

matic or other power except for the purposes of the Park; provided that in case the said Commissioners shall have granted or at any time may have granted to any other person or corporation license to use the waters of the said Niagara or Welland Rivers and by reason of failure of such person or corporation to carry on the works so licensed the said Commissioners find it necessary to forfeit said license and take over said works, this clause shall not prohibit said Commissioners from operating such works for the generation and transmission, sale or lease of electricity or power.

The contention of my correspondent is that the restrictive words at the commencement of this clause shew that its operation is confined to processes which are connoted by the expression "generate," taken in a strict and narrow sense. But it is submitted that this construction of the agreement cannot be sustained on any reasonable ground. The manifest object of the clause was to obligate the Government to refrain from competing with the Company on any footing which would endanger the commercial success of the enterprise. Having regard to this fundamental consideration it is impossible to suppose that business men whose object was to secure their Company against injurious competition should have been content to obtain protection merely in respect of the single process of generating power. When we consider the matter with reference to industrial practice and industrial standards, the notion of such protection to be afforded to a bare generation of power, apart from the other processes incident to its subsequent transmission to consumers, becomes such a palpable anomaly that we are driven to assume that the parties who represented the Company in the negotiations with the Government must have had in mind these processes as well as that of generation, when the scope of the restrictive stipulation was being settled. The unavoidable inference, therefore, would seem to be that, although the expression "generate" was alone inserted in that stipulation, it was employed in a broad and comprehensive sense, as including all the operations required for the purpose of rendering the power to be generated commercially serviceable to the prospective cus-