

provincial autonomy, because sooner or later there must come an irresistible demand that the authority of the Dominion should be invoked to prevent irreparable injury to the interests and the credit of the country as a whole from ruinous provincial or municipal adventures.

It is impossible for the people of the municipalities to judge fairly in such complicated matters as the distribution of electricity and rural transportation, especially when the data which is essential to a thorough understanding of them is elaborately concealed by the Hydro-Electric Commission, therefore the first thing to be done is for the municipalities to insist upon a thoroughgoing investigation and report by competent engineering experts and accountants appointed, not by the Provincial Government, but by the Dominion Government, in respect to all the aspects of the Hydro-Electric Commission and its projects.

If the schemes of the Commission which have been endorsed by the Government are sound, such an investigation should be welcomed. If the report were favorable, the advantage to the Government would be obvious; if it were unfavorable, and if the Government adopted its conclusions, the Government would also gain credit through having saved the province from an unsound speculation.

It is very distressing that at this supremely critical juncture in the history of the country when the resources of the whole Empire are being taxed to the uttermost, that the minds of the people should be distracted and the successful prosecution of the war compromised by a project which has already led to international difficulties, and has every indication of eventual serious embarrassment to the municipalities and the province.

December 9, 1916.

HYDRO'S LACK OF RESERVES.

The Hydro-Electric Commission is in

serious difficulties with regard to its supply of power; the reasons are obvious. The Commission originally provided for a supply of 100,000 horsepower, and although the end of this supply was in sight three or four years ago, no steps were taken to secure an additional quantity. The Hydro-Electric Commission has had no contracts for an increased supply, no additional transmission lines, no separate batteries, and no reserve steam plant. The business of the private companies has been conducted on an entirely different basis; they have carried on business with the usual precautions and safeguards; they have from time to time increased the number of units in their generating stations at Niagara Falls; have added to their transmission lines; have purchased storage batteries, and have large steam reserve plants, the cost of which has amounted to millions of dollars.

The Hydro-Electric Commission has encountered the difficulties which that body was warned against. It is obvious that with increase of business, there must be reserves of power and operating facilities to meet it. The Hydro-Electric Commission has not conserved the usual portion of profits, and, therefore, has been unable to equip the necessary reserves. In any ordinary commercial undertaking the result would be bankruptcy. There is no royal road to commercial success.

Is it possible for the Commission to extricate itself and to overcome this fundamental weakness? Some months ago the Commission obtained the right from the Local Legislature to generate power from the Niagara and Chippewa Rivers, but the supply from this source will not be available for at least four or five years. At the present moment the Commission has appealed to the Dominion Government to restrict the export of power from the Power House on the Canadian side to the United States, but under the franchise of the Canadian Companies they are entitled to export