

one-half of their production, and of the three companies, only one of them is exporting a greater quantity, and that one, the Canadian Niagara Power Company, will soon be in the same position, so that little, if any, relief can be found there; but there is an insurmountable difficulty against the restrictions of export, and also against the building of the proposed Chippewa Power plant, namely, that these matters have already been dealt with by International Treaty between Great Britain and the United States, made through the International Waterways Commission, whereby the total quantity of water which may be diverted from the Niagara and Chippewa Rivers has been limited to the amount now being taken by the Canadian Power Companies—there is a small quantity of second feet of water still available without breach of the Treaty, but quite insufficient for the required purposes—and the amount of power to be imported into the United States has also been fixed and cannot properly be altered without the consent of the authorities at Washington.

Should action be taken by the Dominion Government in this matter, at variance with the Treaty, retaliation might be expected in anthracite and petroleum.

An action is now pending in the Supreme Court of Ontario for an injunction to restrain the Hydro-Electric Commission and the Attorney-General of the Province of Ontario from proceeding with the Chippewa development, on the ground that in the franchises of the Canadian companies the Government of Ontario has expressly contracted never to take water from the Niagara or Welland Rivers—the Welland and Chippewa Rivers are the same—for the generation of electrical power.

These are some features of the situation upon which those who enthusiastically voted for the Hydro proposals on Monday last might well reflect.

Toronto, January 6, 1917.

THE HYDRO MENACE.

However easily Sir Adam Beck may be able to hypnotize the ratepayers of Ontario to support his ill-judged Hydro-Electric projects by the alluring magic of "public ownership," it is evident that investors will form their own conclusions as to the soundness of his schemes and the justice of his attitude towards private interests. The London financial press, which is an important influence in shaping the policy of the British investor seeking foreign fields for his funds, is strong in its condemnation of what is referred to as the "Ontario Power Scandal." The situation, says *The Financier*, is fraught with grave injustice to undertakings, which were established with the aid of British capital. This journal prints the following from a Toronto correspondent in reference to the attitude of the commission:—

"The electric interests are in the hands of the Philistines and may be expropriated at any time, as the Hydro-Electric Commission made the power so cheap as to create a false demand, which the means are lacking to supply. Unfortunately, some of the power is needed for the making of munitions, and this lends a fictitious strength to proposals for more power and for the right to take it wherever it can be found.

"In the cases of the private corporations they built duplicate transmission lines and reserve steam plants in order to meet the increasing demand; but the Commission could not do this, for the very simple reason that the cost of it would have prevented the sale of power at the low prices that attracted the public and would have taken away from Sir Adam Beck the popularity he enjoys and the political power it has given him. The situation is, indeed, serious."

Toronto, January 27, 1917.

ONTARIO POWER SCANDAL.

London Financial Journal Criticizes Narrow Policy of Provincial Government.

The attitude of THE FINANCIAL POST in connection with the Hydro Commission's development schemes in Ontario has again been supported by *The Financier*, of London, which makes some pointed remarks about the socialis-