

of Conservation, a memorandum objecting to the diversion; also requesting that the use of Canada's share of the waters of the St. Croix River be only permitted on such terms, including time limit, as would ensure that the Province of New Brunswick or the Dominion of Canada would receive reasonable compensation for the use of Canada's waters; and, further, that Canada's equity in the waters, *per se*, be inalienably preserved.

The time will come when Canada will have uses for her share of all such water powers. One element of danger which the Commission of Conservation emphasized in connection with the diversion of waters like those of the St. Croix River into the United States, was that while the International Boundary Waters Treaty contemplates the possibility of certain "temporary" diversions, yet, unless the terms and conditions of such temporary diversions are explicitly understood and specified, and means taken to render the diversion only a "temporary" one with respect to time, there may be an effort later, on the part of interested parties, to claim that the diversion had resulted in the establishment of vested interests, and should now be regarded as of a more or less permanent, rather than a temporary character.

**Niagara Power Development.**—A year ago it was pointed out in connection with power development that a complex situation exists along the Niagara River, more particularly in the vicinity of the Falls.

Attention was drawn to two Bills—the Cline Bill and the Smith Bill—presented to the United States Congress, both of which measures contain features which, if enacted into law, would have an important effect upon Canadian interests.

In last year's report attention was drawn to the opinion delivered by the Public Service Commission of the State of New York, and quoted the Commission as representing:

That there is a large shortage of electric power in western New York, with a strong demand for greater supply which is not being met by existing companies. . . . We are using all the power made on the New York side, and all that has been brought from Canada, and the demand for more power in western New York is insistent and being urged with great force.

And it was also stated that it had been urged; if the importation, into the United States, of power from Canada were prohibited it "would plainly amount to a great public calamity."

All these facts indicate that the time has arrived when the strongest possible efforts will be made to secure more and more use, for power purposes, of the waters of the Niagara River.

In the United States there are a number of public organizations already actively interested in securing additional development of Niagara power.

The Joint Legislative Water Power Investigating Committee, appointed by the Legislature at Albany, under the chairmanship of Senator George F. Thompson, has recently (December, 1915) been holding power hearings in New York City and elsewhere.

At these hearings, the president of the American Civic Association, as reported in the daily press, stated that "the Thompson committee were looking for testimony which could be distorted into an excuse for a development of vast importance to the city of Niagara Falls, at the expense of the State and nation."

The Hydro-Electric Association of Niagara Falls has been holding meetings and drafting proposed legislation which, it is stated, will be presented to the New York Legislature for approval early in 1916. This organization seeks the use of the 4,400 cubic feet of water per second available in the United States under the International

Boundary Waters Treaty, but which has not yet been apportioned.

New York financial interests have had engineers exploiting and making representations to government departments in the United States, respecting schemes for the proposed development of power by means of dams in the lower Niagara River.

The Federal Light and Power Company, of Detroit, it has been stated, have just secured a permit from the United States Federal Government permitting the importation of Niagara power via Canada to Detroit.

Hearings respecting Niagara power have been held before the United States House of Representatives Committee on Foreign Relations. Bills such, for example, as the Smith Bill and the Cline Bill, have been under discussion by this important committee.

**Hydro-Electric Power Commission of Ontario.**—The growing market for Niagara power in Canada is strikingly emphasized by the success of the undertakings directed by the Hydro-Electric Power Commission of Ontario. Recently the chairman of the Commission, Sir Adam Beck, in drawing attention to the fact that the government transmission lines now carrying from Niagara a load of 110,000 horse-power, said that he could not help recalling the time when the late premier, Sir James Whitney, told him that "the Commission would not require 10,000 horse-power." As a matter of fact, the markets for the Commission's power have developed so rapidly that the Commission itself has been compelled, earlier than was anticipated, to seek diligently for new sources of power.

The chairman of the Commission has stated that there can be made available some 6,000 to 6,500 cubic feet of water per second out of the unappropriated portion of the 36,000 cubic feet per second allotted to Canada under the Boundary Waters Treaty. The Commission proposes that this surplus be utilized by it under a head of some 300 to 305 feet, resulting, in round figures, in the development of some 200,000 horse-power. The water would be conveyed from the vicinity of Chippewa Creek to, and discharged near, Queenston.

All the electric companies developing at Niagara Falls have found that their market demands have exceeded their expectations. Over 100 Ontario municipalities are now supplied by the Hydro-Electric Power Commission; and in January, 1916, another reduction was made in electrical rates, resulting in the saving of from 3 to 20 per cent. to consumers in about 60 municipalities.

Rural customers—not necessarily meaning in every case farmers, but rather small rural consumers—being supplied, now number some 700 to 1,000.

Last fall the Hydro-Electric Commission placed in operation its new plant at Eugenia Falls, Ontario, having a possible capacity of 8,000 horse-power, half of which is already installed. Ten or twelve municipalities are being supplied from this plant. Other municipally owned plants are to be constructed.

During the past year the first government-owned electric railway in Canada, known as the London and Port Stanley Railway, was placed in operation by the Commission. A summary of the first half year's operation ending December 31st, 1915, shows a gross revenue of \$145,737.84, a net expenditure for operating expenses and fixed charges, etc., of \$136,460.20, making the net earnings for the half year of \$10,277.64. Freight appears to be the important factor in ensuring profitable returns for such roads.

In the municipal elections held in January, 1916, all the larger municipalities concerned, including the cities of Toronto and London, passed a by-law involving a possible expenditure of some \$14,000,000 to provide a government-