Ibid., 59-62. Plewman claims that Beck opposed subsidies for rural lines because he did not want the Drury government to gain public support (see Plewman, 1947, 269). Johnston cites pressure on Drury from the OMEA and associated groups to refrain from the horsepower tax, but adds that economic realities also stood against it (Johnston, 1986, 102-3).
\textsuperscript{96} Plewman, 1947, 268.
\textsuperscript{97} Ibid., 267.
agreed with Beck and adopted subsidies to finance rural line construction, which the HEPCO movement repeatedly campaigned to increase. In doing so, the HEPCO was able to finance its expansion into rural and remote areas without raising rates in urban centres. However, it set a precedent for the provincial government to subsidize indirectly electricity rates through general taxation and debt, despite the claim of “power at cost.”

Drury made the rapidly increasing cost of the Chippewa canal project at Queenston the focus of a royal commission in 1922, as he not only feared provincial insolvency but also Beck’s practice of spending money without cabinet approval. Construction at Chippewa began in spring 1917 with an original estimate of approximately $10 million in construction costs, but by 1919 that had ballooned to $55 million. It could be argued that due to technological changes, Beck could not have predicted the full costs of the project when it was authorized in 1915, but his failure to consistently seek cabinet and legislative approval for the increasing estimates undermined democratic practice in Ontario. The Gregory commission made a series of interim reports in early 1923, but the full report did not appear until after the Drury government’s defeat in the June election. The commission ended up spending over $500,000 and released its final report in the spring of 1924.

The Gregory commission’s findings are a damning indictment of HEPCO’s governance and Beck’s unconstitutional actions. The final report concluded that Beck had taken $1,100,000 from power sales and spent it on radial development, which had not been authorized by any cabinet decision or legislation. Beck claimed Hearst had authorized the expenditure in a

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98 Fleming, 1992, 70. Instead of the horsepower tax demanded by Lethbridge and the Sun, the government moved a bill to create a Power Extension Fund in spring 1921, which drew its funding from general revenues. This so enraged Lethbridge that he quit the UFO caucus (see Johnston, 1986, 103).
99 Alarmed for the province’s credit, as early as March 1920, Drury tried to obtain more information on the cost of the project but was rebuffed by Beck (see Johnston, 1986, 104).
100 See Belfield, 1981, 396-7. Belfield, seeing the history of the HEPCO in terms of the technological momentum, portrays Beck’s actions as the logic of a system (i.e. Beck foresaw the looming power shortage and thus did not seek the official approval he could not obtain).
September 1919 letter, but critics pointed out that the letter said no such thing and would not have been legally valid even if it did.\footnote{See editorial, \textit{Daily Star}, 3 April 1914.} However, by that time Ferguson was premier and the issue was moot.

These inquiries did not seriously undermine Beck’s political power in Ontario. However, they did allow Drury to rein in Beck’s plans, and also led to policy changes. The Sutherland commission delayed radial construction by two years, saving the province tens of millions of dollars in the construction of an outmoded transportation system. The Lethbridge committee initiated a new process by which transmission line construction was subsidized, and thus inaugurated a new drive for electrification in rural Ontario. Lastly, the Gregory commission highlighted Beck’s flagrant abuse of the principles of responsible government. Although this was not enough to force him from his HEPCO chairmanship, it represented a significant public criticism of the commission’s governance.

**HEPCO’s Expansion into Toronto**

Beck also attempted to expand the HEPCO’s reach into municipal affairs in Toronto. Beck’s singular progressive vision, his political activities, and the limits to his influence can be seen in these efforts in the provincial capital in the early 1920s. Significantly, Beck’s most strident enemies in Toronto were progressives, albeit progressives who valued civic autonomy. HEPCO’s actions in Toronto municipal politics thus highlight the pluralism of progressivism and help to demonstrate the domestic repercussions of American private utilities’ criticism of the commission.

By the fall of 1920, an electrical power shortage had developed across the province. Although a temporary arrangement was made with the EDC, the shortage seems to have...
expedited an effort, dating back to 1918, to complete the purchase of all the Mackenzie interests. By early December 1920, the HEPCO and the City of Toronto agreed to buy the syndicate’s generation plant at Niagara Falls and transmission lines, the local distribution network, and three commuter railways in the greater Toronto area, for almost $33 million. The only Mackenzie company outside of this so-called “Clean-Up Deal” was the Toronto Street Railway. The Mackenzie syndicate was forced to sell for two reasons: the companies were corporate subsidiaries of the TSR, whose municipal franchise was to end in September 1921; and the coming completion of the HEPCO’s Queenston plant would have undercut electricity prices in Toronto.102

Toronto voters approved the deal in the January 1921 municipal elections, in which Beck also took the unprecedented step of openly endorsing Tommy Church for the mayoralty. However, the Clean-Up Deal was not finalized for another year and a half. A Star editorial surmised that Beck delayed the conclusion of the deal because he first wanted to get the City of Toronto to accept his plans for radial entrances and rights-of-way in the municipality, which would form the basis of a future radial system.103 He may have also delayed completing the agreement until Drury allowed municipal re-votes on the western radial.104 In December 1921, Beck added two clauses to the deal: the HEPCO was to get ownership of six-track-wide radial entrances along the waterfront, and the right to build a subway up Bay Street. This request came to be called the “Waterfront Grab” by opponents.

The Grab was supported by Mayor Alf Maguire and most of council but was opposed by a minority which did not want to give Beck control of the railway entrances and subway, which

102 Globe, 6 December 1920; however, Plewman believes Beck bluffed on the latter point to trick Mackenzie (see Plewman, 1947, 259).
103 Daily Star, 1 December 1921.
104 Plewman, 1947, 313.
could otherwise go to the Toronto Transportation Commission, which was created to run the Toronto Street Railway. The Toronto Board of Trade and other civic bodies opposed the Grab, along with the Mail and Empire and the Star. Beck’s waterfront plans were supported by the Globe and Telegram. After months of conflict between the two sides, Drury forced the Grab plan to go to municipal voters for approval. As in 1916, the Grab debate was a conflict between two groups of progressives: those who unequivocally supported the HEPCO, and others who believed in local autonomy.

The January 1923 Toronto municipal election (which included the by-law vote) was perhaps the most divisive of the early twentieth century. All positions on the Board of Control and Council were contested by the two sides, which organized slates. Mayor Maguire ran against anti-Grab candidate (and former Toronto Street Railway manager) R.J. Fleming, who was recruited to run in the election by Drury and R.A. Cameron, the president of the Board of Trade. Plewman writes that the business and financial community, along with non-British immigrants, opposed the Grab, while the lower and middle classes supported it. In the end, Maguire was narrowly elected, and the by-law narrowly defeated. New enabling by-laws for the Toronto-to-Niagara radial were also rejected in Hamilton and a few other townships. It was the first time Beck faced significant opposition to his plans.

The Grab also exposed the reflexive way in which political actors in Ontario responded to American criticism of the commission. During the frenetic campaign, Beck and Maguire alleged that outside interests were funding the anti-Grab campaign. In particular, Beck pointed to the electricity industry in the United States, the same interests that were distributing anti-HEPCO literature there (see previous chapter). At one campaign appearance, Beck alleged the New York

105 Drury, 1966, 123; Drury misremembers the election as occurring in 1922.
electricity industry supplied 90% of the funds for the anti-Grab campaign. Another time, Beck referenced the 1922 referendum in California:

The municipalities in the state of California secured legislation for water power development similar to that of this province. The privately operated electrical interests formed an association to fight the whole movement and threw themselves into the campaign. It has been shown that they openly debauched the electorate, instituted a campaign of misrepresentation, and spent an enormous amount of money to kill the project. Encouraged by their success in defeating the California scheme, they determined to employ similar methods here, not only to defeat the Hydro Radial project, but also to destroy the whole public ownership movement. Their campaign was centred in Toronto and Hamilton.

Controller Joseph Singer, an anti-Grab leader, later called for an inquiry into these charges, but this was voted down by Maguire and the newly-elected council. A 1924 scandal later brought to light the fact that Beck hired a private detective to spy on an opponent of the Grab, probably due to his fear of influence by the American private power industry. Like other incidents, the Grab shows how political actors in Ontario changed their behaviour in response to the reception of the HEPCO in the United States.

Beck’s Last Years, 1923-1925

By mid-1923, the Drury government was especially weak. Drury had lost, if he ever held, the support of UFO founder and general secretary J.J. Morrison, who swayed a large section of the membership. Morrison had declined the premiership in 1919 and instead used his popularity to snipe at Drury's government. Many UFO members were also disappointed with the government, which they believed had failed to deliver rural electrification. Alongside these shortcomings, Beck had been portraying Drury and the UFO as hostile to the progressive cause of public ownership. During the June 1923 election, Beck returned to the partisan system as a

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107 *Daily Star*, 29 December 1922
109 *Daily Star*, 8 January, 20 February 1923.
regular Tory and aided his party’s campaign with sharp attacks on Drury and his policies. Pro-HEPCO newspapers like the *Globe* attacked Drury for his management of the commission, while the Tories characterized Drury as anti-public ownership due to his opposition to radial construction.¹¹⁰

American progressives saw the Conservative election victory as an unqualified triumph for the international public power movement. Pennsylvania Deputy Attorney General Philip P. Wells wrote to O.C. Merrill, the Executive Secretary of the Federal Power Commission:

> With respect to the policy of public against private ownership, I agree that neither should exclude the other from the field until it can definitively establish its unquestioned superiority. Whether public ownership can or cannot do that depends upon prevailing standards of political integrity and efficiency. I am therefore glad to learn that the attempt of the former Labor Party [sic] in Ontario to drag the hydro-electric commission into partisan politics has been rebuked in the recent Provincial election.¹¹¹

Cooke congratulated Beck for the Tory election victory in no uncertain terms:

> Please permit me to express my sincerest congratulations on the result of the Ontario elections carrying with it such an obvious endorsement of the great work which you have done for the Province and for Canada – the effects of which we can see exerting more and more influence on public affairs on this side of the border. Your own election from London will give heart and true encouragement to the friends of good government everywhere.¹¹²

To a Pennsylvania correspondent, Cooke showed that he had come to fully believe Beck’s political point of view about the outgoing Drury government:

> …you will be interested to know that at an election held on June 25 “Hydro” received an overwhelming endorsement from the people… The Labor-Farmer Government which has been in office for four years and consistently harassed and continuously investigated Hydro was overwhelmingly defeated by the Conservative party which has sponsored Hydro from the start.¹¹³

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¹¹¹ Cooke Papers; K. Giant Power Survey Papers, 1924-25; Box 200: Special Topics; File: “Cheap Electric Power”; Letter, Philip P. Wells to O.C. Merrill, 6 July 1923.
¹¹² Cooke Papers; A. General Correspondence, Numerical File, 1910-1929; Boxes 34-35, File 389(1); Ontario Hydro-Electric Power Commission; Letter from Cooke to Beck, 29 June 1923.
¹¹³ Wells Papers; Box 2893; File: Giant Power – Misc – 1923; Letter, Cooke to Fred L. Miller, 3 July 1923.
Writing to one HEPCO engineer, Cooke wrote: “We have interpreted your election as being rather an endorsement of hydro and as such we have welcomed it.” Cooke and the other American progressives had come to completely agree with Beck’s position in Ontario politics. After the Tory victory, the new premier Howard Ferguson quickly moved to a relatively greater degree of cabinet control over the HEPCO. Ferguson displayed more cunning than Whitney and Hearst, and was able increasingly to sideline Beck, who was also experiencing serious health problems. Beck remained the chairman and returned to cabinet, and so was now subject to collective responsibility for the first time since 1914. Carmichael quickly resigned from the Commission, but J.G. Ramsden refused, claiming that this would mean the return of the spoils system, and he had to be ejected by an order-in-council. Ferguson’s appointment of member of provincial parliament J.R. Cooke to the commission can be seen as a move to counteract Beck, as Cooke had been a vocal critic of the utility’s rural operations. Neil B. Freeman, however, argues that Ferguson did not address the central issue of the HEPCO’s ownership by the municipalities, and thus “institutionalized the ambivalence” of the commission.

Beck travelled to the World Power Conference in the summer of 1924, along with several HEPCO officials. A rumour arose that during this trip that he was offered a position with the British government to develop public power, a project that would eventually become the National Grid. Cryptically, Beck did not confirm nor deny if he had been offered a position but

115 Plewman, 1947, 345. Ramsden went so far as to publish correspondence in the press in which he accused Ferguson or Beck of ordering OPP officers to break open his desk at the HEPCO offices; a commission official claimed that Ramsden had been warned that HEPCO papers were not his personal property, at which point he left (see Globe, 27 July 1923).
116 Freeman, 1996, 7.
would only assert that any such offer had not been made officially.\textsuperscript{117} Available evidence seems to indicate that Beck was seriously tempted to take the position.\textsuperscript{118}

A major scandal erupted in October 1924, when it was announced that E. Clarence “Clary” Settell, Beck’s personal secretary, was arrested trying to cross the Niagara border with over $29,000 of HEPCO funds.\textsuperscript{119} Soon after, it was revealed that Settell sent a twenty-page blackmail letter to Beck, containing numerous claims of impropriety by Beck and other HEPCO officials, in the hope that the incident would be covered up. Instead, Beck demanded a public inquiry to vindicate himself from any acquisitions of wrongdoing. The Ferguson government appointed a royal commission under Judge Colin G. Snider of Hamilton to investigate the allegations.

Snider spent the next few months conducting his inquiry with the assistance of accountants. His final report in early December concluded that most of Settell’s charges of corruption and lavish spending were false. However, he did note that HEPCO chief engineer Fred Gaby had recommended the commission buy equipment from a sand and gravel company he owned, without disclosing this fact.\textsuperscript{120} It also came out that Gaby directly hired his own brother as a doctor for HEPCO workers.\textsuperscript{121} The report also showed a pattern of small purchases by the HEPCO for Beck’s personal use, such as the services of a photographer and fence repair. etc. For his part, Beck claimed Settell had likely mischarged the amounts to the HEPCO instead of giving him the bills.

\textsuperscript{117} \textit{Toronto Daily Star}, 16 August 1924
\textsuperscript{118} Plewman, 1947: 376-377.
\textsuperscript{119} On the Settell scandal and inquiry, see Plewman, 1947, 382-426; Plewman refers to Settell as “Mr. X.” For 17 years, Settell worked for Beck as an unofficial fixer, lobbyist, and public relations man, often supplying alcohol to the newspaper reporters and politicians that the HEPCO chairman wished to cultivate. Settell evidently believed the money was owed to him for these and other services to the commission.
\textsuperscript{121} Ibid., 22-24.
One of the most explosive charges made by Settell was that the HEPCO paid for detectives to conduct surveillance on political opponents. Settell pointed to a cheque for $844.71 paid to Montreal engineer R.A. Ross in 1913 for work done by the Thiels Detective Agency, along with a 1922 bill from the Pinkerton Agency for surveillance of Home Smith, the chairman of the Toronto Harbour Board, who opposed the Waterfront Grab.\textsuperscript{122} In 1934, during the transition period for the incoming Hepburn government, Settell (then living in California) wrote incoming HEPCO chairman T. Stewart Lyon:

If F.A. G. [Gaby] gives you any trouble, you need only write or wire me, and he can be easily squelched. Their detective activities have been going on for years, many of them paid for by vouchers to Hannigan and the O.M.E.A. If the facts were laid bare, you would find that both John R. Robinson [the editor of the Telegram] and yourself came under their espionage. It has long been one of G’s favorite weapons.\textsuperscript{123}

In his own testimony, Beck admitted that he had empowered Settell to hire detectives to conduct surveillance on Home Smith, but that no information had come of it.\textsuperscript{124}

Some of Settell’s other charges, and their subsequent investigation by the Snider commission, show that the HEPCO covertly funded its own pressure groups, the OMEA and HERAO. In 1923, the Drury government revoked the insurance agent license of HEPCO employee John Littlejohn, who received commissions for purchasing insurance for the utility; these commissions were re-directed to the HEPCO’s municipal by-law campaigns.\textsuperscript{125} After this decision by the government, the HEPCO’s lawyer, I.B. Lucas, came up with the idea of creating a private corporation called the Municipal Underwriters Association (MUA), with his son G.K.

\textsuperscript{122} Ibid., 12, 19-22.
\textsuperscript{123} E.C.J. Settell to Lyon, 23 Oct. 1934, LAC, MG 30 D272, Thomas Stewart Lyon fonds, file: “Hydro Electric Power Commission of Ontario: correspondence”; in his response of 31 October 1934, Lyon stated that there was no evidence of spying by Hannigan or the OMEA but claimed that Maguire was the “paymaster” for the practice.
\textsuperscript{125} On the insurance issues, see Snider report, 86-89.
Lucas as general manager. The MUA’s first year of operation yielded commissions amounting to over $20,000, of which $5,000 went to the OMEA and over $7,000 to the HERAO. By this means, the HEPCO pressure groups could be funded without any oversight by the provincial cabinet or legislature.

Conclusion

By the time of his death in 1925, Beck’s personal power was greatly diminished. His plans for a province-wide radial network had been successfully stalled by Drury and was not to be resurrected by the Ferguson government. However, the HEPCO was established as not only the publicly-owned monopoly for the transmission of electricity, but also for generation, and subsequent chairmen purchased more and more of the hydroelectric properties remaining outside its control. By the time of Beck’s death, public ownership in the electricity sector was firmly established as a consensus among all of Ontario’s political parties.

This consensus was achieved by Beck’s mobilization of supporters within and outside cabinet, seen in his leadership of the public power movement, a network of pressure groups, politicians, and newspapers. The use of sometimes Machiavellian tactics by Beck and his supporters was not a repudiation of higher ideals, but rather a reflection of the seriousness with which they viewed debates over the public ownership. In this sense, political exigency was made subservient to the goals and values of the public power movement. Beck animated this public power movement with a distinctively populist style and populist political theory, in which he united his supporters with a rhetoric of social reform and economic development and turned their

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126 Indeed, the Snider report found a pattern of excessive payments and nepotism by I.B. Lucas. The HEPCO Legal Department employed him, his son G.K. Lucas, and his son’s law partner F.C.S. Lucas, all the while they continued in practicing privately on the side. Another son, Brock Lucas, also worked as a lawyer for the HEPCO. For the charges against the Lucases, see the Snider report, 80-93.
anger against corporate monopolies and American interests. Although the ends sought by the commission were pluralistic and not fully compatible, Beck elided any problems by following a vision in which the HEPCO’s version of public ownership would achieve economic efficiency alongside social justice. Although he failed to realign the party system along progressive lines, he successfully established his commission and gained wide acceptance for its continuing existence.

By the 1920s, Peter Oliver states that the HEPCO “was no longer a crusade able to inspire the progressive spirit.”

Although the early 1920s were followed by a significant decline in the Ontario commission’s populist zeal and ability to act independently, it will be shown below that many progressive preoccupations, such as fears of monopolistic American interests, continued to inform provincial politics into the 1930s. Additionally, the HEPCO continued to inspire progressives in the United States, serving as a model for various experiments in the public control of electricity. Nevertheless, Beck’s death did mark the beginning of the demobilization of the public power movement in Ontario, a process indicated by the ideological exhaustion of its original progressive energies and the transformation of the HEPCO into a consensus in the provincial political culture.

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127 Oliver, 1977, 125; in this argument, Oliver seems to follow a trend in American historiography which saw the end of progressivism in the 1920s.
Chapter 4: “But a duplicate in essence of the great Ontario hydro development”:
The Background to Franklin D. Roosevelt’s Power Policy as Governor and President
(1926-1937)

Introduction

Looking back favourably on the influence of the HEPCO in the United States, Judson C. Dickerman, the former deputy director of the Giant Power Survey, once wrote: “The T.V.A., of course, is but a duplicate in essence of the great Ontario hydro development.” 1 Looking backwards from the late thirties, this statement may have seemed obvious to these members of the public power movement, but such a genealogy of a major project like the TVA requires careful examination. Previous parts of this dissertation have outlined abortive attempts to mould public policy in the HEPCO model, such as Pennsylvania’s Giant Power project. The present chapter treats several successes: the New York State Power Authority (PASNY), the Rural Electrification Administration (REA) and the TVA. These developments were associated with Franklin D. Roosevelt, during his gubernatorial term in New York State (1929-1933), and later as president (1933-1945). The HEPCO model was multifaceted: rural electrification, with subsidized line construction; public ownership of generation and transmission (at the federal or state level), with distribution systems to be operated by municipal governments or rural cooperatives; and importantly, electricity rates to be set as low as possible, to encourage consumption. The latter feature was perhaps the most significant: as early as 1951, a Berkeley economist observed that: “This early conception of the nature of fixed costs and the assumption of an elastic demand have provided a promotional rate structure perhaps unparalleled elsewhere, until the T.V.A. followed the precedent set by the commission.” 2 The HEPCO model had earlier

1 Dickerman to Cooke, 9 March 1939, FDRPL, Cooke Papers, G. General Correspondence, 1936-1945, Box 141, File: Dickerman, Judson C.
either been rejected (as in California) or only partially adopted (as in the Giant Power plan); the PASNY, the REA, and the TVA were the first agencies in the United States to try to implement this model. By incorporating the HEPCO into the history of the New Deal agencies, we can better understand their distinctive organizational design and ideological basis, such as the “grass-roots democracy” of the TVA, or the rural cooperativism of the REA. There were of course many other significant factors in the development of the New Deal’s power policies, but the Ontario model’s influence was nevertheless of great importance.

Throughout this dissertation, I have identified the vectors of diffusion (such as publications, organizations, or policy entrepreneurs like Cooke) which publicized the HEPCO as a model in the campaign for electricity policy reforms in the United States. Significantly, by the late 1920s, the policy entrepreneurs of the public power movement gained access to state power, through the election of Franklin D. Roosevelt as governor of New York and subsequently to the presidency. As governor, Roosevelt not only came to champion electricity policies of his predecessor Al Smith but began to directly use the HEPCO as an ideological and technical model for his proposed reforms. As president, Roosevelt applied these lessons to the development of Muscle Shoals and in rural electrification.

The influence of the HEPCO on electricity policymaking in New York State and at the national level is not a direct one and teleology must be avoided. The PASNY, the REA and the TVA emerged as institutional responses to the efforts of many individual activists, politicians, and theorists who sought solutions to high electricity rates and low rural access to electric technology.3 Additionally, Roosevelt’s temporizing style and the improvisational nature of his

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3 After his own attempt at providing a genealogy of the TVA idea, Walter L. Creese concludes: “We may never come to know who was the true progenitor of the TVA – Norris, Franklin Roosevelt, Gifford Pinchot, Henry Ford, Benton MacKay, Arthur Morgan, David Lilienthal, Frederic Delano or even Louis Brandeis and Felix Frankfurter – it could have been any one of them, or any combination thereof. All we can say surely at this point is that they all
policymaking, especially during the first New Deal, must be emphasized. It is also apparent that American interest in the HEPCO faded after 1937, at a time when the reformist enthusiasm of the New Deal declined in the face of recession, conservative reaction, and international crises.

While taking these caveats into account, an examination of the politics of electricity during the late 1920s and 1930s will show just how central the Ontario model was to debates in the United States. Indeed, ideological and technical elements drawn from the Ontario experience were vital not only to public ownership advocates, but also aided those who called for stricter rate regulation. The PASNY, the REA, and the TVA were all developed by the same small group of American progressives who sought to emulate the HEPCO, and who formed a bridge between the Progressive Era and the New Deal.

At least in terms of public ownership and rural electrification, Dickerman was correct to argue that the TVA was “a duplicate in essence” of the HEPCO. However, the TVA, like other New Deal projects, went beyond the adoption of the components of the provincial system, additionally incorporating ideas about regional planning and cultural renewal. As a limited experiment in the public control of electricity, the Ontario model lost relevance to American policymaking by the late 1930s.

**Ideological Debates Before the New Deal**

The issue of public ownership, fuelled especially by the Muscle Shoals debate, was of continuing interest to American reformers and social scientists in the late 1920s and early 1930s. For instance, German theologian Dietrich Bonhoeffer encountered the Muscle Shoals had impact.” (Walter L. Creese, *TVA’s Public Planning: The Vision, The Reality*. Knoxville: University of Tennessee Press, 1990: 83).

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controversy in Harry F. Ward’s seminar on Christian ethics during his 1930-1 sojourn at Union Theological Seminary in New York City. 5 Throughout this period American social scientists sustained an ongoing scholarly interest in the HEPCO’s operations, as a model to be followed for public ownership, rate regulation, and rural electrification. This interest gave an imprimatur of intellectual credibility to the HEPCO model, at a time when the utility was under attack by NELA in the United States. When NELA’s propaganda activities were exposed during a 1928-1931 Federal Trade Commission (FTC) inquiry, significant criticism of HEPCO ended, giving the Ontario experiment extra validity in the eyes of American policymakers. This ideological milieu is the context in which Roosevelt and the public power advocates developed their electric policies, first for New York State, and then for the United States.

Economic historian Hugh Rockoff argues that on eve of the New Deal, American economists used studies from Germany, Scandinavia, and especially Anglosphere countries to support the expansion of government economic activity. 6 He posits that the TVA was theoretically justified by positive economic studies of the HEPCO, especially papers by E.B. Biggar and Harvey W. Peck. 7 A former editor of the Canadian Engineer, Biggar seems to have based his 1921 article in the Journal of Political Economy on an earlier self-published book about the HEPCO. 8 H.W. Peck was an economist at Syracuse University, who published a comparative study of electricity rates in western New York State and Ontario in the American Economic Review. This 1929 article endorsed public ownership over regulation, arguing that the

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7 Ibid., 136-7
HEPCO was much more efficient than the private power companies of New York State, due to lower capitalization, production costs, and domestic prices, along with the lack of a profit motive. Peck later praised the HEPCO in several passages in his 1937 book *Economic Thought and Its Institutional Background*. For Peck, the HEPCO was a “democratic institution” like the United States Post Office or the “democracy of the early New England town.” He declared that his earlier HEPCO study turned him away from the orthodox economic view that profits were necessary incentives for technology innovation in industry. John Bauer, the discussant of Peck’s 1929 article, generally agreed with his findings, but he argued that more robust regulation would probably reduce the gap between electric rates in Ontario and western New York State. Another influential work cited by Rockoff is John Maurice Clark’s 1926 text for business students, which cautiously reviewed regulation, public ownership, and other modes of government economic intervention. Clark argued that the public ownership question was not black and white, mentioning the success of several government enterprises, including the HEPCO, which was built by Beck, “an engineer [sic] of large abilities.”

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11 Ibid., 312.

12 John Bauer, “Electric Power and Light Utilities—Discussion” *American Economic Review*, 19, 1, Supplement, Papers and Proceedings of the 41st Annual Meeting of the American Economic Association (March 1929): 219-225; Bauer was the director of the American Public Utilities Bureau, and had made at least one trip to Toronto to study the HEPCO (see Bauer to Cooke, 10 November 1930, FDRPL, Cooke Papers, B. General Correspondence, 1930-1935, Boxes 86-87, File #399: “Bauer, Dr. John, A.P.U.B.”). Elsewhere, Bauer studied Ontario’s rates, and was able to show that HEPCO’s distribution costs were half of those of New York State’s private power companies (see his pamphlet, *If Power Cost Nothing to Produce – What Would Be the Cost to the User?* Washington, DC: Public Utilities Fortnightly, 1932).

13 John Maurice Clark, *Social Control of Business* (Chicago: University of Chicago, 1926), 422; Clark’s sole source on the HEPCO seems to have been Biggar’s 1921 article.
Although Rockoff is correct that many academic economists of the late 1920s and early 1930s agreed with the efficacy of public ownership, especially the HEPCO, he ignores the other important voices in contemporary policy debates. The electricity industry, especially through its lobbying arm the NELA (which later became the Edison Electric Institute), sustained a massive public relations campaign to argue against public ownership and stricter regulation. As we have seen, NELA was behind efforts throughout the 1920s to criticize the HEPCO, in order to forestall the use of the commission as a model for emulation in the United States. But thanks to a major public inquiry, this campaign was exposed, greatly injuring the private electricity industry’s credibility.

On 28 February 1927, progressive Senator Thomas Walsh of Montana was unsuccessful in getting enough support for his resolution for an inquiry into the public relations efforts of the electricity industry. When the resolution was reintroduced in February 1928, the Senate agreed to an investigation by the FTC. Facing mounting public criticism, the electricity industry agreed to the investigation by the FTC as a compromise, because it feared an unfriendly one by the Senate. By the time it finished in 1931, the FTC inquiry showed the activities of the NELA in influencing public opinion, especially through schools, universities, civic groups, and the press.

Ernest Gruening wrote a book about the investigation based on his personal experience with the NELA campaign. Gruening was an editor of the Portland, Maine, Evening News in 1928, when an editorial appeared in the competing Press Herald which criticized Ontario’s power rates based on data supplied by University of Minnesota professor E.A. Stewart. Gruening wrote to Stewart to ask if he had been quoted correctly about the HEPCO (as the data contradicted the commission’s published reports). The latter mistook Gruening for an editor with the Press Herald and wrote to offer his services for a public speaking tour of Maine to address

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the power issue. Stewart also claimed that the HEPCO’s Engineering Department had verified his data during a research trip to Ontario, but Gruening was informed by the Commission’s chair that the Minnesota academic left Toronto before this confirmation was complete. The FTC’s exhibits show Stewart was being paid by the North Central Electric Association and the Minnesota Committee on the Relation of Electricity to Agriculture at the time of his trip to Ontario, and his conclusions were disseminated by NELA.15

By the conclusion of the FTC investigation in 1931, the private utility industry stood gravely injured in American public opinion. Especially damning was the revelation of the sustained disinformation campaign NELA waged against the HEPCO in the United States. Not only did this draw more attention to the Ontario utility from American progressives, but the very fact that the HEPCO had been attacked by NELA seemed to vindicate it as an entity worthy of further study. In fact, further attempts by American utilities to criticize the provincial commission were relatively ineffective, and electric policy reformers pointed to the FTC investigation to dismiss such negative assessments.

Al Smith as Governor, 1919-1921, 1923-1929

New York State was an important location for debates over the public ownership of electricity, because of the presence of major hydroelectric sites that remained in the public domain. In the case of New York State, such sites lay along the St. Lawrence River which, as an international boundary, encompassed the issues of the federal government’s jurisdiction and cooperative development with Canada. Governor Al Smith led a significant attempt to develop the state’s hydroelectric sites under public control, but largely did so without direct reference to,

15 Gruening, 1931, 72-76; Stewart’s expenses ($1485) on a trip to Europe were paid directly by the utilities, and his employment was also subsidized by $7500; see Stephen Raushenbush, High Power Propaganda. (New York: New Republic, 1928), 47.
or reliance on, the HEPCO model. This was likely the result of two factors. Firstly, Smith’s entourage did not include individuals who were closely interested in the Ontario commission. It was such people, like Judson King and George W. Norris in the Muscle Shoals debate, who were the key conduits of the Ontario model in the United States. Secondly, Smith’s plans diverged from the HEPCO organizational form (i.e. provincial generation and transmission, municipal distribution) because of practical limitations and political obstacles in New York State; he was willing to consider private ownership for some parts of the electricity sector. Nevertheless, Smith did sometimes refer to the Ontario experiment, at least on the rhetorical level, when he argued for the possibility of lower rates and extended service for New Yorkers.

Smith was the first New York governor since Charles Evans Hughes to significantly promote public ownership of the state’s hydroelectric resources. Smith was interested in the issue as early as the 1915 state constitutional convention, where he spoke out against efforts to create a clause to block public ownership.  

Elected New York State governor in 1918, at the beginning of his term he proposed that the Conservation Commission be allowed to produce and distribute electricity. The bill passed the state senate but was defeated in an assembly committee. He was also unsuccessful with his proposed legislation in the 1920 session, and he had to veto a bill to allow the leasing of hydroelectric sites to private operators.

In the 1920s and 30s, the New York State Republican Party was strongly identified with the private power companies. The dominant party faction, the upstate “Old Guard,” had run the party and the state since the Civil War, but began to encounter serious opposition from Smith and other progressive Democrats in the 1920s, as the latter sought further reforms beyond the

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regulatory regime of 1907. The Old Guard was especially identified with the utilities which merged into the Niagara-Hudson Power Corporation in the summer of 1929 (see below); a major figure in this merger was H. Edmund Machold, who retired as Republican Speaker of the assembly in 1924 to become President of the Northeastern Power Company. As New York Times reporter Warren Moscow recalled:

In up-state New York many a county chairman was also president of the local bank, owner of the local power company, which grew up from the little generator at the site of the old mill dam and was absorbed later in a state-wide combine, with himself as a big stockholder. He was generally the chief local representative of the established economic order, and as such was also Republican county chairman.

The relationship between the state Republicans and the utilities was demonstrated by a scandal in 1934, when the FTC found a letter in the files of an upstate power company. The letter, written by state Senator Warren T. Thayer, who was also chair of the Senate Committee on Public Service (which oversaw regulation), asked the utility if it was satisfied with his performance. The letter provoked Thayer’s resignation when disclosed to the public.

Republican Nathan L. Miller won the New York State governorship in 1920, defeating Smith, and in his January 1921 message he called for a Water Power Commission to oversee leases of hydroelectric power sites to private operators. Miller opposed public ownership at the local or state level, instead supporting private development along the lines of the recently-created Federal Power Commission, including fifty-year leases. Democrats opposed the plan, noting the connections between New York Republicans and the power industry. The Water Power Commission was approved by the state legislature that session, with the body to be made up of

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20 Moscow, 1948, 71.
21 Ibid, 70.
the Conservation Commissioner, State Engineer, Attorney General, President Pro-Tem of the state senate, and assembly Speaker.\textsuperscript{22}

Al Smith attacked utilities for a significant portion of his successful 1922 gubernatorial campaign, and in his January 1923 annual message to the legislature, he called for state ownership of hydroelectric developments. Smith’s plan was opposed by the utilities (especially those organized in NELA’s public relations campaign) and by the Republican-controlled assembly, which blocked his bills. However, the Water Power Commission was by this time led by a Democratic majority, which blocked private leases.\textsuperscript{23}

In May 1923, near the end of the legislative session, the state legislature passed a constitutional amendment to allow private development of hydroelectric power in the Adirondacks, in an attempt to by-pass the Water Power Commission. Such an amendment was necessary because the constitution of 1915 specifically outlined the state’s resource rights. The amendment was the idea of Mortimer Y. Ferris, who was the brother of Harvey Ferris, the State Senator who had led the 1911-1913 inquiry into the HEPCO. The Ferris Amendment was defeated on Election Day, in part due to a public campaign by Smith, Robert Moses, and other progressives. David L. Nass gives three reasons why the Democratic-controlled state senate allowed the Ferris Amendment to go on the ballot: firstly, some Democrats, like the Ferrises, were clearly pro-utility and their influence within the party was significant; secondly, it is possible that Smith allowed the amendment to go forward to give him an issue with which to campaign; lastly, it is possible Smith wanted the amendment passed, to allow the State to develop the Adirondacks’ power or construct transmission lines through the forest preserve in

\textsuperscript{22} Nass, 1970, 5-7; Eldot, 1983, 238-239.
the future.\textsuperscript{24} Paula Eldot, on the other hand, believes Smith was either unaware of the support for the Ferris Amendment in the Senate, or lost control over the body.\textsuperscript{25}

Historians generally credit the idea of a public power authority to Smith’s advisor, Julius Henry Cohen, who was the Counsel for the Port Authority of New York and New Jersey, which was created in 1921.\textsuperscript{26} Cohen outlined the idea for a state-owned authority to develop hydroelectricity to Smith in a December 1923 memo, and it was included in the governor’s January 1924 annual message to the legislature. (Smith’s two key aides, Robert Moses and Belle Moskowitz also presented the idea to a group of legislators and others in December 1923, but they were more willing than Cohen to include private utilities in hydroelectric transmission.\textsuperscript{27}) The Democratic-controlled state senate passed a bill to create the authority, but it was defeated by the Republican-controlled assembly in the spring. Martha Bensley Bruère, representing the Woman’s City Club of New York, defended the bill to a joint hearing of the state senate’s Conservation and assembly’s Ways and Means committees in March, by recounting her recent trips to Ontario on behalf of the Giant Power Survey:

\begin{quote}
I speak not from theory, but because of what I have seen in the Province of Ontario, where cheap electricity is at the command of practically every one in the country or the city… I found that in every town with 10,000 or more inhabitants, with but one exception, electricity costs less than 3 cents a kilowatt hour. This bill does not provide for the distribution of power by the State, but it does provide for a plan on which such distribution may be based.\textsuperscript{28}
\end{quote}

Smith and the Republican leadership made a deal, to allow a power authority to submit a plan to the legislature in 1925, but the compromise broke down when the Republicans refused to invest


\textsuperscript{25} Eldot, 1983, 243.

\textsuperscript{26} Nass, 1970, 11-12, 47.

\textsuperscript{27} Eldot, 1983, 247.

\textsuperscript{28} \textit{New York Times}, 13 March 1924.
the proposed authority with inalienable ownership rights. Smith ran again for governor in 1924, and was victorious against Republican candidate Theodore Roosevelt Jr. He was unsuccessful, however, in advancing his power policy in 1925 and 1926, due to Republican strength in the legislature. Critics of Smith’s proposal often made negative references to the HEPCO, drawing on recent internal political debates in Ontario and American publications like the Murray or Wyer reports. For instance, Republican state Attorney General Albert E. Ottinger, who took leadership of the opposition to Smith’s policies, declared:

…will the operation be the same as in Ontario, referred to by the Governor in a previous statement, where a small group of self-perpetuating politicians have the Government and the people of the Province at their absolute mercy and where the farmers and the poor people in the counties who have fewer votes are compelled to pay higher rates than those in the congested centres where the votes are plenty?

In this way, an anti-public ownership advocate like Ottinger drew-on the UFO’s critique of HEPCO’s operations to oppose Smith’s more limited hydroelectric scheme.

At the same time, among other utilities, the Frontier Corporation (controlled by General Electric, Alcoa, and du Pont) applied to the Water Power Commission to develop hydroelectricity on the St. Lawrence (an earlier application in 1922 was defeated by Smith). The state Republican Party worried about the effect on the 1926 contest, so no new licenses were awarded before Election Day. The Old Guard Republican gubernatorial candidate, Ogden L. Mills, had links to power interests like the International Paper Company and the Northeastern Power Company (which owned the Niagara Falls Power Company). Smith won an unprecedented fourth term, and immediately demanded the lame-duck Water Power Commission refrain from granting licenses until he took office in January 1927 (as part of the 1926 reorganization of the state government, the governor received the power to approve new

development licenses through the new Water Power and Control Commission). The electric utilities backed down and withdrew their applications. Smith’s further attempts to create a power authority in 1927 and 1928 were also frustrated by the Republican-controlled legislature.

Overall, the explicit influence of the HEPCO on Smith’s hydroelectric policies was slight. Smith and his advisors do not seem to have established direct contact with the Ontario commission. Cohen, Moses, and Moskowitz, his key advisors on the issue, were not particularly close to, or interested in, the Canadian utility. Smith was obviously aware of the HEPCO, however, as seen in instances where he praised the HEPCO, just as the New York Republicans criticized it. Smith represented New York State in the Giant Power and Super Power discussions of the 1924, involving talks about greater grid integration in the tri-state area. In this way, Smith and Moses encountered HEPCO enthusiast Morris L. Cooke, who would become a major influence on Roosevelt’s gubernatorial and presidential power policies through his strident advocacy for the Ontario model.

33 Moskowitz was the key liaison and publicist for Smith’s power policies, especially in the late 1920s; see Elisabeth Israels Perry, Belle Moskowitz: Feminine Politics and the Exercise of Power in the Age of Alfred E. Smith. (New York: Oxford University Press, 1987), 169-70. Moses was first hired by Moskowitz to work on Smith’s government reorganization commission in late 1918. He remained a close confidant over the following decade, including a term as Secretary of State (1927-1929), when he largely ran the state government for Smith during his presidential campaign; see Robert A. Caro, The Power Broker: Robert Moses and the Fall of New York. (New York: Alfred A. Knopf, 1974), 280-1. Despite his links to the hydroelectricity issue vis-à-vis his involvement with state parks and the PASNY, Moses was not particularly close to the public power movement. Smith was upset when FDR did not name Moskowitz as his secretary or re-appoint Moses as secretary of state after his 1928 gubernatorial victory; see Roger Daniels, Franklin D. Roosevelt: Road to the New Deal, 1882-1939. (Urbana, Chicago, and Springfield: University of Illinois Press, 2015), 76-7.
34 Eldot, 1983, 252.
35 Moses to FDR, 1 October 1929, FDRPL, FDR as governor papers, Series I: Correspondence (Boxes 1-86), Box 16: “Comb thru Cov,” File “Coog-Coom.”
The Influence of the HEPCO on Franklin D. Roosevelt in New York

The success of Franklin Delano Roosevelt’s public power policies rests, in part, to his identification of the HEPCO model for adoption in the US. Roosevelt’s governorship represents a key moment in the American public power movement for a very important reason: although he adopted the thrust of Smith’s power policies, he created a wide network of policy advisors on the issue, integrating most of the prominent experts and activists. This network included several individuals who advocated for the HEPCO model, which re-injected discussions of the Ontario commission into New York State politics. For his part, Al Smith had been mostly focused on the issue of public ownership.\(^\text{36}\) As others have argued, Roosevelt’s electric policy as New York State governor was divided into two parts: the issue of public ownership of proposed hydroelectric plants on the St. Lawrence River; and the older American progressive idea of regulation of electricity rates for domestic consumers through the state-appointed Public Service Commission.\(^\text{37}\) Although Roosevelt was thwarted in achieving his goals as governor, the ideas he developed and the advisors he attracted later directly influenced the electric policies of the New Deal after 1933.

In his first inaugural address to the New York State legislature on 1\(^{st}\) January 1929, Roosevelt advocated public-private development of St. Lawrence River hydroelectric power but was ambiguous about what this would entail.\(^\text{38}\) In a special address to the legislature in March 1929, he was clearer: all future hydroelectric plants were to be built and owned by a state power authority, with transmission by private utilities at regulated rates (but the state government would have the option of public transmission if they failed). Under this plan, the power authority would set the rates, not the upstate Public Service Commission (which was then led by the conservative

\(^\text{38}\) Bellush, 1955, 209.
William A. Prendergast). As during Smith’s gubernatorial tenure, Roosevelt’s proposals were killed in legislative committee by the Republicans.\(^{39}\) Among those who criticized Roosevelt’s proposals from the left was Norman Thomas, who argued that the HEPCO model was better than a plan that involved private utilities.\(^{40}\)

The position of the federal government under Herbert Hoover (1929-1933) towards development of a St. Lawrence waterway further complicated Roosevelt’s strategy. After taking office as president in 1929, Hoover began to exert significant pressure on Canada to begin treaty negotiations for such a project, but Prime Minister William Lyon Mackenzie King demurred due to the 1930 election. King faced a complicated domestic situation because, although the idea was popular in Ontario and the West, the Quebec Liberal government of Louis-Alexandre Taschereau opposed the St. Lawrence project due to the influence of the province’s shipping and electricity interests. An international agreement became more likely after the victory of R.B. Bennett, who dropped his support for an all-Canadian route. George Henry, appointed premier of Ontario in 1930, became a key ally of Bennett. Serious negotiations between the two national governments began by fall 1931.\(^{41}\)

The late 1920s and early 1930s was a propitious time for criticism of the electricity industry. In other words, Roosevelt’s actions during this time were not just positive efforts to implement policies, but also reactions to the ongoing crisis in the industry. Public ownership became an increasingly attractive solution to corporate monopoly, high rates, and incomplete rural electrification. A significant problem during this period was the concentration of corporate control, as J.P. Morgan & Company and other corporate interests steadily gained direction over

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\(^{40}\) Bellush, 1955, 213; Davis, 1985, 97-9.

most of the nation’s major private electricity utilities. These utilities were often taken over by holding companies, allowing for the regional coordination of the generation and transmission of electricity. Since electricity was regulated at the state level, the use of the holding company enabled these corporate interests to evade effective control, as the federal government (which had oversight of interstate trade) was controlled by conservative Republicans. The 1928-1931 FTC inquiry gave progressives a significant opportunity to criticize holding company operations in the electricity industry, but their weakness in Congress and at the state level prevented the achievement of significant reforms. The onset of the Great Depression in late 1929 precipitated a plunge in demand for electricity, which weakened the holding companies (in some cases causing their collapse) and thus provided an opportunity for Roosevelt and others to propose a reorganization of the industry. And with the increasing intransigence of the private electricity utilities towards any form of cooperation with the state government, public ownership in generation, transmission, and distribution steadily came into focus as the only possible solution. Further, it was in the context of this industry crisis that Roosevelt and his advisors turned to the Ontario model as a central inspiration for their plans in New York State.

By mid-1929, Roosevelt’s electricity policy was in danger from the proposed $500 million merger to create the Niagara-Hudson Power Corporation, which would have control over every significant transmission line between the St. Lawrence River and the state’s population centres (in fact, the interlocking directorate between Niagara-Hudson and Consolidated Gas

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43 New Deal efforts towards reforming electricity industry holding companies and establishing stronger federal regulation, culminating in the Public Utility Holding Company Act of 1935, is described in Funigiello, 1973, 32-121, passim.
controlled 85% of New York State’s electricity. In late June 1929, Roosevelt asked the Republican State Attorney General, Hamilton Ward, for his opinion on the legality of the merger under New York’s antimonopoly laws. Ward tried to avoid a definitive response, but when pressed, said that the merger would be legal. In response, Roosevelt used a July 4th speech at the new Tammany Hall headquarters to denounce monopolies and especially the Morgan interests who were widely believed to be behind the Niagara-Hudson merger.

His earlier electricity policy proposals defeated in the legislative session, Roosevelt began a major effort in late 1929 and early 1930 to research the issue and discuss it with a variety of experts. It was during these months that Roosevelt gained significant knowledge about the HEPCO and recruited to his cause several power activists who were sympathetic to the Ontario commission. The memoirs of Roosevelt’s aide Samuel I. Rosenman list several experts who visited the Governor’s Mansion in Albany to discuss electric policy: J.C. Bonbright, Julius Henry Cohen, Milo R. Maltbie, and Leland Olds. Each man played a major role in implementing Roosevelt’s power policies, both in the state and nationally. Bonbright, was an economics professor at Columbia and expert on utility pricing and holding companies, took part in the hearings of the New York Commission on the Revision of the Public Service Commission and co-authored a book which had a major influence on the drafters of the Public Utility Holding Company Act of 1935. The available evidence suggests Felix Frankfurter, increasingly close to...

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45 Bellush, 1955, 212; Freidel, 1956, 73, 82-3; Davis, 1985, 88-90.
46 Samuel I. Rosenman, Working with Roosevelt (New York: Harper & Brother, Publishers, 1952), 33. A veteran of the First World War, a graduate of Columbia, and the son of Russian Jewish immigrants, Rosenman (1896-1973) was a young Tammany-aligned lawyer who was elected to the state assembly in 1921. He was so adept in this position that Al Smith made him his legislative commissioner; in 1928, Smith’s aides assigned Rosenman to write speeches for FDR. After the 1928 election, FDR named Rosenman as Counsel, making him a rival of Louis Howe, who ran Roosevelt’s national office in New York City; see Roger Daniels, Franklin D. Roosevelt: Road to the New Deal, 1882-1939. (Urbana, Chicago, and Springfield: University of Illinois Press, 2015), 72, 76.
Roosevelt, first recommended Bonbright to his attention. Bonbright was appointed to the New York Power Authority in 1931, where he served until 1946. As mentioned earlier, Cohen was a lawyer who worked on the issue with Smith and was later appointed by Roosevelt as counsel to the St. Lawrence Power Commission. A long-time progressive utility activist, Maltbie was later appointed as chairman of the New York State Public Service Commission. Olds was a self-taught expert in electricity policy. After losing his job as the editor of the Federated Press, a labour wire service, he spent the summer of 1929 in Chicago’s John Crerar Library to learn more about the industry. It is unclear how he first came to Roosevelt’s notice.

There is a particularly significant omission from Rosenman’s list of the individuals who met Roosevelt in 1929-1930: Morris L. Cooke. In late September 1929, Cooke met with Robert Moses (with whom he would have been familiar since the tri-state Giant Power negotiations of the mid-1920s) about a report published by the Brookings Institute which was critical of public power development on the St. Lawrence, as he saw the document as similar to the earlier Murray report. Moses advised Roosevelt to talk to Cooke about this and other electricity policy issues. Cooke met Roosevelt in mid-October, and he was soon asked to prepare material about

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48 See FDR Library, FDR gubernatorial papers, Series I: Correspondence (Boxes 1-86), Box 29: “Foch National Memorial Committee thru Frankfurter, Felix”, File: “Frankfurter, Felix”, letter, Frankfurter to FDR, 19 April 1929. Frankfurter became a key advisor to Roosevelt during this period (see Freidel, 1956, 102).

49 See a brief but excellent biography of Olds, see Robert A. Caro, The Years of Lyndon Johnson: Master of the Senate. (New York: Alfred A. Knopf, 2002) 233-244 (Johnson fought Olds’ reappointment to the FPC in 1949 due to his strict enforcement of regulations over the gas industry). Born in 1890 to a prominent Boston family, Olds was a classic progressive. He was much influenced by the Social Gospel and spent a year in a settlement house in the Boston slums. After abandoning the Congregationalist ministry, Olds became a statistician for the federal government’s Industrial Relations Commission during the First World War. After service as the head of the American Federation of Labor’s research bureau, he became the editor of the Federated Press in 1922 and was active in the re-foundation of the Progressive Party. Olds was hired as by Frank P. Walsh as the executive secretary of the PASNY, where he remained until 1939, when he was appointed by FDR to the Federal Power Commission. Caro calls Olds a radical who became a liberal during the New Deal, switching from support of greater public ownership to stricter regulation (see 243).

50 Moses to FDR, 1 October 1929, FDRPL, FDR Gubernatorial Papers, Series I: Correspondence (Boxes 1-86), Box 16: “Cob thru Cov,” File “Coog-Coom.”
regulation and advise Henry Morgenthau Jr. on rural electrification. Morgenthau also retained Cooke’s friend Otto M. Rau, of the Giant Power project, as a consultant engineer.\textsuperscript{51} Throughout the late 1920s and early 1930s, American HEPCO allies and sympathizers became the locus of Roosevelt’s advisors on the power issue. Roosevelt’s electricity reforms were thus influenced indirectly by the Ontario model, but the cumulative impact of this familiarity was substantial, as the governor and his advisors could employ the HEPCO to justify their plans in a variety of technical and ideological ways.

William E. Mosher was another key individual in the formulation of Roosevelt’s electric policy in 1929-1930.\textsuperscript{52} Although his proposals for St. Lawrence power were defeated, Roosevelt was successful during the 1929 legislative session in launching the Commission on the Revision of the Public Service Law, to which Roosevelt also appointed Bonbright, Frank P. Walsh (a progressive labour lawyer who belonged to the POL and NPGL and was friends with Norris and King), and David C. Adie (a Frankfurter protégé).\textsuperscript{53} Mosher, the first Dean of the School of Citizenship and Public Affairs at Syracuse University, was appointed the commission’s research director, due to his scholarly work in the late 1920s on electricity policy. Mosher was aware of the HEPCO as early as 1928, when he wrote to Gifford Pinchot to get the data on the Ontario commission’s operations; Pinchot put him in touch with Cooke.\textsuperscript{54} Mosher was also the editor of a

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\textsuperscript{51} See Cooke to Moses, 14 October 1929, Cooke to FDR, 17 October and 19 November 1929, “CH” to Cooke, 29 November 1929, FDRPL, FDR Gubernatorial Papers, Series I: Correspondence (Boxes 1-86), Box 16: “Conb thru Cov,” File “Coog-Coom.”

\textsuperscript{52} Rollins refers to a kind of proto-Brain Trust at this time, consisting of Frankfurter, Mosher, and Bonbright (see Rollins, 1962, 276). Mosher’s son Frederick C. Mosher briefly worked for TVA in the mid-1930s (see Kenneth W. Thompson (ed.), Diplomacy, Administration, and Policy: The Ideas and Careers of Frederick E. Nolting, Jr., Frederick C. Mosher, and Paul T. David. (Lanham, MD: University Press of America, 1995), 49-50.

\textsuperscript{53} Freidel, 1956, 102-3; Davis, 1985, 91-2. Walsh began his career as a Kansas City corporate lawyer but became a labour law specialist by 1900. He became involved in national-level Democratic politics with the Wilson campaign of 1912 and his subsequent appointment to the Commission on Industrial Relations; see Maria Eucharia Meehan, “Frank P. Walsh and the American Labor Movement,” (PhD dissertation, New York University, 1962) and Harold Charles Bradley, “Frank P. Walsh and Post-War America,” (PhD dissertation, St. Louis University, 1966).

1929 book on the electricity industry as a whole, on which Roosevelt heavily relied at this time.\textsuperscript{55} Among Mosher’s co-authors were Louis Mitchell, who had collaborated on Harvey W. Peck’s influential article (see above; although not listed as an author, the book seems to reprint Peck’s research) and A. Blair Knapp, who wrote about NYS’ hydroelectric policy for his 1928 master’s degree at Syracuse.\textsuperscript{56} The book noted that US electric consumption per capita and rural electrification lagged behind western Europe and parts of the Anglosphere, including Ontario. It also claimed that the HEPCO was “virtually a League of Municipalities” which did not need any subsidies, aside from support for rural line construction.\textsuperscript{57} (This ignores, of course, the heavy investment of the provincial government in the system). The book concludes:

It is not inconceivable that the Ontario experiment may serve as a beacon light to the people of the United States, should a wave of protest ever get under way at the methods of those in control of the industry on this side [of] the Canadian border… If the public is once aroused, the use of Ontario as a model will not be so remote as it now seems.\textsuperscript{58}

At the same time, it recounted various efforts to criticize HEPCO in the United States, especially by Samuel Wyer. Wyer threatened to sue over the book’s characterization of his earlier actions, and the publisher decided to insert a correction slip denying this, but after his testimony before the FTC inquiry, the second edition was updated to include the new revelations of his connections to the NELA.\textsuperscript{59}

Three other influences on Roosevelt’s thinking about power at this time were General Electric CEO Owen D. Young, former Navy Secretary Cordell Hull, Senator George Norris, his


\textsuperscript{57} Mosher, 1929, 221, 229

\textsuperscript{58} Ibid., 294.

uncle Frederick Delano, and Stephen Raushenbush. Norris’ leadership in the public power movement has been documented earlier, but it should be noted that at this time he urged Roosevelt towards a fully publicly-owned system, at a time when the Governor was contemplating private distribution as a compromise with the power companies. As a public power activist (who was also the brother of Paul Raushenbush, Louis Brandeis’ son-in-law), Raushenbush published a number of articles and books in the late 1920s denouncing the practices of the private power industry. In his 1928 book *Power Control* (co-authored with Harry Laidler), one finds sarcastic references to the “annoying Anglo-Saxons” across the border in Ontario: “They decided in favour of coöperative [sic] municipal ownership working through an independent commission, in apparently complete innocence of the fact that they were supporting something of a somewhat Socialistic nature.” Raushenbush and Laidler continue: “The Ontario development gives us a rough and ready means of telling how much more we are paying than Ontario is, but at the same time it shows the people of that province how much less they are paying than we are. It shows us that we are no pikers and it shows them that they are no fools.” The book also made extensive references to publicly owned hydroelectric plants as “yardsticks,” a concept which was later developed by Rosenman and Roosevelt.

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60 Rollins, 1962, 276.
63 Raushenbush and Laidler, 1928, 192.
Lastly, Roosevelt was inspired to make direct and public references to HEPCO on the advice of Irwin Thomas, the secretary of the Bureau of State Publicity of the Conservation Department. In an unsolicited letter in early October 1929, Thomas suggested that Roosevelt should ask the State Democratic Committee to gather rate data from Ontario to use in publicity for the 1930 election. Roosevelt eagerly accepted the suggestion and asked Louis Howe to get the “dope” on electricity prices in Ontario. This direct comparison of rates became a key part of Roosevelt’s 1930 gubernatorial campaign. Thus, Roosevelt’s attention was drawn towards HEPCO from a variety of sources in 1929-1930, especially by Cooke, Mosher, and Thomas.

Roosevelt’s thinking about electric policy at this time is demonstrated by “The Real Meaning of the Power Problem,” an essay in the December 1929 issue of The Forum. His position is clear: strict regulation of rates through contracts (not oversight of the Public Service Commission) and public ownership of hydroelectric sites. These arguments closely follow a Mosher’s book, along with a September 1929 article by Rosenman in The Nation, which served as an official declaration of Roosevelt’s policy. The influence of Brandeis and Bonbright is strongly evident in Roosevelt’s argument for the prudent investment theory of rate regulation, as opposed to the reproduction cost theory. (In the former theory, utilities were allowed to charge rates grounded on the real amount of capital invested; in the latter, the rate base was calculated according to the current cost of replacing assets). Roosevelt argued that the prudent investment

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64 FDR Library, Louis Howe Papers, Box 20, Correspondence, October-December 1929, Irwin Thomas to Roosevelt, 3 October 1929; and Roosevelt to Howe, 7 October 1929. McCraw cites the incident, but simply concludes that FDR would have been aware of HEPCO because of its geographic proximity (see McCraw, 1971, 26-7).


66 Franklin D. Roosevelt, “The Real Meaning of the Power Problem,” The Forum (December 1929): 328-9. Rollins suggests that FDR would have simply settled for all rate making by contract, but Frankfurter insisted on also including prudent investment theory in his proposals (see Rollins, 1962, 280).

67 In both cases, rates were supposed to cover the costs of generation, transmission, and distribution, plus depreciation and profit. The latter two items, however, could be calculated differently according to the theory used.
theory was the fairer basis for rewarding utility investors, but that it had been distorted through overcapitalization and other manipulations.

This article also features the use of the term “yardstick” to refer to public ownership of hydroelectric sites, a concept based on the example of the HEPCO as a way to measure and evaluate the performance of private utilities. In this sense, the Ontario model could serve efforts toward decommodification not only by its example as a public good, but also as a technical means of discovering and regulating the price of electricity. Roosevelt’s article differs from Rosenman’s earlier statement due to its firm acceptance of public ownership; a few months earlier, Rosenman had only threatened Ontario-style public ownership, if the utilities did not cooperate with Roosevelt’s plan for public generation and private transmission.68 By the time of his December 1929 article, Roosevelt came to see federal or state development of hydroelectricity at Boulder Dam, Muscle Shoals, or the St. Lawrence River as important for public authorities to have access to data on the true costs of production and transmission. He claimed that this yardstick only then existed in the form of the “Ontario plan.”69 The yardstick term was later applied to the TVA, but Roosevelt would claim that he came-up with the idea as Assistant Secretary of the Navy in 1914, when he proposed a government-run steel plant to find the cost of manufacturing armour-plate.70

Roosevelt’s study of the power issue in late 1929 evidently influenced his policies as governor. As part of a parallel strategy of negotiation with the utilities, Roosevelt had a last-minute meeting in Albany shortly before Christmas, with Carlisle and Machold of Niagara-

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68 Rosenman, 1929, 303.
69 Ibid., 331.
70 McCraw, 1971, 30.
Hudson and Republican leader John Knight, to discuss compromise. They offered an investigatory commission to which he would control all appointments, but Roosevelt rejected the proposal.\textsuperscript{71} By the time the legislature met on 1 January 1930, his position had move further towards full public ownership. He came around to Smith’s previous goals: not only public development of the St. Lawrence hydroelectricity, but also a publicly-owned transmission system, a new position partly based on the Ontario data supplied by Howe.\textsuperscript{72} Two weeks after this inaugural address, Republican State Senator Warren K. Thayer put forward a bill to create a survey board of five commissioners, to be appointed by Roosevelt. This effort was launched as a diversionary attempt to remove the electricity issue from the upcoming gubernatorial election. The Republicans were surprised when Roosevelt approved it and claimed victory (as the board would investigate proposals aside from his own, development would need approval by the 1931 legislature, and the St. Lawrence project still needed to be approved by the federal government).\textsuperscript{73} The Thayer Water Power bill was signed in March 1930, creating the St. Lawrence Power Development Commission, with Julius Cohen as vice-chair and counsel.

In the spring of 1930, Floyd L. Carlisle, head of Niagara-Hudson, attacked Roosevelt by claiming HEPCO rates were only low because the provincial commission did not pay corporate and property taxes like those on private utilities in the United States. Roosevelt responded in a radio address on 23 April by comparing rates in various places on either side of the border. He defended HEPCO, saying that electric rates in the United States would likely be much higher if it

\textsuperscript{71} Freidel, 1956, 104-7. Davis suggests that Roosevelt accepted the proposal at the meeting, but then outmaneuvered the Republicans (see Davis, 1985, 93-6).
\textsuperscript{72} Bellush, 1955, 216.
were not for the example of the Ontario body. He also reiterated the word that he would come to apply to the TVA: “This is what I mean when I speak of public operation as a yardstick.”

Despite the creation of the St. Lawrence Power Development Commission, the electricity issue very quickly became a focal point for the 1930 gubernatorial election. Olds began preparing material for Roosevelt on electric prices in Ontario and New York State in July and August. He even wrote a synopsis for a short campaign movie, “An Electrical Romance,” in which “Helen Hartshorne” an Ottawa woman used to the electric comforts of Ontario, is shocked at the cost of electricity in Albany after she marries local “John Gale” and moves there. John resists Helen’s desire for electric appliances, telling her that they would cost $150/month in electricity, but she retorts that the cost to her parents in Ottawa was about $3. Helen soon returns to Ottawa with her old admirer, “Harry Borden”; John pursues her, and is stunned to learn the truth of Ontario’s low rates. The story ends happily, though, when Helen agrees to return with John to Albany, where they start a movement for public ownership. Nevertheless, it appears the movie was never made.

During the campaign that fall, Roosevelt made such frequent references to costs of using electricity in Toronto versus various New York cities that it was called the “waffle iron campaign” in the press. The phrase seems to have come from a memo prepared for Roosevelt by Olds, in which he made a chart showing the costs of operating various domestic electric appliances. A version of the chart also appears on a postcard created by the Community Councils of the City of New York, which proclaimed “Make Your Electricity as Cheap as

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74 “Carlisle Misuses Statistics,” FDRPL, Leland Olds Papers, Box 21, File: “Radio Address – Gov. Roosevelt”; this radio address was based on a memo on HEPCO and taxation by Olds.
75 Olds to Rosenman, 19 July 1930, “An Electrical Romance,” FDRPL, Leland Olds Papers, Box 21, File: “Correspondence – Roosevelt & Rosenman (Campaign 1930).”
76 Rosenman, 1952, 43.
77 See “New York Housewives Could Buy Both Appliances and Electricity to Operate Them for Price of Electricity Alone If Rates Were Reduced to Toronto Level,” FDRPL, Leland Olds Papers, Box 21, File: “Correspondence – Roosevelt & Rosenman (Campaign 1930).”
Thanks in part to his stridency on the electricity issue, Roosevelt was easily re-elected.

The St. Lawrence Power Development Commission issued majority and minority reports in mid-January 1931. Both reports agreed on the need for a dam across the St. Lawrence River and lower rates for domestic users, and also concurred with Roosevelt that prices should be set by contract with a state authority, not the Public Service Commission. Both also agreed that the authority should try to negotiate with Niagara-Hudson, but the minority report specified that the authority should build its own transmission network if the private utilities did not cooperate. Throughout the Commission’s inquiries, Bonbright acted as advisor to its chair. He was worried Niagara-Hudson would abuse its monopoly position over transmission, and he tried, but failed, to get the Commission to investigate the general issue of rate regulation.

In March 1931, an upstate Republican member of the assembly, Jasper Cornaire, introduced the “St. Lawrence Power Authority Bill,” which was in broad agreement with Roosevelt’s goals. It was approved by the assembly but gutted by the state senate on 2 April due to the actions of the President pro tem, John Knight, who was close to the utility lobby. Knight’s amendments gave the Republican-controlled legislature the power to name the authority’s five trustees. Roosevelt appealed to the public to protest the amendments, provoking an outpouring of messages to members of the legislature. He planned a radio broadcast for 7 April, but the Republican leaders caved to the mounting pressure and struck the amendments. The original bill passed unanimously, and Roosevelt used the radio address to declare victory. In May, the first five trustees were appointed to the New York State Power Authority by the Governor: Delos M.

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78 Community Councils of the City of New York pamphlet, FDRPL, Leland Olds Papers, Box 21, File: “Correspondence – Roosevelt & Rosenman (Campaign 1930).”
79 Bellush, 1955, 221-224; Nass, 1970, 49-51. Davis seems to conflate the majority and minority reports (see Davis, 1985, 99-100).
Cosgrove (a progressive Democrat who had fought the Morgan interests in a campaign to build a municipal electric utility in Waterdown, NY), Bonbright, Cooke, and Fred J. Freestone (Master of the New York State Grange), with Frank P. Walsh as chair. Olds was named executive secretary.

Although the St. Lawrence navigation and power project was advanced by Roosevelt’s administration in New York State, President Hoover proved an obstacle. Although Hoover was an enthusiastic supporter of a Great Lakes-St. Lawrence transportation route, he was uninterested in supporting a state-owned power utility, and preferred to use the sale of any hydroelectricity to pay for the construction and operation of the navigation project. During the summer of 1931, the PASNY began to try to come to an agreement with the US federal government over navigation and power generation issues for a proposed St. Lawrence project, but Hoover refused to meet with the New Yorkers. He finally agreed to a meeting between Walsh, Cosgrove, and Secretary of State Stimson in October, but the latter stood firm with the position that the federal government should have control of any hydroelectricity produced by the development, as it would come from improvement of navigation on the St. Lawrence. Essentially, Hoover and the State Department were temporizing.\footnote{Bellush, 1955, 233-234; Nass, 1970, 58-59; Davis, 1985, 100; Stagg, 2010, 130-1.}

Despite this resistance from the US government, the PASNY still moved forward with its plans by opening negotiations with Ontario. Walsh and Cosgrove went to Toronto in late December 1931 to ascertain the position of HEPCO officials and Premier Henry. The New Yorkers also wanted to know of their position on the proposals for a one- or two-dam project. It seems the Ontarians wanted the two-dam project, because they did not believe think they could take all the power from a one-dam project when supply first came on market (however, Cosgrove cryptically told Cooke that there were other “political and sentimental” reasons for this
preference, which perhaps indicates Ontarian fears of an unequal distribution of flooded lands between Canada and the United States due to a one-dam project.\(^{82}\).

Public power supporters in the United States were divided over their tactical stance towards the treaty negotiations, as the disagreement between the federal and New York State governments over control of the project’s potential hydroelectricity threatened to derail an agreement. Senate progressives like Thomas Walsh, Norris, and Robert La Follette Jr., coming from the Midwest, told Roosevelt to avoid letting the issue of public ownership distract from getting the treaty signed. Instead, they thought New York’s control over the hydroelectricity could be achieved once federal legislation came forward for power development, after Canada and the United States formalized an agreement on the project as a whole.\(^{83}\)

In June 1932, the PASNY was told by the State Department that Hoover was soon to sign a treaty with Canada. This went against promises by Secretary of State Stimson that New York would be consulted before an agreement was finalized, and the PASNY asked for a meeting. Frank Walsh suspected Hoover kept New York out of the negotiations to eliminate the issue from the 1932 presidential campaign. Hoover subsequently ignored Roosevelt’s demand for a meeting, saying the federal government alone had treaty-making power.\(^{84}\)

At the same time as it was negotiating with the State Department, the PASNY was also conducting talks with Niagara-Hudson, to reach a deal on the generation, transmission, and distribution of the potential hydroelectricity from the St. Lawrence project. By 1931, Carlisle and Niagara-Hudson had come to a working agreement with Roosevelt and the PASNY: the Power Authority would develop and own the generation parts of the project, but private utilities would

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\(^{82}\) FDR Library, Morris Cooke Papers, N. New York State Power Authority Papers, 1931-1933, Box 246, File: Cosgrove, Delos M., letters, Cosgrove to Cooke, 21 and 28 December 1931.


\(^{84}\) Bellush, 1955, 235-237; Davis, 1985, 100-1, 341.
control transmission and distribution. Evidently, Carlisle wanted the state to use its borrowing capacity to finance the enormous construction costs but was also afraid the federal government would develop the power and sell to other utilities.\textsuperscript{85} To counteract Niagara-Hudson’s monopoly power, in February 1932 Roosevelt asked for a bill to allow municipalities to create “public utility districts” to establish their own distribution systems, but this proposal was blocked in the legislature by the Republicans.\textsuperscript{86}

Ironically, at this time the HEPCO was a major supplier of electricity to Niagara-Hudson, which indirectly gave leverage to the monopoly in its negotiations with Roosevelt and the PASNY. In the early 1930s, Ontario was burdened with millions of dollars in unneeded hydroelectricity it had contracted for with private utilities in Quebec during better economic times. By 1931, the HEPCO was desperately looking for customers to take any of this surplus, which included Niagara-Hudson. In a private letter to Frank Walsh, Bonbright recounted a meeting in which he was told Niagara-Hudson was buying as much as 1/3 of HEPCO’s entire power supply, at a time when the Ontario commission was facing falling domestic demand.\textsuperscript{87} One PASNY engineer estimated that almost 1 billion kWh were being sold to the United States by HEPCO at a loss.\textsuperscript{88} In other words, HEPCO and Niagara-Hudson were greatly assisting each other through these power sales, to the detriment of the potential operations of the PASNY. The HEPCO demonstrated its self-interest (and also its responsibility to the interests of the Ontario public) over commitment to the international cause of public ownership. As in other earlier instances, American progressives believed the Ontario commission was committed to the world-

\textsuperscript{85} Nass, 1970, 57-58.
\textsuperscript{86} Bellush, 1955, 238-9.
\textsuperscript{87} Bonbright to Frank P. Walsh, 25 May 1931, FDRPL, Cooke Papers, N. New York State Power Authority Papers, 1931-1933, Box 246, File: Bonbright, James C..
\textsuperscript{88} See memo by Judson C. Dickerman, 31 October 1931, FDRPL, Cooke Papers, N. New York State Power Authority Papers, 1931-1933, Box 252, File: “Ross Report.”
wide cause of public ownership, but this fraternal spirit was often belied by the HEPCO’s pragmatic operation and understanding of the provincial electorate. The Ontario commission had its genesis in, and was part of, a transnational progressive movement, but in the 1920s and 1930s it became more inward-looking and unheedful of its American supporters. The impetus behind the creation of the HEPCO was becoming ideologically exhausted, but it is important to note that its legitimacy rested on the support of the Ontario public, not foreign admirers.

Roosevelt was criticized for the ambiguity of his support for public power during the 1932 presidential campaign but was defended on the left by Judson King. The National Popular Government League’s September 1932 bulletin, later printed as a special pamphlet, was a comprehensive denunciation of Hoover’s policies and an endorsement of Roosevelt’s.\(^{89}\) It also included an analysis of Ontario’s electric rates and a statement advocating stricter regulation and some public ownership “competition,” signed by dozens of academics and progressive activists, including Frankfurter and Mosher. Roosevelt’s most important statement on the issue was his speech at Portland, Oregon, on 21 September 1932, in which he called for municipal or federal ownership of hydroelectric sites, with public operation to act as a yardstick. Aside from federal operation of Muscle Shoals, Roosevelt campaigned on promises to finish investigating the electricity industry and to enact a law to regulate utility holding companies.\(^{90}\)

One result of the 1932 campaign was the delay of action on the St. Lawrence waterway plan. The Great Lakes Waterway Treaty was finally signed by Canada and the United States on 18 July 1932, but there was not enough time for the agreement to be considered by the American Senate during that session. Roosevelt eventually reintroduced the treaty to the Senate in January

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\(^{90}\) McCraw, 1971, 32-34; Schlesinger, 1957, 453.
1934 but did not strongly endorse it. Daniel Macfarlane surmises that some Democrats opposed the treaty because it had been Hoover’s idea, but American railways and other corporate interests also lobbied against the agreement and it was not a high priority for Roosevelt during his first year in office. Canada dropped the treaty after it failed to achieve the necessary 2/3 of votes in the Senate, and Mitch Hepburn abandoned the previous agreement over construction cost allocation.\footnote{Stagg, 2010, 135-7; Macfarlane, 2014, 37-39.} The St. Lawrence Seaway, and with it PASNY’s plans for power production, were to be delayed until the mid-1950s.

An irony is that in the mid-1930s, Robert Moses was adopted as the champion of the state Republicans’ Old Guard, to fight the public ownership policies of Herbert Lehman, who had succeeded Roosevelt as governor in 1932. In 1934, the Old Guard’s dominance was challenged by reformist state chairman W. Kingsland Macy, who supported the influential progressive Judge Seabury as a gubernatorial candidate, to dissociate the party from the unpopular power interests. Moses won the Republican nomination in a campaign by the Old Guard to oust Macy and reassert their control, despite the disclosure of the Thayer letter. Nevertheless, he was a poor campaigner and lost in a landslide to Lehman.\footnote{See Caro, 1974, 402-425, and Moscow, 1948, 70-74, passim.} Over the next few years, the Old Guard lost control of state Republicans to reformers like Dewey.\footnote{Moscow, 1948, 74-5.} In another twist, Moses became chair of the New York State Power Authority in 1954. The Robert Moses Niagara Hydroelectric Power Station now sits on the American side of the Niagara River, across from the plant named for Sir Adam Beck.
HEPCO and the New Deal, 1933-1937

The main achievements of the New Deal in electric policy reform can be divided between two areas: public ownership (the Tennessee Valley Authority and the Rural Electrification Administration) and regulation (the Public Utilities Holding Company Act). The TVA and REA were more obviously influenced by the HEPCO model, as they incorporated key features of the Ontario utility, such as publicly-owned generation and transmission, locally-controlled distribution, the promotion of consumption, and rates set low enough to induce demand.

Much of the historiography of the TVA centres on the early debates over the authority’s purpose in the Upper South: low rates for electricity vs. regional social engineering, which was mirrored, respectively, by the conflict between commissioners David E. Lilienthal and Arthur E. Morgan. Social theorist James C. Scott, for instance, has characterized the TVA as an example of American “high modernist social engineering.”⁹⁴ The TVA adopted ideas like regional economic planning, cultural development, and housing reform, but did not acquire these notions from the Ontario commission, which was never intended to be this radical in scope. The influence of the HEPCO on the TVA, and subsequently the REA, can be most clearly seen as an example of more limited type of social engineering, through public ownership and electrical modernization.⁹⁵

The push to create the TVA began months before the president-elect’s inauguration in March 1933. Senator George Norris went to visit the president-elect at the latter’s retreat at Warm Springs, Georgia in mid-January. The two went to inspect the Muscle Shoals site, where Roosevelt told reporters he would support a multiple-purpose development. Despite

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⁹⁴ James C. Scott, “High Modernist Social Engineering: The Case of the Tennessee Valley Authority,” in Lloyd I. Rudolph and John Kurt Jacobsen, eds., Experiencing the State. (Oxford: Oxford University Press, 2006), 3-52. See also Scott, 1998. Daniel Macfarlane has characterized the creation of the St. Lawrence Seaway, and the subsequent power development by the HEPCO and NYPA, as “negotiated high modernism” (see Macfarlane, 2014).
simultaneous legislative action necessitated by the serious banking and unemployment crises, the Roosevelt administration kept the Muscle Shoals public power project as a priority. Norris guided a Tennessee Valley Authority bill through Congress, which was enacted on 18 May 1933, as part of the rush of legislation that marked Roosevelt’s first one hundred days in office. As historian Ronald Kline writes, “Ontario Hydro had arrived at Muscle Shoals.”

Three commissioners were appointed to the TVA after its creation in 1933: Harcourt Morgan, an Ontario native and president of the University of Tennessee; David E. Lilienthal, a member of the Wisconsin Public Service Commission; and chairman Arthur E. Morgan, the president of Antioch College. Arthur E. Morgan seems to have been suggested to Roosevelt by James Cox (who knew him from the Miami Conservancy District project in Ohio) and Eleanor Roosevelt (who was involved in fundraising efforts for Antioch). Arthur E. Morgan chose Harcourt Morgan, but Lilienthal, a protégé of Felix Frankfurter, was promoted by his patron and by Brandeis.

Of all three commissioners, Lilienthal had the greatest exposure to the American public power movement and the HEPCO, due to his service on the Wisconsin Public Service Commission between 1931 and 1933. For instance, after his appointment to that commission, he was introduced to Cooke by Frankfurter, who recommended he use Cooke for advice on hiring.

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97 Purcell, 2014, 136; McCraw, 1971, 38. For more information on the place of the Miami Conservancy District and Antioch College in the Dayton region’s Progressive Era, see Judith Sealander, Grand Plans: Business Progressivism and Social Change in Ohio’s Miami Valley, 1890-1929. (Lexington, KY: University Press of Kentucky, 1988); Talbert notes that many of the TVA’s engineering staff, came from the Miami Conservancy District, which also influenced its labour policy (see Talbert, 1987, 107).

98 Purcell, 2014, 142. McCraw mistakenly suggests Lilienthal was known by Brandeis because he was familiar with the latter’s daughter, who lived in Wisconsin (see McCraw, 1971, 43). For more on the relationship between Brandeis and Frankfurter, see Brian Allen Murphy, The Brandeis/Frankfurter Connection: The Secret Political Activities of Two Supreme Court Justices (New York and Oxford: Oxford University Press, 1982).
accountants and engineers. Lilienthal was also put in touch with the HEPCO’s Alf Maguire in May 1931, via Milwaukee mayor Mike Hoan. (In his letter of introduction to Maguire, Hoan claimed Maguire’s earlier visit to the state helped spark public power activism by the League of Wisconsin Municipalities, leading to three enabling laws.) But Lilienthal’s papers do not show evidence of a deep connection to, or knowledge of, the Ontario commission before his appointment to the TVA.

Aside from the HEPCO’s legacy as the model for the PASNY and place at the centre of debates over Muscle Shoals, the Ontario commission also had influence over the early development of the TVA through classic progressive vectors of diffusion. As progressive activists had done earlier, TVA employees learned more about the HEPCO through means like fact-finding trips and publications. Now that the TVA was established, the Ontario commission’s example was, aside from an ideological and technical justification to rebut opponents of public ownership, also helpful as a source of practical operational advice needed to run a major electric utility. However, the TVA’s adoption of social engineering goals (beyond electrical modernization), such as cultural revitalization and regional economic planning, shows the limits of the HEPCO’s influence. The TVA’s administrators and political supporters could employ the Ontario model to help achieve public ownership in the generation, transmission, and distribution of hydroelectricity, but had to look elsewhere for inspiration on its other goals. Thus, there were multiple “vectors of diffusion” for progressive ideas. The HEPCO inspired some ideas and others came from elsewhere, but the HEPCO’s influence is clearly evident.

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100 Theodore Kronshage Jr. to Lilienthal, 4 May 1931, Princeton Library, Lilienthal Papers, Box 52, File: Miscellaneous (1931).
101 Hoan to Maguire, 4 May 1931, Princeton Library, Lilienthal Papers, Box 52, File: Miscellaneous (1931).
Judson King, although a prominent activist for public power, was not immediately involved in the Roosevelt administration’s power policymaking. Norris, with the support of the Senate progressives, tried to get King appointed as a commissioner to the Federal Power Commission in early 1933, but was unsuccessful.\(^{102}\) King spent six weeks in Ontario on a holiday trip with his wife, but spent the entire time visiting HEPCO and municipal utility officials. The trip included stops in London, St. Mary’s, Kitchener, Guelph, Toronto, Hamilton, and St. Catharines, and visits with almost every important municipal or provincial utility figure in Southwest Ontario.\(^{103}\) King even told Lucas and Maguire that he had encountered unprecedented criticism of the HEPCO in Ontario, and recommended they develop a strong publicity campaign, including comparisons with US rates, to defend the Commission’s work to the Ontario public.\(^{104}\) The highlight of King’s trip was the annual ceremony honouring Beck in Hamilton on the anniversary of his death. There King spoke of Beck as a “social engineer”:

> It is… a rare privilege to be permitted to join here with you today in expressing a common debt of gratitude to the great leader of your noble and precedent making enterprise. Sir Adam Beck is of the type of men who belong not to one city, province or country, but to the world…\(^{105}\)

The trip seems to have been a high point of King’s decade-long fascination with the HEPCO.

After his return from Ontario, King was finally named a Special Assistant at the TVA in late September 1933. He and Cooke supported Lilienthal in his long-running feud with Arthur E. Morgan, as evidenced in their letters in which they refer to the latter with the code name

\(^{102}\) Norris to Frank P. Walsh, 25 February 1933, LOC, Norris Papers, Box 232, File: Judson King.

\(^{103}\) King and his wife first visited London, where his friend E.V. Buchanan oversaw the PUC. King initially asked Buchanan for a recommendation for a northern lake to visit, but the Kings seem to have been satisfied with camping in London’s suburban Springbank Park (see letters in Boxes 88-88A, File 426: Judson King, FDRPL, Cooke Papers, B. General Correspondence 1930-1935.).

\(^{104}\) King to Buchanan, 8 September 1933, LOC, King Papers, Box 7: General Correspondence, North Carolina-Wyoming, 1933.

\(^{105}\) “To League Members,” 23 September 1933. FDRPL, Cooke Papers, B. General Correspondence 1930-1935, Boxes 88-88A, File 426: Judson King.
“Antioch.” In late 1933, Morgan asked King to go on half-time, which he thought was part of attempt to get rid of him from the TVA. However, Morgan sought King’s advice in early 1934, when Wyer began a public relations effort against the authority. King suggested he would talk to editors of liberal publications like *The Nation*, *The New Republic*, and *Harper’s* about publishing counter-arguments, and he also submitted a confidential memo on Wyer and called around to various people in the US and Ontario about him. By August, Morgan was privately circulating a version of the memo to other officials in the US. However, relations between Morgan and King became increasingly strained, and the latter joined the PASNY, for which he made a confidential trip to Ontario and Quebec in the fall of 1934 to get data for the state authority’s St. Lawrence project.

Aside from an old progressive veteran like King, the TVA’s new employees also sought out the Ontario commission for operational assistance. Paul T. David, the first employee hired by Arthur E. Morgan for the TVA, developed a close relationship with the HEPCO. David graduated from Antioch College in 1928, where he met Arthur E. Morgan. Employed as an economist in the TVA’s Social and Economic Division, David asked King to provide him with introductions to HEPCO officials for a trip in the fall of 1934, as he planned a working holiday to Ontario; he was particularly interested in rumours about the effects of Mitch Hepburn’s

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106 See for example: King to Cooke, 14 September 1933 and 1 January 1934, FDRPL, Cooke Papers, B. General Correspondence 1930-1935, Boxes 88-88A, File 426: Judson King; and King to Cooke, 14 September 1933, LOC, King Papers, Box 4, File: Cooke, Morris L. (1933).

107 See King to Cooke, 1 January 1934, LOC, King Papers, Box 8, File: Cooke, Morris L. (1934).

108 See: King to Arthur E. Morgan, 10 April 1934; “Memorandum on Telephone charges in re Wyer inquiry,” undated; “Memorandum re Samuel Wyer, Consulting Engineer, Columbus, Ohio,” 11 January 1934; LOC, King Papers, Box 9, File: Tennessee Valley Authority: Correspondence (1934). It seems Cooke contributed his file on Wyer for King’s memo (see Margaret R. McKim to King, 26 April 1934, FDRPL, Cooke Papers, B. General Correspondence, 1930-1935, Box 88-88A, File 426: Judson King).


110 For biographical details on David, see Thompson, 1995, especially xv and 157-158. After receiving his PhD in economics from Brown, David worked for the TVA from 1933 to 1936, working closely with Arthur E. Morgan in the TVA’s offices in Washington, DC, and Knoxville. He had a long career in the federal government, think tanks, and academia.
election on the HEPCO, along with studying labour relations. Earlier a TVA official tried to get unpublished information from the HEPCO, but the Commission was unwilling to provide it in light of earlier controversies. David was able, however, to learn much about the provincial utility’s administration during his visit. Later, David contacted King because he thought Lilienthal should base his response to an attack on the TVA by Appalachian Coals, Inc., on Beck’s reply to Wyer (also, American power interests were said to be distributing a pamphlet at that time, written by an Ontarian and attacking HEPCO, and based on Hepburn’s criticisms during the recent provincial election.

One former member of the HEPCO network who tried to get a job with the TVA was H.J. Glaubitz. Glaubitz was a German-born engineer who had overseen the London Public Utilities Commission until 1915, when he lost his job due anti-German feeling. He lost his job at the New Jersey Public Service Commission sometime in the early 1930s. After E.V. Buchanan introduced him to Cooke at the Institute of Public Engineering conference in New York City in January 1933, Glaubitz began to try to get a job with the PASNY and then the TVA, in letters which emphasized his work under Beck. Cooke seems have been uninterested in hiring him for the TVA and tried to get him to apply to the FPC instead.

Overall, the TVA used the HEPCO not only to rebut ideological opponents of public ownership in the United States, but also as a source of vital operational advice. As private

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111 See David to King, 9 August 1934, LOC, King Papers, Box 9, File: Tennessee Valley Authority: Correspondence (1934).
112 “Notes on Visit to Hydro-electric Power Commission of Ontario,” 2 October 1934, University of Virginia Library, Albert and Shirley Small Special Collections Library, Paul T. David Papers, MSS 12793-i, Box 3.
113 Library of Congress, Judson King Papers, Box 9, File: Tennessee Valley Authority: Correspondence (1934); letter, David to King, 25 November 1934; letter, Bertha King to David, 27 November 1934; letter, King to David, 29 November 1934.
114 Glaubitz was also the engineer for a series of artesian wells that Beck drilled in London at his own expense, to improve the city’s water supply.
115 See letters in Box 127, File: “G,” FDRPL, Cooke Papers, E. General Correspondence, 1932-1933; Glaubitz’ first letter to Cooke seems to be misdated 21 January 1932.
utilities could not be relied upon for financial and technical information, the idea of the TVA as a “yardstick” to establish the true price of electricity became attractive within the public power movement and the Roosevelt administration. In this way, the TVA could produce data proving the costs of public ownership, which in turn could be used in the creation of new publicly-owned entities and in regulatory decisions. The HEPCO itself was used as a yardstick by TVA supporters, who sought advice on how operate the new authority. The TVA used the HEPCO, and municipal systems in Washington State and Wisconsin to calculate expected demand, and directly adopted the HEPCO system of “rate reduction, publicity, and appliance saturation” to increase demand.\textsuperscript{116} The idea of the TVA as a yardstick diminished in the years after 1935, as hydroelectricity was a unique energy source and could not be duplicated everywhere. However, the TVA, following the HEPCO model, did demonstrate that low rates would cause higher consumption.\textsuperscript{117} Because of the importance of the Ontario model to the TVA, it appears that there was a revival of corporate criticism of the HEPCO in the United States in 1935-1936, as private utilities fought against the idea of a public ownership yardstick. The HEPCO proved the efficacy of public ownership, and the early employees of the TVA looked to it for guidance in developing their hydroelectric distribution, generation, and transmission system.

Between 1934 and 1939, critics of the TVA attacked the HEPCO because of its inspiration to the authority. At the heart of this was the TVA’s struggle with private utilities in the Tennessee Valley who resisted lowering their rates or competing against low-cost publicly-generated electricity. When the TVA was created in 1933, it was still unclear if it would create its own distribution and transmission system or sell electricity to local utilities under contract, due to unclear phrasing in the Tennessee Valley Authority Act and ideological disagreement.

\textsuperscript{116} McCraw, 1971, 60, 74.
\textsuperscript{117} Ibid., 73; Schlesinger, 1960, 374.
among the three directors. In January 1934, Wendell L. Willkie, the president of Commonwealth and Southern Corporation (C&S), the major utility in the Tennessee Valley and the southeastern states, came to a cooperative agreement with the TVA to prevent competition in the region. Due to a complicated (and acrimonious) series of negotiations between the C&S and the TVA, which occurred simultaneously with efforts at the federal level to break up electricity utility holding companies, the January 1934 agreement soon fell apart, and a legal struggle and public war of words erupted between Willkie and the public power movement. Roosevelt and the TVA directors suggested the compromise idea of a public-private pool organization, which would buy electricity from the C&S and TVA and sell it to public- and privately-owned distributors. The feud briefly paused after the C&S and the TVA came to a temporary truce in October 1936. Roosevelt’s victory in the election that November, along with the C&S’ success in obtaining a judicial injunction in December to halt the expansion of TVA’s operations, reignited the power fight. The authority’s constitutional standing was confirmed by the courts in 1938, and by 1939 the C&S surrendered to the TVA by selling its local assets.\footnote{On the struggle between C&S and the TVA, see Thomas K. McCraw, \textit{TVA and the Power Fight}. (Philadelphia: J.B. Lippincott Company, 1971), especially 47-121.}

Willkie and the C&S made significant and repeated public attacks on the HEPCO, especially during the early period of its conflict with the TVA (1934-1936). This was in part because the HEPCO’s existence was used as justification for the TVA to develop into an integrated generation-transmission-distribution system, with the use of low rates to encourage the consumption of electricity. Willkie’s earliest public criticism of the HEPCO appears to be a speech to the Economic Club of New York in January 1935, a few months after the C&S-TVA agreement broke down.\footnote{Letter, King to Walsh, 23 January 1935, Judson King papers, Box 12, File: Walsh, Frank P. (1935).} Just as in the 1920s, Judson King coordinated an organized response
to criticism in the United States, beginning with requests for data from the HEPCO. In August 1935, Norris issued a statement to rebut publications which were then circulating in the United States as part of a concerted effort to delegitimize the HEPCO’s financial record, and thus the TVA. He particularly singled-out pamphlets authored by Willkie, along with the Ontario Power Digest bulletin service run by E.A. Lowry in Toronto, who he alleged was connected to Howard Hopson, the president of the Associated Gas and Electric Company. Lowry’s publications were mailed to members of Congress, just as the NELA-sponsored material of the 1920s. An example of the anti-HEPCO campaign is seen in “An Experiment with Public Ownership,” a leading editorial in the March 1936 issue of America’s Transportation, the official publication of the Transportation Association of America. The editorial contained arguments similar to those featured in Willkie’s January 1935 speech, especially the claim that the HEPCO kept rates artificially low, thus neglecting reinvestment and necessitating high levels of debt. It concluded “The trouble with yardsticks is that they so frequently turn out to be rubber yardsticks and are manipulated by bureaucracy to suit the desires of those in charge.” A series of anti-HEPCO letters in the editorial pages of the New York Times in May-June 1935 from power prompter J.H.

120 For example, see the dozens of letters from King to HEPCO officials from throughout 1935 in the King papers, Box 14: Canada and Foreign, General, 1935; A-Ak., 1936, File 262: Ont. Hydro Commission.
121 Congressional Record, 22 August 1935, 14055-14060. Norris’ statement was certainly based on “Hopson and Willkie Attack Ontario Hydro,” NPGL Bulletin No. 174, 21 August 1935 (Norris Papers, Box 246, File #265 Ontario). For an example of Lowry’s work, see “Intense Opposition to Drastic Rate Increase,” The Ontario Power Digest Bulletin Service, 13 July 1935, Library of Congress, Norris papers, Box 248, File #291: Rates Charged for Electricity (Fed. Power Commission investigation – S.J. Res. 74). Lowry appears in Guelph city directories as a seller of electrical equipment in 1917-1918 and his address is listed as Toronto in the Ontario Power Digest. He was still active during the Second World War, now based in Kitchener, criticizing the Canadian government’s power policies; see Matthew Evenden, Allied Power: Mobilizing Hydro-electricity during Canada’s Second World War (Toronto: University of Toronto Press, 2015), 123.
122 “An Experiment with Public Ownership,” America’s Transportation, 1, 2 (March 1936): 4, Archives of Ontario, Roebuck fonds, MU 2493 H.E.P.C. C-D, File – Clippings. Aside from general corporate opposition to a project like the TVA, the American Transportation Association, a lobby group for the trucking industry, may have opposed the HEPCO due to its support for the St. Lawrence navigation and power project.
Moseley also seems to point to a renewed public relations campaign against the Ontario commission.  

The HEPCO also provided ideological inspiration and an operational model for Roosevelt’s efforts to expand rural access to electricity. The Rural Electrification Authority (later renamed the Rural Electrification Administration) arose during the so-called “Second New Deal,” as the Roosevelt administration re-visited policy after the rush of legislation that had accompanied the first one hundred days. The idea of rural electrification, as shown by this dissertation, long pre-dated the New Deal, and was a cornerstone of both the HEPCO’s operations and public power initiatives in the United States like the Giant Power Survey. In giving a “genealogy of the rural electrification idea” in 1948, Morris L. Cooke pointed to his own experience with the Philadelphia Electric case of 1914-16, Giant Power, and the PASNY, along with the creation of the TVA. He particularly underscored the importance of the HEPCO as a model for rural electrification in the United States, especially because attacks on the commission inadvertently aroused American interest in it. D. Clayton Brown points to the influence of pre-New Deal rural electrification movement in North Carolina, which in turn was partly inspired by the HEPCO. As Ellis W. Hawley has argued, rural electrification was the only area in which the Roosevelt administration promoted economic cooperation. But the REA

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123 See *New York Times*, 23 May, 1 and 15 June 1935, where J.H. Moseley’s arguments repeat many of the old NELA critiques of the HEPCO (e.g. heavy indebtedness, subsidization via property taxation, etc.); interestingly, Moseley did not disclose his connection to the private utility industry. His comments drew a detailed refutation from H.E. Patten (see *New York Times*, 10 June 1935), who wrote his master’s thesis on the HEPCO (see Harold E. Patten, “The Undeveloped Water Power Resources of New York State: An Examination of the Ontario Hydro Electric Power System as a Model Plan for Their Development,” (MA thesis, Columbia University, 1930).  
had the advantages of operating against the private utilities which were discredited and unhelpful, and was entering a new field with few existing competitors.\textsuperscript{127}

The REA was created by an executive order in May 1935 due to the lobbying of Roosevelt by Cooke, agricultural interest groups, and the states of North Carolina and South Carolina (also, an experimental rural electricity cooperative connected to the TVA brought attention to the issue).\textsuperscript{128} In March 1932, Cooke advocated a $1-2 billion national program of rural electrification as a relief effort, in a letter to Frank P. Walsh, which was forwarded to Roosevelt.\textsuperscript{129} Cooke worked in Washington since 1933 for the Public Works Administration (PWA), advising on power issues. By 1935, the Carolinas had made Ontario-style rural electrification plans, involving state-owned transmission delivering privately generated power. They wanted PWA funding for these systems, which forced Roosevelt to decide on a nationwide rural electricity policy. In May 1935, he created the REA, under Cooke’s leadership, to distribute construction funds for new transmission projects.\textsuperscript{130} At this time, only 11\% of American farms had central-station electricity.\textsuperscript{131}

During the REA’s first year of operations, Cooke at first tried to arrange a construction plan with privately-owned utilities, and later with municipal power districts. In both cases he was unsuccessful, and only then accepted cooperatives as the basis for the distribution of rural electricity. Cooke had tried the first two options because he needed to quickly spend the REA’s initial $100 million in funding, before it expired.\textsuperscript{132} The situation was normalized after the REA

\textsuperscript{127} Hawley, 1966, 202.
\textsuperscript{129} Cooke to Walsh, 12 March 1932, Walsh to Roosevelt, 14 March 1932, FDRPL, FDR gubernatorial papers, Series I: Correspondence (Boxes 1-86), Box 82: “Walr thru Webs”, File: “Walr-Walw.”
\textsuperscript{130} Brown, 1980, 45.
\textsuperscript{132} Brown, 1980, 47.
was given a ten-year statutory basis as a federal agency in May 1936, thanks to Norris’ efforts. Cooke remained at the head of the REA until August 1936.

By the late-1930s, the New Deal’s electrical policies, especially the TVA, eclipsed the HEPCO in international interest. This may be due to the relative power and size of the United States as opposed to Canada, meaning that American developments will always gain more attention in the rest of the world. The inclusion of social development in the TVA project is also a key factor for its international influence. Aside from cheap power, the TVA was also created to promote the reform and betterment of rural life in the American South, and so involved experiments in education and culture. As a result, it presented a more interesting and profound model than the HEPCO, which was more narrowly focused on inexpensive power and rural electrification. In the decades after the Second World War, the TVA became the model for dam construction and electrification projects across the developing world, especially those promoted by organizations like the United Nations and the World Bank. The HEPCO attracted international attention and visitors from developing countries during the same period but was generally overshadowed by its southern protégé.

Conclusion

By 1937, the reforming zeal of the New Deal was in decline, but the Tennessee Valley Authority and the Rural Electrification Administration had been launched as attempts, at the national level, to rectify the shortcomings of an industry dominated by private utilities. Although the New York State Power Authority had been created after major political struggles during the

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gubernatorial terms of Al Smith and Franklin D. Roosevelt, lack of action on a St. Lawrence waterway treaty prevented it from generating its own electricity until the mid-1950s.

As this chapter has shown, the PASNY, REA, and TVA were each a result of American progressives’ adoption of the HEPCO model. In the 1910s and 1920s, many of these policy entrepreneurs, such as Morris L. Cooke and Judson King, had argued for this policy model, consisting of the combination of rural electrification, low rates to stimulate consumption, local distribution, and federal or state generation and distribution. However, Roosevelt’s gubernatorial and presidential terms mark the first time the policy model was successfully implemented, and with all its components.

It is also important to note that almost all of Roosevelt’s electricity policy advisors, whether advocates of public ownership or rate regulation, had written about the HEPCO, and some had personal relationships with the Ontario commission’s officials. In this way, HEPCO not only represented a set of specific policies to be emulated in the United States but could also be employed for a variety of ideological and technical uses, such as to argue for the feasibility of economic intervention by governments, or to show the minimum costs of electric production and transmission. Cooke, King, Roosevelt, and other American public power supporters were open about their use of the Ontario commission as a model during their campaigns for public ownership and greater regulation in the electricity industry. But with the creation of the PASNY, REA, and TVA, the use of a policy model was no longer necessary and so interest in the HEPCO greatly diminished in the United States by the end of the 1930s. As the next chapter will argue, this reduction of American attention also helps to explain concurrent changes in Ontario politics, as debates around the HEPCO lost their progressive content and the commission came to be seen as part of a political consensus. As the HEPCO was no longer seen as the “Ontario experiment”
in the United States, Ontarians came to feel less defensive about external threats to the commission and demobilized their energies in its defense.
Chapter 5: The Demobilization of the HEPCO (1925-1943)

Introduction

As Adam Beck lay dying in “Headley,” his London mansion, in the summer of 1925, he talked to his closest friend, Philip Pocock, of summoning Premier Howard Ferguson to his bedside to ask for legislation to transfer control of the HEPCO from the provincial government to the municipalities.\(^1\) There is no indication this dying wish was ever communicated to Ferguson. Long ill with pernicious anemia, Beck sank into a coma on 12 August and died three days later, aged 69. His funeral was a major event in London, where all business came to a halt for two hours, as thousands lined the streets to catch a glimpse of his coffin on its way to St. Paul’s Cathedral.\(^2\)

In the decades after Beck’s death, Ontarians debated the appropriate place of the HEPCO in the province’s political system. University of Toronto political scientist Alexander Brady wrote in 1936:

> It was inevitable that after Beck’s death the major policies of the Power Commission would come within the arena of party controversy. In a sense they always were, but not as a divisive factor between the principal parties, thanks to Beck’s astuteness in building up a miscellaneous following which cut across party lines.\(^3\)

From an independent centre of political activity under Beck before 1925, the HEPCO became a partisan organization under the control of cabinet, and finally changed into a regular government agency by 1943. In this sense, “demobilization” is used to denote the fact that, during this period, the commission gave up its own overt political activities, although it retained a significant degree of policy direction. In doing so, the HEPCO established itself as part of a provincial political “consensus” supported by all major political parties.

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1 Plewman, 1947, 442.
By 1943, the survival of public ownership in Ontario was no longer seriously questioned and the progressive impulse behind the creation of the HEPCO was spent. With the extension of the commission’s operation across most of southern Ontario and its absorption of competing private utilities, the campaign begun in 1903 to fight monopolists and democratize access to electricity was mostly fulfilled. After the culmination of the original, political movement behind its actions, the HEPCO became an administrative arm of the provincial state. The “Bruce campaign” and the commission’s actions in the lead-up to the 1934 election mark the end of its autonomous political actions and the ideological exhaustion of its progressive energies. These events also signal the end of Ontarians’ fears of American interference with the commission. American progressives used the Ontario experiment as a model for successful policymaking in the early 1930s, but following the creation of institutions like the PASNY, REA, and TVA, they no longer had much ideological or rhetorical use for the commission. At the same time, the private electricity industry in the United States was under concerted political attack and competition from domestic public ownership, and could not sustain anti-HEPCO propaganda as it had in the 1920s. This decrease in American attention to the commission had a reflexive effect: as the HEPCO lost relevance to policymaking in the United States, Ontario debates around public ownership became less heated and lost their progressive zeal. In other words, American observation (or lack thereof) of the HEPCO contributed to changes in Ontarians’ political behaviour.

By the late 1930s, the popular belief in the organizational independence of the HEPCO and its control by the municipalities, long asserted by the commission and its allies, was largely discredited. The program that had been new and innovative in 1905 was no longer so and the exhaustion of the HEPCO’s original progressivism facilitated cabinet’s ability to oversee it as a
regular administrative entity. The death of Adam Beck in 1925 deprived the HEPCO of its charismatic and popular chairman, which enabled the provincial government to assert more control of the commission’s operations. The decline in the HEPCO’s political independence took place simultaneously with the rise of its engineers’ authority, both within the organization and with the provincial cabinet.

The HEPCO was heavily politicized throughout the late 1920s and 1930s, not just because of policy differences between the Conservative and Liberal parties, but also because of suspicions of a threat from the American private utility industry. The commission received a large amount of interest in debates over electric policy in the United States. This attention made some Ontario politicians and HEPCO officials suspect that American utilities were actively trying to influence provincial politics and the commission’s operations. Fears of foreign subversion entered debates which were otherwise about the appropriate price of electricity in Ontario. The 1925-1943 period in HEPCO’s history is thus not just about the resolution of federal-provincial jurisdictional debates, or the rise and fall of Mitch Hepburn, but also about the re-emergence and decline of fears in Ontario concerning American utilities, and the ideological construction of the commission as a policy consensus.

This consensus was furthered through the presentation of the HEPCO’s history, beginning in the late 1920s and continuing into the 1950s. As will be shown in the conclusion, these efforts included the creation of memorials in honour of public power movement figures like Beck, and also the publication of books to commemorate the HEPCO’s first decades of operation. With the beginning of serious interest in privatizing Ontario Hydro in the 1990s, we have seen more efforts to link current political debates over public ownership to this public
memory. Linking all these historical activities is the strong impulse to employ the HEPCO’s history in contemporary debates about electric policy in the province.

The HEPCO under Premier George Howard Ferguson, 1925-1930

After the death of Adam Beck in August 1925, Premier Howard Ferguson asserted his control over HEPCO affairs through his appointments of commissioners. The men he picked were competent, but much less independent than Beck, and thus more amenable to cabinet control. A progressive Conservative, Charles Alexander Magrath was chosen as chairman that September. At the same time, former Mayor of Toronto C.A. “Alf” Maguire was picked to represent the interests of the OMEA. Ferguson’s authority over the HEPCO was also aided by his strong political position during the late 1920s. In the December 1926 provincial election, Ferguson led the Tories to a crushing victory over W.E.N. Sinclair’s Liberals and the divided Progressive and UFO MPPs. He repeated the performance in the October 1929 election. After this string of successes, he left office in December 1930 to become the Canadian High Commissioner in the United Kingdom, a position the staunchly imperialist Ferguson highly coveted.⁴

However, various historians of the HEPCO disagree over the nature of the relationship between the cabinet, legislature, and HEPCO by the late 1920s. Peter Oliver suggests Ferguson opposed Magrath’s refusal to answer HEPCO-related questions in the Legislature.⁵ On the other hand, Freeman and Nelles point out that Ferguson ultimately supported Magrath on the issue, and thus conclude the HEPCO-legislature relationship remained unsettled.⁶ Freeman says that the appointment of Magrath as a chairman from outside of cabinet represents an attempt to

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⁵ Ibid., 357, 427n75
influence the commission through appointments but without direct political responsibility, which he calls the “Ferguson formula.” I argue that the ultimate authority of the cabinet over HEPCO was settled by the late 1920s, even if the provincial legislature’s ability to scrutinize the commission was still unclear. Magrath was a former Sessional Clerk in the House of Commons and western land surveyor who served as a member of the non-partisan North West Territorial Assembly from 1891 to 1898, and as the Conservative Member of Parliament for Medicine Hat between 1908 and 1911. After his defeat in the latter election, Magrath was appointed by Borden to the International Joint Commission (IJC) and served as chairman of its Canadian section between 1914 and 1935. He served as chairman of the HEPCO until 1931. Magrath latter claimed he joined the HEPCO to support the IJC, which he believed lacked support from Canada and the United States. As shown in chapter 4, Maguire was a close ally of Beck in Toronto municipal politics, such as the “Waterfront Grab” of 1923.

Ferguson’s most important energy policy decisions during the late 1920s and 1930 were the agreements signed with four Quebec and one Ontario private electric generation companies to greatly expand the HEPCO’s supply. The Quebec companies were the Beauharnois Light, Heat and Power Company, Gatineau Power Company, MacLaren-Quebec Power Company, and Ottawa Valley Power Company, from which the commission agreed to buy a total of 731,000 hp (in contrast, the total capacity of the Queenston plant at Niagara Falls was 915,000 hp). In November 1929, the Ontario government finalized an agreement to buy power from the planned Beauharnois project on the St. Lawrence River, allowing its promoters to sell bonds to finance construction. Gatineau Power, controlled by the International Paper and Power Company, signed

7 Freeman, 1996, 59-60.
9 Brady, 1936, 340-1.
the first contract with the HEPCO in April 1926. Controlled by Isaac Killam of Royal Securities, Ottawa Valley Power developed hydroelectricity at Chat’s Falls on the Ottawa River. Incidentally, Killam bought the *Mail and Empire* around the time the deal was signed.\(^{10}\)

Ferguson established a good working relationship with Quebec Premier Taschereau to conduct these deals and to present a united front to the federal government on issues regarding provincial jurisdiction, which may have factored into the Ontario leader’s decision in 1927 to rescind Regulation 17, a measure which greatly limited French-language instruction in the province’s schools.\(^{11}\) In Ontario, the Abitibi Pulp and Paper Company owned the Ontario Power Service Corporation, which developed hydroelectricity in the Abitibi Canyon in the northeastern region of the province.

These deals, representing hundreds of thousands of horsepower, were necessary at a time when the HEPCO’s power sales increased steadily every year and no more major hydroelectric capacity could be added without an international treaty to develop the St. Lawrence River. By 1928, the HEPCO was producing 1,003,339 hp out of a total capacity of 1,141,887 hp.\(^{12}\) Further capacity could only come from an international agreement with the United States or higher-cost development through importing coal from the United States or hydroelectricity from Quebec. The contracts also allowed the HEPCO to access large amounts of electricity without investing even more capital in its own projects. This was a significant factor in the decision to accept contracts with private power developers for, by 1929, the provincial government’s guarantees of the HEPCO’s $222 million debt represented 56.3% of Ontario’s total liabilities.\(^{13}\)

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11 Oliver, 1975: 93-124 passim, and 1977, 182; however, Oliver argues that as Ferguson was very pragmatic, the decision to lift Regulation 17 was influenced by many political considerations at that time.
These agreements proved to be controversial, for fiscal and political reasons. Like the private utilities of the United States, the commission was struck by economic crisis. The advent of the Great Depression undercut the need for these power imports, leaving the HEPCO with large unsold surpluses. The power load in HEPCO’s Niagara system peaked at 969,123 hp in December 1929 and slid to 828,200 hp by December 1931. Domestic, consumer, and industrial consumption all fell with the worsening economic situation, and much of the electricity imported from Quebec had to be re-exported to American utilities at huge losses (one of the major beneficiaries of this situation was Niagara-Hudson, New York’s emerging private utility monopoly). Additionally, there were serious allegations of insider trading connected to the eventual purchase of the Abitibi project by the Ontario government, along with the major political scandal surrounding the Beauharnois project that came to light after the new Conservative federal government appointed a parliamentary inquiry in June 1931.

Another significant issue that arose in the late 1920s was the attempt of Minnesota promoter William Burton Foshay to create a privately-owned utility network connecting Walkerton, Southampton, and Wiarton in the Bruce peninsula area. In his book on rural electrification, Keith Fleming devotes a chapter to the “Bruce campaign,” the HEPCO’s efforts in 1928-1930 to encourage locals to reject this effort in favour of public ownership. Fleming argues that the HEPCO was very sensitive to criticism in the United States during the 1920s, such as the Wyer pamphlet, but he characterizes this sensitivity as excessive. For instance, he suggests the commission’s reaction to the work of University of Minnesota professor E.A.

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16 Fleming, 1992, 100-25 passim.
17 Ibid., 103-5.
Stewart “was nothing short of paranoid.”

18 Fleming suggests that Foshay was not a real threat, but was instead attacked by the HEPCO because he dared to challenge its authority and may have caused embarrassment.

19 However, the apparently “paranoid” reaction of the HEPCO during the Bruce campaign is more understandable if one reviews the history of American criticism of the provincial utility, especially the long-running anti-HEPCO campaign carried out by the NELA. The public power movement was transnational not just because of the HEPCO’s influence as a model for policymaking in the United States, but also in the fact that American praise or blame of the commission was closely felt by Ontarians. This process was reflexive, as American interest in the HEPCO came to influence political behaviour in the province. NELA’s propaganda campaign against the commission provoked a defensive response in Ontario that left many in the province highly sensitive to external threats to public ownership. For instance, in regard to the Bruce campaign, Magrath privately expressed fears to Ferguson that the NELA would subsidize private producers in Ontario to undercut HEPCO’s rates, at the same time as those in control of the Dominion Power and Transmission Company were hinting that American interests were interested in purchasing the Hamilton-based utility.

20 Magrath unsuccessfully tried to convince Ferguson to publicly threaten to change the law, to allow the HEPCO to investigate private utilities if it was believed they were being used to “embarrass” the commission.

21 The NELA’s influence lived on, through these fears of the private power industry in Ontario.

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18 Ibid., 106; however, as mentioned in the previous chapter, Stewart had not made mere errors in his scholarly work but was paid directly by the private power industry to produce anti-HEPCO material.

19 Ibid., 125.

20 Magrath to Ferguson, 29 October 1928, AO, MU 1028 – F8 – Howard Ferguson fonds (F8-3; box 12, VIII. Hydro-Electric Power Commission cont’d), File: “Miscellaneous 1928.”

21 Magrath to Ferguson, 8 February 1929, AO, MU 1028 – F8 – Howard Ferguson fonds (F8-3; box 12, VIII. Hydro-Electric Power Commission cont’d), File: “Miscellaneous 1929.”
With the help of a Beck-style campaign, the HEPCO succeeded in a public ownership by-law referendum in the Bruce in March 1929. After Foshay visited Toronto to try to arrange a compromise, Magrath explained to him that the HEPCO was bound by law to enter the area after the by-law referendum, and offered to settle fairly with the promoter, declaring anti-Americanism had nothing to do with the situation. This statement does not concur with the emotionalism of the by-law campaign. However, Foshay’s Public Utilities Consolidated Corp. declared bankruptcy the following November, and the HEPCO formally took over his Bruce operations in September 1930.

At the same time, the American private power lobby was steadfastly opposed to the public ownership of any power developed from a St. Lawrence Seaway project. This led some in Ontario to believe any opposition in the province to the project, such as that of Liberal leader Mitch Hepburn, was linked to private interests in the United States. In 1928, Samuel Wyer followed-up his anti-HEPCO work with his *Study of St. Lawrence Waterway Project*, a privately published pamphlet. Wyer stressed the enormous cost of the project, and repeated allegations of mismanagement and inefficiency in the HEPCO’s operation. American public power advocates were also alarmed by a 1929 Brookings Institute report, which downplayed the economic feasibility of developing the river’s hydroelectricity. Although they did not accuse the Brookings authors of malfeasance, the sensitivity of these activists towards critical publications shows how fears of the private power lobby extended to the debate over St. Lawrence project.

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22 Magrath to Foshay, 18 May 1929 [draft letter], AO, MU 1028 – F8 – Howard Ferguson fonds (F8-3; box 12, VIII. Hydro-Electric Power Commission cont’d), File: “Miscellaneous 1929.”
Ferguson’s 1930 departure for the Canadian High Commission in London did not cause any major changes in the way the provincial cabinet governed the HEPCO. This was primarily due to the character of his successor to the premiership. George Stewart Henry was a gentleman farmer who served as Minister of Agriculture under Hearst and Minister of Highways under Ferguson and became premier after the resignation of the latter in December 1930. Overall, as premier, Henry displayed little innovation in policymaking and instead pursued the policies laid down by his predecessor. The provincial government’s hydroelectric policy came under increasing fire after the election of Mitch Hepburn, a young Member of Parliament, as the leader of the Ontario Liberal Party in December 1930. By the fall of 1931, the Henry government and the HEPCO faced serious criticism as imported electricity from Quebec was re-exported to the United States at huge losses.

The Further Subjugation of the HEPCO to Cabinet Control, 1934-1942

The actions of the American private electric utility industry in criticizing the Ontario commission during the 1920s left a legacy of distrust and suspicion within the province towards anyone who disagreed with its operations. I have not found any solid archival evidence for the charges, but accusations of American utilities’ involvement in internal Ontario politics continued into the 1930s. There were accusations that Hepburn, the leader of the Official Opposition, was


Saywell, 1992, 69-76 passim. Hepburn had an interesting connection to Beck: there is an old story that on 7 October 1912, Hepburn was with a group of boys at an electrical demonstration in St. Thomas, when an apple was thrown, knocking-off Beck’s bowler hat. At St. Thomas Collegiate, Hepburn was asked to leave school until he revealed the identity of the apple thrower; refusing, he permanently quit school; see Neil McKenty, *Mitch Hepburn* (Toronto: McClelland and Stewart, 1967), 14; Saywell, 1992, 8.
influenced by the NELA and the American private electric utilities in his criticism of the HEPCO, but no evidence has ever been found to substantiate these claims. The most serious piece of evidence was the fact that in speeches during the summer of 1931, Hepburn quoted from a pamphlet produced by the American private electricity industry.\textsuperscript{27} Since the NELA was then the subject of a 1928-1931 Federal Trade Commission investigation, the industry was in a defensive position and had greatly curtailed its public relations campaign. Instead, I argue that the accusations against Hepburn were the legacy of the earlier attacks on the Commission (such as the Wyer pamphlet). Although not based in reality, this fear of American influence made Ontario Conservative politicians and HEPCO’s officials much more suspicious of Hepburn than they may have been otherwise.

This distrust led the HEPCO to hire private detectives to investigate any Canadian connections to the American private power industry, just as the commission conducted surveillance on politicians in Beck’s day. In December 1933, the commission hired Sims and Stransky, a Chicago private detective firm, but they did not find any information. Next, the HEPCO retained the Commerce Research Bureau, an industrial espionage firm with an office in Toronto, but it could not discover anything either, after sending an operative on a nearly four-month-long trip through the United States and Canada to interview public officials and businessmen.\textsuperscript{28}

\textsuperscript{27} Saywell, 1992, 73-4. For his part, Hepburn latter attacked the Sun Life Insurance Company, an old enemy, for its dealings with Insull (see Ibid., 100-2).

\textsuperscript{28} The Commerce Research Bureau discovered that the Montreal Light, Heat and Power and its allied politicians opposed the St. Lawrence project, but this was of course well-known. Notably, Samuel S. Wyer did ask for money from “Mr. A.,” the undercover operative, for the work by his Fuel, Power, Transportation Educational Foundation (see: T-34120, Research - United States and Canada, April 6, 7, 8, 9, 1934, AO, A.W Roebuck Fonds, MU 2493 H.E.P.C. C-D, File - Commerce Research Bureau (1934)). Roger Graham erroneously claims the detective work was conducted before Meighen joined the HEPCO, and the payment authorized after he quit (see Graham, 1965, 58-9). Lyon later noted that the files on the Commerce Research Bureau’s work were unindexed in the HEPCO’s files, to cover-up the incident (see Lyon to Hepburn, 17 October 1934, LAC, MG 30 D272, Thomas Stewart Lyon fonds, vol. 1, file: “Stewart Lyon’s correspondence with Mitchell F. Hepburn, Premier of Ontario.”).
Despite the paucity of evidence, in early June 1933 HEPCO chairman J.R. Cooke printed 7,000 copies of a pamphlet called Paid-For Propaganda, which alleged the American private electricity industry was behind Hepburn’s criticism.29 These charges were incredibly hypocritical, because the government had agreed to purchase electricity from the private utilities in northern Ontario and Quebec.30 However, as with the Bruce campaign, the susceptibility of Ontario politicians and commission officials to these allegations must be seen in the context of the NELA’s earlier anti-HEPCO public relations campaign in the United States.

Further trouble developed for the Henry government over its handling of the Abitibi contract. Henry established a royal commission to investigate allegations made about the Quebec contracts, but left out the Abitibi deal from its terms of reference, despite Ferguson’s recommendation to include it.31 In early 1933, the owner of the Abitibi project, Ontario Power Service Corporation, went bankrupt and was purchased by the HEPCO. In March 1933, Henry admitted that he owned $25,000 of the corporation’s bonds at the time it was purchased by the commission. Another HEPCO member, former Prime Minister Arthur Meighen, owned $3,000 in bonds and sat on the boards of corporations holding $213,000 in bonds. While Henry may not have intended to personally profit from the deal, his management of the issue reveals his poor judgement. This revelation greatly undermined public confidence in the government.32

29 Saywell, 1992, 147-8; Roebuck countered with “The Wreck of the Hydro,” of which 10,000 copies were printed (see Ibid., 128). Allegations of financial support to Hepburn from American electricity interests arose again in the mid-1930s, when he began to oppose the St. Lawrence Navigation and Power Project (see Macfarlane, 2014, 39).
31 Nelles, 1974, 472.
32 Donald Ross Spanner, “The Straight Furrow’: The Life of George S. Henry, Ontario’s Unknown Premier,” (PhD dissertation, Western University, 1993), 305-29 passim; Saywell, 1992, 98, 117-19; Nelles also notes that Ferguson and Henry began using the code the former had employed at the time of the Timber Scandal (see Nelles, 1974, 472). Roger Graham erroneously claims the Abitibi deal was made before Meighen joined the HEPCO; see Roger Graham, Arthur Meighen: A Biography. Volume III: No Surrender. (Toronto and Vancouver: Clarke, Irwin & Company, 1965), 49-59 passim.
The June 1934 provincial election revolved around accusations of corruption against the Tories and allegations of American influence against the Liberals. The HEPCO published a pamphlet against claims made by the Liberal campaign, which marks the final time the Commission directly intervened in an election. After eleven years of Conservative government, the HEPCO’s officials worried about a change of direction under a Liberal government, not only because of the fear they had of Hepburn’s links to American private utilities, but also due to their vulnerability to replacement by new appointees. Nevertheless, Hepburn won a crushing victory of 65 of 90 seats and over half the popular vote, bringing the provincial Liberals to power for the first time in a generation.

The operation of the HEPCO under Hepburn was marked by several policy reversals. H.V. Nelles argues that Hepburn’s erratic hydroelectric policy can be largely explained by Ontario’s evolving energy needs. In other words, Hepburn’s repudiation of the Quebec power contracts was simply a matter of a provincial electric surplus, just as his later support for the St. Lawrence navigation and hydroelectric power project was driven by the realization of a coming power deficit. This explanation, although important for noting the limitations placed around Hepburn’s political agency, does not account for the erratic nature of many of the premier’s other policy positions in non-hydroelectric issues. At the very least, Hepburn’s erratic behaviour, seen for instance in the fact that he sought to expand the production from the Queenston-Chippewa generating station while cutting back on imports from Quebec, is just one of the historical contingencies of the time. Instead of an instrumentalist logic behind Hepburn’s political decisions, another dynamic was at play. Hepburn and his HEPCO appointees wanted to save face by maintaining their opposition to the Quebec power contracts. Meanwhile, the

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33 “Misleading assertions that have been made relating to the power situation in the province of Ontario Examined and corrected”
34 Nelles, 1974, 486.
commission’s technical staff anticipated future power needs, and when the economy began to grow in 1937, it was clear that the hydroelectric imports and development of the St. Lawrence would be necessary. The last-minute intervention of the commission’s engineers set the basis for the HEPCO to become a technocratic, rather than overtly political, organization.

Aside from the growing authority of engineers in shaping hydroelectric policy, Hepburn’s time in office also confirmed the fact that the HEPCO was essentially a government department, subject to the usual ministerial oversight. In progressive style, Beck defended the commission as a non-partisan public authority, outside the direct control of the provincial government or the participating municipalities, which was nevertheless given the appearance of democratic legitimacy through frequent local referenda and a populist ideology. After his death, the Ferguson and Henry governments did not suppress this doctrine of non-partisanship independence, although they were able to better direct the HEPCO’s policies according to their aims. Hepburn, in his turn, confirmed that the commission was an arm of the provincial state by moving to take administrative control of it after his election, just like other government departments. The new premier demonstrated the ongoing subjugation of the HEPCO to cabinet control by forcing out J.R. Cooke, Maguire, and Meighen and replacing them with cabinet ministers A.W. Roebuck and T.B. McQuesten, with the former Globe editor Thomas Stewart Lyon as the new chairman.35 Chief Engineer F.A. Gaby was also dismissed. Roebuck obviously thought of the HEPCO as a government department (rather than an independent body), shown in the way he immediately tried to get patronage from the commission for Liberal supporters.36

35 Of Cooke’s dismissal, Magrath later noted: “I am afraid Cooks [sic] nerves went to pieces, as shortly afterwards he drove his motor car into the side of a bridge when entering same and died a few days later.” (see Library and Archives Canada, Charles Alexander Magrath Fonds, MG 30-E82 Letterbooks and Subject files, Vol. 5, letter Magrath to Cooke, 19 August 1933, postscript dated 20 May 1939).
Beck’s theory of the HEPCO as an independent, non-partisan, and non-political organization was most obviously rejected when its leaders were shown to be responsible to the legislature after an election.

The most radical part of Hepburn’s hydroelectricity policy was the repudiation of the Quebec power contracts. The idea to repudiate was championed by Roebuck, who advocated for the move in a series of fiery speeches in February 1935. The cabinet was planning to renegotiate the contracts, but Roebuck overcame their resistance to repudiation. Bill 89, the Power Commission Act, was introduced on 1 April 1935, to allow the provincial government to repudiate the four Quebec power contracts and deny any recourse to the courts (although a secret side-deal had been negotiated with Gatineau Power). The bill passed and received royal assent, but included a provision that it only come into force if later proclaimed by the Lieutenant Governor in Council. This was likely due to the last-minute intervention of Lyon and HEPCO Chief Engineer Thomas Hogg, who worried about future power shortages. After the bill passed, the former Tory cabinet member Charles McCrea and the University of Toronto constitutional law professor W.P.M. Kennedy advised Lieutenant-Governor Bruce to sign the legislation, but suggested that he dismiss Hepburn if Ontario’s rating was damaged, and to call on W.E.N. Sinclair to form government or call an election, but Bruce decided against such an unprecedented course of action. The government delivered threats to, and conducted negotiations with, the companies throughout 1935, but the Power Commission Act was proclaimed in December to

have denied patronage requests (see Lyon to E. Tooze, 7 February 1935, and Lyon to Mrs. Jaffray Eaton, 11 February 1935, LAC, MG 20 D272, Thomas Stewart Lyon fonds, volume 1).

37 Saywell, 1992, 201-3, 205.
38 Ibid., 201-5; McKenty, 1967, 67n.
repudiate the contracts. In the aftermath, the Gatineau and MacLaren companies agreed to new contracts, saving the HEPCO $6 million per year.39

After 1935, with the re-emergence of economic growth, it appeared the repudiation of the power bills would lead to a shortage of electricity in Ontario. Roebuck and Lyon were particularly dismissive of a looming shortage, probably because of their fervent opposition to the contracts before the election. As early as the fall of 1935, Hogg warned Roebuck of the possibility of future power shortages.40 On 8 June 1937, HEPCO’s chief municipal engineer Richard Jeffrey took the unprecedented step of driving to Hepburn’s farm near St. Thomas to personally warn him of a shortage, due to Lyon’s rejection of his advice.41 The warnings of HEPCO’s engineering staff of a shortage, in addition to loses in court cases brought by some of the power companies, seem to have moved the provincial government to negotiate new contracts. Deputy Premier Harry Nixon began negotiations (without the knowledge of Lyon or Roebuck) with the Ottawa Valley company in early 1937.42 It is likely Hepburn made a secret deal with Beauharnois before the October 1937 election.43 New deals were announced with the Beauharnois, Gatineau, and MacLaren companies in December 1937. These agreements saved HEPCO about $80 million but appeared to contradict Hepburn’s campaign against the original contracts.44 At the same time, Hepburn tried to get federal permission to export some of its 120,000 hp surplus to the United States, but was refused by Mackenzie King, due to the government’s longstanding ban on power exports, which he recently upheld for the Beauharnois project. Faced with the looming shortage, Ontario needed the power, but Hepburn wished to

40 Ibid., 240-1.
maintain the claim that the province still had too much electricity on its hands. The issue came to a head in December, when he accused Roosevelt of working with Mackenzie King to cause a power shortage in the United States, to build support for a St. Lawrence navigation and power project.45

The aftermath of the October 1937 election (in which the Liberals again won 65 of 90 seats and over half the popular vote) shows the further consolidation of cabinet control of the HEPCO, along with the rise to authority of engineers within the Commission. Lyon was asked to resign the chairmanship, as he was resistant to Hepburn’s *volte face* on the Quebec power deals.46 He was replaced with Chief Engineer Thomas Hogg, who remained in the position until 1947. Although two Liberal MPPs were appointed to replace Roebuck (who resigned from cabinet in April 1937 over labour policy) and McQuesten, the appointment of Hogg shows the transformation of the HEPCO into a technical, rather than political, organization.47

The dynamics of hydroelectric politics at this time were complicated by the asynchronous mismatch between Canadian and US support for beginning a St. Lawrence navigation and power project. Although progress on the project had been stalled by the US Senate’s failure to ratify Hoover’s treaty in late 1932, American interest had not disappeared, and by the late 1930s, Roosevelt turned his attention to the issue. The United States sent a draft agreement to the

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46 See for instance a letter from Deputy Premier Harry Nixon to Lyon, in which the former essentially orders the HEPCO chairman to negotiate a new deal with the Ottawa Valley company (see Nixon to Lyon, 1 February 1937, LAC, MG 30 D272, Thomas Stewart Lyon fonds, volume 1, file: “Stewart Lyon’s correspondence with Hon. H.C. Nixon.”). It also appears that Lyon tried to talk to Hepburn to save his chairmanship, but the latter refused to meet with him (see Lyon to Hepburn, 28 October 1937, ibid.).
47 Freeman argues that the changes to the membership of the HEPCO after 1937 represent a reinstatement of the “Ferguson formula” by Hepburn (see Freeman, 1996, 60). I would argue that the rise of Hogg within the Commission is different from Ferguson’s appointment of Magrath and Maguire in 1925, because the former was a non-partisan technician, without partisan affiliation like the latter two (Freeman characterizes Magrath as a non-partisan appointee [see Freeman, 1996, 60-1]; however, he was a former federal Tory MP who received appointments from Borden and Ferguson, although Magrath certainly considered himself as non-partisan [see “Re Dominion Politics,” May 1934, LAC, Charles Alexander Magrath Fonds, MG 30-E82 Letterbooks and Subject files, Vol. 4, file #10 – “Federal Politics, 1908-1911.”]).
Canadian federal government in May 1938, but its progress was blocked due to Hepburn’s opposition. Roosevelt visited Ontario on 18 August 1938 to receive an honorary degree from Queen’s University and to dedicate the international Ivy Lea Bridge. His speech at the bridge dedication included a strong endorsement of the Seaway, which offended Hepburn. This opposition, along with Hepburn’s alliance with Duplessis, prevented movement on the St. Lawrence project until the outbreak of the Second World War. The need for hydroelectricity to power war production put pressure on the governments of Canada, Ontario, Quebec, and the United States to expedite the treaty process, but political pressures on Roosevelt and Mackenzie King, along with unresolved federal-provincial disagreements, meant the Great Lakes-St. Lawrence Basin Agreement was not approved by all parties until May 1941. The Agreement was subsequently added to an omnibus bill in the US Senate in August 1941, but the attack at Pearl Harbor occurred before it could be put to a vote, and it was shelved for the remainder of the war. Due to further international frictions and domestic political pressures, the St. Lawrence Seaway treaty was delayed until 1954, and construction finished in 1959.48

Conclusion

The goal of this dissertation has been to characterize the HEPCO of the first few decades of the twentieth century as an organization rooted in transnational progressivism. It was transnational not only in its wide influence in the United States, but also in the way American responses to it came to influence Ontario politics, in a reflexive process. The HEPCO was also progressive, as the outcome of early twentieth-century debates over the impact of a private electricity industry on efficiency, monopolization, and social cohesion in the province. As in the

48 Macfarlane, 2014, 41-44
United States, Ontario progressives sought to decommodify electricity as a solution, in this case by public ownership.

By 1943, the HEPCO was a permanent feature of Ontario’s provincial government. Fear of attempts to subvert public ownership by the American electric utility industry were of course overblown throughout the late 1920s and 1930s, but this must be understood in the context of the campaign waged by NELA and other groups during the 1910s and early 1920s to discredit the commission. Suspicion towards Mitch Hepburn’s strident campaign against the HEPCO’s Quebec power contracts can thus be understood as an extension of the larger public relations campaign that NELA waged in the United States, which was revealed by a Federal Trade Commission inquiry in 1928-1931.
Conclusion: Remembering the Public Power Movement

The larger-than-life statue of Sir Adam Beck on University Avenue in Toronto is not just a historical curiosity, but a physical embodiment of the HEPCO’s place in Ontario political culture and consciousness. Since 1906, the HEPCO and its successor organizations became a feature of Ontario’s provincial identity, perhaps a more concrete symbol of the culturally-ambiguous region than the trillium or the butter tart. Like the Canadian public healthcare system, the HEPCO was believed to be a quintessential expression of efficiency and equity: “Power at Cost,” as a slogan, represented both economic prudence and egalitarian access to electricity. This public faith in the HEPCO and its legacy was based on its decades-long performance, which delivered broad access to electricity and technical reliability. But it was also a construction of the commission and its supporters, who wished to defend it in provincial political battles and to extend its survival into the future. Part of this ideological process involved the production of historical memory to celebrate the HEPCO’s achievements and to emphasize that, although part of the provincial administration, it was not to be considered as subject to debates over its fundamental organization and purpose. “Power at cost,” embodied by the publicly-owned HEPCO, became an untouchable “third rail” at the centre of provincial politics, just as public health care is often treated in Canadian federal public policy. Ontarians could view the commission as not just an electric utility owned by the provincial state, but also evidence of their shared values. The HEPCO was made up not only of physical generating stations and transmission lines, but also historical memories which found expression in monument and print.

This dissertation has covered the history of the HEPCO from its creation in 1906 until the Second World War, when it had become a secure part of the provincial state. During these decades, Beck led the commission to become an independent political organization, thanks to his
populist style and the widespread antimonopolist sentiment among the public. Intertwined in this is the narrative of the commission’s reception as a policy model among progressives in the United States, as well as criticism from the private electricity industry and its lobbying arm, the National Electric Light Association (NELA). In turn, these positive and negative receptions of the HEPCO in the United States had political consequences in Ontario, with a significant amount of pride due to American praise, but also the fear of foreign influence in provincial politics. Overall, this was a reflexive process, as debates and ideas travelled across the international border during forty years of debate over electric policy-making. The transnational influence of the HEPCO was also an uneven but cumulative development. The Ontario commission was not always a decisive influence on American progressive efforts in the field of public ownership, but reformers in the United States did become increasingly familiar with it over the decades before the New Deal.

Initially, the public power movements of Ontario and the United States took place in a parallel fashion, as progressives in each place reacted to public scandals and corporate monopolies in similar ways. In New York State, the abortive campaigns of William Randolph Hearst in 1905 and 1906 spurred the adoption of regulation over public ownership. In Ontario, a broad alliance between progressives in Toronto and Southwestern towns forced the provincial government to create the HEPCO in 1906. Although each place chose a different solution to electricity industry reform, both public ownership and regulation were significant attempts to decommodify this source of energy.

From the 1910s into the late 1920s, the HEPCO occupied a central place in policy debates in the United States over electricity. Judson King, the director of the National Popular Government League, made his first pilgrimage to Ontario in preparation for his work in a 1921
California plebiscite over the creation of a state-owned utility, modeled on the HEPCO. This visit began a long and sustained association with American progressives, including Governor Gifford Pinchot and Morris L. Cooke, who relied on the commission for Pennsylvania’s Giant Power project, and Senator George Norris, who looked to the HEPCO during congressional debates over the Muscle Shoals hydroelectric complex.

This progressive interest also brought criticism from the private electricity industry and NELA, which sought to undermine the HEPCO as a policy model in the United States. Several publications, such as those of W.S. Murray and Samuel S. Wyer, were sharp attacks on the financial, political, and technical bases of the commission, and were widely circulated south of the border. A 1928-1930 Senate investigation later exposed NELA’s extensive propaganda activities, including the sponsorship of these reports, the subsidization of academic studies, and other efforts to influence American public opinion toward the HEPCO.

This criticism influenced Beck’s operation of the Commission, particularly in reinforcing his suspicion of the Drury government of 1919-1923. Between 1910 and 1923, Beck acted in an increasingly independent fashion, going so far as to quit cabinet in 1914, and to consider the idea of leading a pro-HEPCO government in 1919. Beck’s political independence during this period was based on his support from newspapers and politicians of various partisan identifications at the municipal, provincial, and federal levels. Despite this base of support, and his overtly progressive and populist style, Beck was unsuccessful in building a network of electric railways throughout the province, and by the time of his death in 1925 he was further chastened by the revelations of various investigatory commissions.

In Ontario, the 1926-1943 period was marked by increasing cabinet control over the direction of the HEPCO, although the commission became embroiled in the federal-provincial
debate over the development of the St. Lawrence River, various political scandals, and partisan rancour between the Conservative and Liberal parties. Some of this conflict was based on suspicion that Mitch Hepburn and the opposition Liberals were influenced by American interests like NELA. Although Hepburn came to power in 1934 with the promise of cancelling controversial contracts with private power developers in Quebec, by 1937 signs of economic recovery forced the commission and the government to retreat. This vindicated the warnings of HEPCO’s senior engineers, helping to solidify their authority within the organization.

From 1925 to 1943, the HEPCO also changed from Beck’s independent Progressive Era agency into an arm of the provincial state, responsible to the cabinet, if not fully accountable to the legislature as a regular government department. This occurred not just because of the change of government in 1934, but also due the failure of political appointees to accurately respond to the looming power shortage by 1937. The circumstances of this historical juncture gave authority to the commission’s engineers, who predicted the shortfall and made extraordinary efforts to warn Hepburn and his appointees. The new authority of the engineers, along with the exhaustion of the HEPCO’s progressive anti-monopolism (as it drove out or purchased the remaining private utilities in the southern part of the province), marked the demobilization of the commission from active politics. Significant too is the decline in public criticism of the HEPCO in the United States by the late 1930s, which took away a sense of external threat to public ownership in Ontario. Lastly, another historical circumstance, the uninterrupted governance of the Ontario Tories between 1942 and 1985 may be said to have crystallized this technocratic change in the HEPCO’s outlook.

The most sustained efforts in the United States to model policy on the HEPCO occurred in New York State during the 1920s and 1930s, where governors Al Smith and then Franklin D.
Roosevelt sought to build a state-wide publicly-owned utility. Although Smith paid it relatively little attention, the influence of the HEPCO was particularly marked during Roosevelt’s two gubernatorial terms (1929-1933). Roosevelt came to rely on various Ontario-influenced advisors and cited the provincial commission in his campaigns and public statements. This influence reached its apogee during the New Deal, with the creation of the Tennessee Valley Authority in 1933 and the Rural Electrification Administration in 1935.

If Sir Adam Beck succeeded in securing inexpensive electricity for the people of Ontario, it was at the expense not only of accountable government (as Freeman and Nelles have argued), but also of putting electricity policy beyond public debate. Although Ontarians benefited from decades of low-priced publicly-owned electricity, the foundations of this policy were treated as a consensus and thus not adequately examined. Considering contemporary debates about energy production and energy use in Canada and the United States, it is vital that we examine this history. Thus, I conclude that the HEPCO became demobilized. Created in 1906 as the result of a progressive campaign, by 1943 the commission had become a technocratic arm of the provincial state, a consensus worthy of historical commemoration.

Public enthusiasm for the HEPCO became a broad consensus among Ontarians as a result of a process stretching from the late 1920s into the 1950s, using publications and public memorials to commemorate the early history of the Commission. Beck’s monument in Toronto was not the only public memorial. Alongside Beck's, monuments celebrated early public power proponents D.B. Detweiler (in Roseville) and E.W.B. Snider (in St. Jacobs). Although these monuments were created by local politicians and individuals with personal interest in these men, the support for their construction from the provincial government and the HEPCO shows that there was a wider interest in commemorating the public power movement, in both Ontario and
the United States. Indeed, it could be said that one of the reasons for publishing these works and erecting these memorials was to present the HEPCO in ideological terms. These memorials demonstrate the persistence of the HEPCO consensus in the province.

Interest in commemorating Beck began almost immediately after his death in 1925. An annual ceremony was held at Beck’s graveside in Hamilton on 15 August to commemorate the anniversary of the death of the first HEPCO chairman.¹ Soon after Beck’s death, Morris L. Cooke asked Fred Gaby if any plans were being considered for a memorial. The HEPCO engineer sent Cooke a fundraising circular for the tuberculosis sanatorium in London, Ontario, which was to be the Hydro chief’s memorial.² Cooke responded by saying that perhaps this was not the best way for American admirers to memorialize the man; instead, he suggested that American progressives fundraise for the creation of a bust of Beck, to be installed in an Ontario park.³ A letter from Cooke to Judson King indicates he wanted to raise $1000 from among public power supporters in the United States for the bust, noting “I think it will have a rather bully effect in Ontario.”⁴ Nevertheless, it seems the idea went no further.

In 1929, Toronto City Council formed a committee to decide on a memorial to Beck. It suggested a bronze statue and began a design competition that was won by Canadian sculptor Emanuel Hahn. The original plan was to place the statue in front of the HEPCO head offices on University Avenue, but this was decided against, as it would impede access to Toronto General Hospital across the street. Council then decided to put the statue on the grounds of Queen’s Park,

¹ For Judson King’s visit to the ceremony on 15 August 1933, see “To League Members,” 23 September 1933, FDRPL, Cooke Papers, B. General Correspondence 1930-1935, Boxes 88-88A, File 426: Judson King.
⁴ Cooke to King, 21 October 1926, FDRPL, Cooke Papers, B. General Correspondence, Special Alphabetical File, 1925-1930; Boxes 97-116.
but Hahn insisted on placing the statue on University Avenue. After the extension of University Avenue to Front Street in 1932, council decided to place the statue in a newly-created median. The HEPCO also considered erecting its own statue of Beck for its new offices on University Avenue, but this was abandoned. Significantly, Beck’s larger-than-life bronze statue stares up the street towards Queen’s Park.

During this period, further commemorations were made across the province in honour of Beck. In London, Sir Adam Beck Collegiate Institute was named after the late HEPCO chairman in 1926 (next door was Lady Beck Public School, built in 1930 and named in honour of his wife Lillian). Elementary schools were also named after Beck in Etobicoke and east Toronto. At Niagara Falls, the Queenston-Chippewa Hydroelectric Plant was renamed as the Sir Adam Beck Hydroelectric Generating Station in 1950. Baden, Beck’s hometown, was somewhat slower to honour its native son. It held “Beck Days,” involving a pancake breakfast and a street dance, in the early 1980s, and named a park and street in honour of the HEPCO chairman. In 2011, Baden’s new high school was named after Beck, but a few years later the Township of Wilmot allowed his reputed birthplace to be demolished.

The early history of the HEPCO was of great interest in the Kitchener area, as locals wanted to claim provenance for the public power idea. The residents of Berlin, Ontario renamed their city to Kitchener in a 1916 referendum due to anti-German feeling during the First World War. “Hydro City” was a finalist, but was rejected by a name-selection committee. In 1919, the Kitchener Light Commission published a pamphlet, based in part on research by James Mitchell,

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the Ontario representative of the Public Archives of Canada, to establish its local claim to paternity of the public power movement (the publication significantly downplays the role of Beck in the establishment of the HEPCO).\(^8\) In 1935, a cairn was erected at Roseville, Waterloo County, to commemorate Daniel B. Detweiler, the early public power promoter in the region.\(^9\) The cairn, containing a number of historical papers in the form of a time capsule, was the idea of Detweiler’s nephew, John D. Detweiler, after the Roseville school section decided to install a light in April 1935.\(^10\) Help was soon provided by the local Member of Provincial Parliament, N.O. Hipel, and Thomas McQuesten of the HEPCO, along with local fundraising by Fred Debus, former Reeve of New Hamburg, and August Lang, the boyhood friend of Beck and a long-time Kitchener municipal politician.\(^11\) It was unveiled at a ceremony on 24 October 1935, featuring speeches by municipal, provincial, and federal politicians, along with chairman T.S. Lyon of the HEPCO. A further effort was made by the OMEA in 1951 to recognize Detweiler’s role in the history of the public power movement through a request for a HEPCO pension to his widow.\(^12\) To mark the fiftieth anniversary of the inaugural pro-hydro meeting, in 1953 the HEPCO dedicated the Detweiler Transformer Station to his honour, including a pilgrimage to the cairn at Roseville and an unveiling of a plaque on the Kitchener Public Utilities building.\(^13\) Although he was probably more influential in the creation of the HEPCO than Detweiler, E.W.B. Snider was not commemorated until the creation of a cairn at St. Jacobs until 1956, as part of the celebration?

\(^8\) See *The Origin of the Ontario Hydro-Electric Power Movement*. (Kitchener: Kitchener Light Commission, 1919), KPL, MG 30 A7 1, Daniel Detweiler fonds, File #8.

\(^9\) For further information on Detweiler, see Chapter 2.


of the 50th anniversary of the commission. With historical commemoration, local leaders sought to make sure the heritage of the public power movement was not forgotten in Kitchener, the “Hydro City,” and its surrounding hinterland.

These memorials were attempts by locals in London, Toronto, and the Kitchener area to commemorate individuals who played significant roles in the creation of a major part of the provincial state. But this process of commemoration also had deep political meaning, coming as it did at the same time the HEPCO was transformed from a quasi-independent entity into a body responsible to the provincial cabinet. I see these memorials as attempts to “demobilize” the commission as well, by situating it as an institution with a history, instead of “the Ontario experiment” of its early years. A monument like the Sir Adam Beck Memorial, inscribed with the names of generating stations across Ontario and staring up University Avenue towards the legislature at Queen’s Park, conveys the message that the HEPCO was not an embryonic organization subject to the ongoing pressures of partisan debate, but rather part of a consensus, a permanent feature of the provincial state. By the 1950s, the HEPCO had an official “history,” presented to the public mostly through the efforts of the commission to memorialize its founders through physical monuments. The history of Beck and the HEPCO were also presented in officially-sponsored texts during the 1950s and 1960s, such as those by his contemporaries E.M. Ashworth (general manager of the Toronto Hydro Electric System) and E.V. Buchanan (general manager of the London Public Utilities Commission), and writer Merrill Denison. The academic study of the HEPCO’s history began with a short overview in a collection of essays

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published to mark Canada’s centennial. The first significant historical studies came in the mid-1970s with the appearance of doctoral research by H.V. Nelles and Kenneth Dewar.

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Epilogue: The Legacy of the Public Power Movement

The 1960s and 1970s, were decades of controversy, as the HEPCO – or Ontario Hydro as it was called after 1974 – attempted to adopt nuclear technology to meet spiralling energy demand in the province. But by 1981, Ontario Hydro could celebrate its 75th-anniversary with a self-congratulatory pamphlet, drawing direct links between the motivations of its progressive founders and contemporary Ontarians.¹ Just five years earlier, the OMEA had produced a similar document to emphasize its contributions to public power in the province, and to argue for the old progressive ideal of municipal co-operation.² During this period, the commission’s status as historical subject was also demonstrated through a study by the Historical Planning and Research Branch of the Ministry of Culture and Recreation. Yet author Mark Fram could also point out the dearth of historical studies of the commission, especially for the period beyond the Second World War, recommending encouragement to scholars because “[t]he understanding of how Ontario Hydro has reached its present position provincially and locally would greatly assist in both corporate and public appreciation of its attitudes and policies.”³

From the 1980s into the 2000s, the history of Ontario Hydro/HEPCO became a focal point in the debates over environmental concerns and privatization. Those opposed to Ontario Hydro’s nuclear operations produced a number of books in the 1980s, which discussed the crown corporation’s legacy of political independence and mismanagement.⁴ Several works in the 1990s and 2000s emphasized similar themes, but they maintained opposition to the sell-off of Ontario Hydro.

Hydro and the deregulation of the electricity market.\(^5\) Ontario New Democratic Party leader Howard Hampton’s 2003 book *Public Power* is notable in presenting a populist, almost pseudo-social democratic, history of the commission.\(^6\) Indeed, that year Hampton introduced a bill to prevent the privatization of Hydro One, which he named the “Sir Adam Beck Memorial Act.”\(^7\) In contrast, certain works of the mid-1990s emphasized themes in Ontario Hydro’s historical development to explain its organizational malaise.\(^8\)

With the election of a Progressive Conservative government in 1995, debate began about breaking-up and selling Ontario Hydro as part of a major neoliberal reform of the provincial energy market. In 1999, Ontario Hydro was divided into five new organizations, according to function: Electrical Safety Authority (safety regulation); Hydro One (transmission); Independent Electricity Market Operator\(^9\) (wholesale electricity market); Ontario Electricity Financial Corporation; and Ontario Power Generation (OPG). The Ontario Energy Board was created to regulate the electricity and natural gas markets, as electricity regulation had formerly been under Ontario Hydro’s aegis. The government opened-up the electricity market to competition, and intended to sell Hydro One and OPG, but the privatization plan was halted by public opposition and could not be implemented before the Progressive Conservatives lost the 2003 election.

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\(^{9}\) Renamed the Independent Electricity System Operator (IESO) in January 2005. In 2015, a long-term planning body called the Ontario Power Authority (created 2004) was merged into the IESO.
Twelve years later, with the province deeply in debt and electricity rates rising, the Ontario Liberal government decided to sell off Hydro One, which since deregulation had also expanded beyond its transmission operations by purchasing some local distributors. In April 2015, Liberal Premier Kathleen Wynne introduced a plan to sell 60% of Hydro One to private investors. Of the $9 billion to be raised by the sale, $5 billion was to go towards paying down Hydro One’s “stranded debt” (a legacy of Ontario Hydro), while $4 billion was to be invested in a transportation investment trust. By January 2018, the Ontario government controlled 48.9% of Hydro One’s shares, directly and through its ongoing control of OPG. Shortly after the Hydro One sale was officially announced, polling showed 60% of Ontarians were opposed to privatization, and 77% believed it would cause higher electricity rates.¹⁰

Just as in the 1990s and 2000s, the history of the HEPCO has been used recently by those opposing privatization. Writing in the Toronto Star, Linda McQuaig notes the progressive founding of the Commission, concluding: “Today, more than 100 years later, the Liberal government of Kathleen Wynne is hoping Ontarians have long since abandoned the passion that fuelled that popular movement and led the Conservative government of James Whitney in 1905 to create Ontario Hydro, the world’s first publicly owned utility.”¹¹ In a blog post for ActiveHistory.ca, Christo Aivalis concludes “Ontario’s contemporary Liberals are playing short-term politics with the power grid, much like [George W.] Ross’ Liberals did in the dying days of their government.”¹² On 12 February 2016, a group of trade unionists held a memorial service for Sir Adam Beck outside the constituency office of Deb Matthews, Liberal MPP for London

North Centre. In the notice inserted into the obituary page of the *London Free Press*, under a picture of Beck, they write: “His slogan ‘power at cost’ continues to be an aspiration for the citizens of Ontario. His dream began to slip away on Nov. 5, 2015, with the commencement of the privatization of Hydro One.” On 6 November 2017, an anonymous person or group erected a mock gravestone for Beck in front of his University Avenue statue, beside which a papier-maché arm reached from underneath the ground, holding a sign reading “DON’T KILL MY DREAM!” In other words, the Hydro One privatization was causing Beck to “roll in his grave.” Nevertheless, such use of historical memory to criticize the Hydro One privatization conveniently omits decades of socialist and social democratic criticism of Beck and the operation of the HEPCO. In Quebec, by contrast, Montreal actress Christine Beaulieu has won acclaim (and sold-out shows) with her 3.5 hour play, “J’aime Hydro,” a critical appraisal of Hydro-Québec’s history and current operations.

The privatization of Hydro One is linked in the public consciousness to the current rise in electricity rates, which has contributed to contemporary interest in Beck and the HEPCO’s progressive origins. In a departure from this discourse, *Toronto Star* columnist Shawn Micallef points to the 1934 University Avenue monument as a symbol of “Adam Beck’s beautiful hydro myth,” the populist belief in cheap energy which sustains the current anger at rising electricity prices in Ontario. About 61% of the province’s electricity now comes from the Bruce, Darlington, and Pickering nuclear reactors, while only 24% is produced by hydroelectric

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15 On Beck’s troubled history with organized labour, see Naylor, 1991.
generation.\textsuperscript{18} Ontarians are still paying for cost overruns dating to the construction of these plants in the 1980s and 1990s.\textsuperscript{19} There is also a populist element: since the 1920s, the government subsidized electricity rates by paying for transmission construction out of the provincial budget, and permitted the HEPCO/Ontario Hydro to cross-subsidize domestic consumption. Of the province’s economic policy, The Star’s Martin Regg Cohn writes, “electricity costs were kept artificially low for decades, suppressed to give us a competitive advantage over neighbouring jurisdictions.”\textsuperscript{20} Thus Beck’s legacy is not just public ownership of electricity: it is also a “hydro myth” and political constituency which prevented successive provincial governments from raising electric rates to achieve “power at cost.”

Instead of privatization, the recent increase in Ontario’s electricity rates is mostly due to policy decisions made by Dalton McGuinty’s provincial Liberals after their 2003 election victory. The provincial government decided to close coal-powered plants for environmental and health reasons, and concurrently built-up generating capacity from natural gas, solar, and wind (these plants were built by both OPG and private companies, which signed twenty-year supply contracts with the provincial government). This new capacity, however, was not needed, as electricity use fell due to the 2008 recession as well as from ongoing efforts to promote energy efficiency. By 2014, the province had a daily generating capacity of 30,203 megawatts, but only needed 15,959 megawatts per day on average.\textsuperscript{21} The current situation is much like that of Ontario in the early 1930s, when Mitch Hepburn attacked the Conservative government’s contracts for

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\textsuperscript{20} Martin Regg Cohn, “Why Cheap Hydro Was Too Good to be True,” \textit{Toronto Star}, 16 January 2016.

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hundreds of thousands of horsepower from private electric companies in northern Ontario and Quebec.

Like the 1934 election, the 2018 contest largely revolved around electricity policy. The provincial Liberal government under Wynne began to definitively lose support in early 2015, when its plan to sell-off Hydro One became known. The popularity of the public power idea was revealed in an internal government poll in June, which showed 73% of Ontarians opposed the sale. It can be argued that the Hydro One issue was the conclusive reason for Wynne’s defeat to Doug Ford’s Progressive Conservatives, who campaigned on a vaguely populist platform of rate-cutting and revenge against the utility’s executives. In another similarity with the 1930s, the Ford government will only have two significant options to lower the cost of energy: renegotiation or repudiation of the long-term generation contracts, and public subsidization of electricity rates (through direct subsidy or tax cuts). If, as happened in the late 1930s, electricity use grows due to increased economic activity, the surplus capacity will diminish, and costs will fall. Just as Hepburn did in 1935, the Ford government has cancelled contracts for electricity (in this case, from renewable sources such as solar and wind) at the same time as warnings appeared about a looming shortage. But it is likely that the historical legacy of Ontario’s costly nuclear plants and post-2003 generation growth will continue to represent a major political and fiscal issue for years to come.

Beck’s Progressive Era vision of cheap hydroelectricity for homeowner and manufacturer has been eclipsed by a situation in which Ontarians need to weigh the relative merits of policy

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23 For the effect of the Hydro One sale to the Wynne government’s unpopularity, see for instance Reg Cohn, “Selling Off Hydro One is Wynne’s Biggest Blunder as Premier,” *Toronto Star*, 28 June 2017.
options like replacing ageing nuclear generating plants, investing in green energy, and subsidizing domestic electricity consumption. But even after one hundred years since HEPCO’s creation, the “hydro myth” retains a strong position in Ontario’s political culture. In essence, the myth presents a simplistic, non-pluralistic solution to a social and political problem, by implying that no trade-offs are necessary between cheap electricity, economic efficiency, environmentalism, and public control over the economy. In truth, these ends are not perfectly reconcilable and thus the public must make decisions about how to rank and prioritize each one.

Despite the populist misuse of the hydro myth, the privatization of Hydro One is representative of a transition away from a progressive commitment to public ownership. As a publicly-traded corporation, Hydro One will no longer be directed according to the Ontario government’s policy decisions, but rather will seek to maximize profits in favour of its shareholders. Its recent abortive $6.7 billion acquisition of US utility Avista marks this move away from its long-term goal of providing inexpensive electricity to the Ontario public. In the future, the IESO’s role in setting prices, and the provincial government’s willingness to subsidize lower electric rates, will be central to debates over Ontario’s energy market. The true state of electric policy in Ontario has often been obfuscated by populist myths, but this is no reason why we should abandon attempts to decommodify the industry, much less banish the topic from political debate.

The use of HEPCO’s history, like the process of privatization and regulation itself, is a complicated one. The commission was certainly the outcome of a Progressive Era campaign to control corporate monopoly, and to secure the benefits of low-cost electricity to Ontario’s population. Yet the memory of Beck’s achievement is a selective one, omitting unpleasant details of HEPCO’s operations and political activities. The circumstances of 2018 are certainly
far removed from those of 1906. But perhaps the ongoing use of this history also testifies to the ongoing vitality of progressive ideas in Ontario’s political culture.
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