

The gravity of the situation is greatly enhanced by the fact that in the present uncertain conditions prevailing in the labor market and in the market for commodities, the Hydro-Electric Commission has been unable to induce any responsible contractor to undertake the hazardous task of tendering for the works at Chippewa. Under these circumstances an estimate is impossible—no estimate provisionally advanced by the Hydro-Electric Commission could possibly be accepted. The statements made by it upon the saving which will be made through the management of the construction by the officers of the Commission are merely fantastic—they have no relation to reality.

In any case the municipalities have no voice in the matter of construction. Even the promise of legislation amended in accordance with their desires has no validity. The engineers of the Hydro-Electric Commission cannot be regarded as being able to predict the action of the Legislature. The fact that as representing the Commission they ventured upon this promise is significant only because it shows to what extent the Commission supposes that it can control the Legislature and obtain any legislation it may require.

Nothing is clearer than that if the municipalities pass these by-laws they will find themselves saddled with the ownership of a plant over the construction and cost of which they had not control and with the management of a highly speculative business with, at the best, insignificant pecuniary advantage.

• • •

It seems necessary to set forth explicitly the reasons which appear to have caused the Government to require the municipalities to vote upon this by-law on the 1st of January.

The original idea of the Government, as shown in the legislation of last session (1916) was to construct the Chippewa Power plant and to develop a system of radial railways through the

Hydro-Electric Commission. This Commission has been appointed by the Government and the moneys to be expended upon the project were to be moneys raised upon the credit of the province. The total amount of these moneys has never been definitely stated by the Government, and the magnitude of them has probably never been seriously considered. The cost of the Chippewa project has been stated at \$20,000,000 to \$30,000,000 on the basis of peace conditions; but even if the Chippewa works were constructed for one or other of these amounts this would only form the initial expenditure. The Radial Railway system might cost a sum which could only be expressed in terms of many times that initial amount.

Indeed, it is impossible to avoid the conclusion that if the Hydro-Electric Commission carries out the projects already announced by it, a capital sum to be expended within the next few years, of between \$150,000,000 and \$200,000,000, must be contemplated. This statement has frequently been made, and has never been called in question by the Government. It must, therefore, be taken as substantially accurate.

It may be taken for granted that this formidable scheme has been forced upon the Government by the Hydro-Electric Commission, political influence acquired by the Commission having enabled it to exert the necessary pressure. Up till the present time, however, it would appear that the Government has been opposed to the policy of entrusting the Hydro-Electric Commission with a free hand in carrying out the scheme, and has not been disposed to acquiesce in the domination of the Commission by the Union of Municipalities. The Government refused, for example, to allow the Union of Municipalities to appoint two members on the Commission on the evident ground that the control of the Government over it would thereby be weakened; the Government also demurred to the release of the Commission from sub-