

jection to the audit of its accounts by the Provincial Auditor.

The Hydro-Electric Commission was to begin with, and is now in fact, if not in law, a department of the Government subject to control by the Government in substantially the same manner as other Government departments. A member of the Cabinet sits upon the Commission. It is to be presumed, in order that the policy of the Government may be duly carried out. The Union of Municipalities has all along objected to this arrangement. What it desired was that the whole Hydro-Electric scheme should be conducted as a co-operative municipal scheme, the necessary funds being raised by means either of a loan from the Government to the Union or by municipal bonds guaranteed by the Government. This arrangement, however, would have deprived the Government of the patronage and of the prestige, real or imaginary, of the Hydro-Electric enterprise. It was, therefore, rejected. But control involves responsibility, and sometimes responsibility is real, while control is only nominal.

The Hydro-Electric Commission appears to have forced the Government into the legislation of last session by which an attempt was made to declare invalid the contracts entered into between the Government and the companies generating electrical power, under which the Government had agreed not to generate power on its own account.

Litigation has arisen over this attempt at repudiation of a contractual obligation, in spite of the efforts of the Government to stop the proceedings, through the refusal of a fiat to enter suit and otherwise through the employment of every legal and other resource to prevent the light of day being shed upon the transaction.

In spite also of efforts on the part of the Government to stifle criticism of its own proceedings and of the proceedings of the Hydro-Electric Commission cer-

tain criticisms have seen the light in Canadian and also in English newspapers.

In its anxiety to unload the whole scheme upon the municipalities and to abandon the plan of a provincial Hydro-Electric system, a change of mind on the part of the Government is apparent. It is evident that the litigation and the criticism together have caused the Government to feel a want of confidence in its ground. The ostensible transference of its responsibility to the Commission does not promise any security; therefore the Government is adopting another method. It proposes to transfer to the municipalities the responsibility for acts already committed, and for others to be committed at variance with previous legislation and previous agreements. The adoption of a subterfuge of this kind by the Government is entirely in accordance with its whole attitude and conduct on the question. It is not to be supposed that any court of justice before which such a matter may be brought could fail at once to recognize the subterfuge.

Even if the Government has been coerced into its change of policy by political pressure from the municipalities, this would not enable the Government to escape from the consequences of its repudiation, nor would it enable the municipalities with impunity to place themselves in the position of receivers of stolen goods.

Let us look the matter fairly in the face. It is proposed that a municipality, the City of Toronto for instance, should enter into a joint guarantee with an unknown number of unknown municipalities for an unknown amount, this unknown amount being expended without adequate previous estimates upon a highly speculative and hazardous venture.

If after this warning the municipalities plunge blindly into this scheme they will have prepared the way for serious curtailment of municipal as well as of