The Monetary Times

Trade Review and Insurance Chronicle

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Toronto, Canada, July 13, 1906.

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The Monetary Times

A JOURNAL OF CANADA IN THE TWENTIETH CENTURY

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NEW PHASE OF POWER QUESTION.

There is lively controversy over the figures of the Hydro-Electric Commission report, upon which the Ontario Government based its legislation providing for municipal ownership of Niagara-developed electricity, the Province finding the money for transmitting and distributing plants. The first criticisms of the Commission's figures did not attract very much atantion, mainly because they emanated from a former amployee of the Commission. The case is altered by the considered attack upon the Commission's calculations by this month's "Canadian Engineer," continuation of which is promised.

No reply has yet been made by the Government's permanent Commissioners, two of whom, the Hon. Adam Beck and Mr. C. B. Smith, are chiefly responsible for the Hydro-Electric report. But the "Engineer's" assertions cannot be ignored. They will certainly appear at the conference of municipalities to be held at Galt two weeks hence. If, in any material particular, the Hydro-Electric figures are wrong, public confidence is bound to be shaken; and there must, as a minimum, be an overhauling of the whole proposition.

It is futile to say, as the "Toronto Globe" did on Saturday, that it will be time to discuss figures when rates for power are being imposed. The approximate rates given by the Hydro-Electric Commission are the foundation, the essence, of the demand for public ownership as against private control of Niagara electricity. The gravamen of the case against the retention of the field of supply to consumers by private companies lay in the belief that the contract price of \$35 per horse-power per annum, understood to have

been made with the Toronto Railway Company, gave an extravagant profit to the seller, and prepared the way for an iniquitous bleeding of the consumer, by making him pay for cheaply-developed electricity nearly as much as for dearly developed steam.

The "Engineer" finds serious fault with the assumption that power will be obtainable at \$12 at the Niagara generating stations. This objection Mr. Beck discounted in advance by announcing that a company other than the Electrical Development Co. of Ontario had offered to sell power in bulk at \$11. The "Engineer's" main condemnation of the Hydro-Electric Commission's report is that its figures for transmission are astonishingly fallacious.

Stripped of technicalities, the contention is that the Commission has not allowed for any spare plant or for load factor, and that its allowance of loss of energy between the generating station at the Falls and the point of distribution in Toronto is ridiculously insufficient. The Commission provides for a loss of 8.25 per cent., but it forgets 7.5 per cent. for step-up transformation at the Falls and for step-down transformation at the Toronto distributing point. Subtracting 7.5 from 8.25 leaves 0.75 loss for the transmission line itself. The copper alone of the transmission cables would cost, according to the Westinghouse formula, \$4,459,185. The report gives only \$2,117,978 as the total transmission investment, including step-down stations and interswitching.

The difference, therefore, betwen the loss allowed for by the Commission and the loss which should have been provided for, according to the "Engineer," is a difference of over \$2,000,000 of capital investment, for transmission from Niagara to Toronto alone. Presumably, the difference will be proportionately similar in the estimated transmission to the cities and municipalities of Western Ontario.

Many zealots in the cause of municipal ownership believe that the Hydro-Electric Commission promised the Toronto manufacturer power at \$17 per horse-power per annum. The Commission's figures were much higher than this, the \$17 being approximately the price at which power could be delivered in bulk and "stepped down" at the city's transforma-