

Editorial

ENCOURAGING TRANSFORMATION OF CANADIAN TRADE.

The war has had the effect in Canada of creating a common incentive in her industrial East and agricultural West towards practical co-operation with a view to securing a sound economic basis for the increased output which it has caused. From the viewpoint of trade, it is proving a blessing in disguise, as it has resulted in a considerable reduction of the great disparity between the value of imports and exports. For the year ended March, 1913, the former exceeded the latter by \$298,711,000. Last year saw this figure reduced to \$171,625,000, not as an outcome of the war, of course, as it had not developed then, but rather as the result of trade contraction which preceded it. Imports have shown a great decline in the intervening time, and exports have actually overtaken them. The figures for April, 1915, show that imports have fallen off to \$28,391,000 for the month, while exports of merchandise have increased to \$28,691,000. Of this merchandise, over \$13,000,000 related to manufactured articles against \$4,000,000 in April, 1914. The total exports of the products of the farm amounted to \$3,312,000 as against \$1,860,000 for the same month last year.

While we look to agriculture to make pronounced advances in bringing the development of the country as a whole into line, it is even more gratifying to note the returns from the manufacturing industries. Now as never before it should be kept in mind that a most important feature of Canadian growth is the comprehensive development of her natural resources along strictly scientific lines in order to establish greater production, to avoid over-production in one direction or a shortage in another.

WATER-POWER CONSERVATION AND USE.

The policy of conservation, as applied to water powers, should be recognized as the policy of promoting, as rapidly and as extensively as possible, within the law, the utilization of the perpetual and inexhaustible resources afforded by every water power in the country, the development of which is, or can be made, economically feasible.

It has been said that the water powers of Canada are among its most unique resources, in that they are not diminished by use or conserved by non-use. While this is quite true, their development has an enormous influence on our other resources, among the most important of which are the fuel supplies of the country. The drain upon these supplies and the importation of fuel in some provinces are lessened in accordance with the utilization of water powers. It can be shown that it takes about five tons of coal to produce energy to the extent of one horse-power per year, hence every horse-power of energy which runs away unused in a water-fall in an inhabited country is equivalent to the depletion of coal resources of the country to the extent of five tons annually. In addition, while it is a good and economical steam plant which will utilize 10 per cent. of the energy of the fuel, the hydro-electric plant can make available as much as 70 per cent. of the energy of a waterfall. One of the best informed electrical engineers in Canada, Dr. L. A. Herdt,

of McGill University, is credited with having made the following statement in this connection:—

"It is, I believe, within reason to hope that the use of coal for the production of power in our large cities will before long be almost entirely abandoned and that hydro-electric power, economically transmitted and distributed, will in time light every home and drive the machinery in every factory in this country."

It is pointed out by Prof. Herdt that the importance to Canada of effectively and economically utilizing these water powers cannot be over-estimated. He advises the formation of a definite comprehensive policy with respect to the nation's vast water-power resources. He cautions us that this great asset of raw material from which the finished product is made by the expenditure of money and brains, should not be given away unless the power is developed and placed at the service of the people. Reasonable encouragement, however, should be given to power schemes, bearing in mind that a water power undeveloped is like unmined gold. It takes money to place it at man's service. The water powers should be developed in such a way as to render available, in a profitable manner, the energy which is now going to waste and at the same time, conserve for future generations our other natural resources.

It is of great advantage to Canada that there is so little hostility between the interests of conservation and the interests of water-power owners. That these should be at variance is a fallacy which is unfounded, and which must be swept entirely away before a conservation of water powers, whether through federal or provincial legislation, will ever be wholly realized. This same fallacy has been the cause of many erroneous and futile attempts in other countries to solve the problem of water power conservation. The fallacy generally sprang from a failure on the part of both classes of interests to appreciate the underlying principles involved. We are told that the advocacy of hasty and extreme measures, inimical to the property rights of private owners and rendering hazardous the necessary investments of capital, has tended to create a hostile attitude on the part of private interests toward the carrying out of a conservation policy. This hostility, in its turn, incites a further spirit of antagonism on the part of the forces of conservation. The questions of conservation become confounded with questions concerning monopoly, competition, and the relations between the producer and the consumer. But those representing the two classes of interests involved, those representing the public and those representing investors, are now realizing, more than ever before, the fact that real advantage to any locality or to the public at large lies upon the same lines as real advantage to the holders of investments in water-power development. Both should recognize the feasibility of getting together on some basis which will, at the same time that it admits of adequate protection to the public, also provide an attractive field for investment. Public-utility companies should become convinced that a proper and fair restriction and regulation in the operation of their properties are reasonable and necessary, and evidently promotive of their own best interests. They should be convinced, as they are more and more, that reasonable concessions, even if beyond the limit of their exact legal