

*would result in giving to Canada, very possibly, a large number of industries which otherwise would be established on this side of the Falls."*

When Representative Chas. B. Smith was speaking on behalf of his bill, he submitted, before the Committee on Foreign Affairs, a letter from a leading citizen of Buffalo, in which it is stated:—

*"Every restriction on the importation of Canadian power should be at once removed. Electrical power is a raw material and should be free."*

The Sub-committee on Niagara Falls Power, appointed by the Committee on Foreign Affairs, in its report on one of the Cline bills, states that it had been urged for its attention:—

*"That the Canadian companies were rapidly increasing their sales and would very soon take the full amount of water they were entitled to and the United States ought to get what power it was able to now."* and they add:—

*"If the advancement in the development of power on the Canadian side increases for another year or so—and it is not apparent to the committee that it will not—then the committee concluded that it was proper to take as large an amount as it could get for consumption in the villages, cities, factories and homes along our border."*

Representative Chas. B. Smith, of the state of New York, in conversation, stated to me that he favored no restriction on the importation of electricity, because if it was good for the United States to have this commodity he thought it was advisable to get as much as possible, and permit it to come into the country without any restriction. This view of Mr. Smith was amply reflected in certain bills of his which provide for no restriction.

In the state of New York there is a ready market for additional electric energy. The **Opinion**, delivered on February 12th, 1914, by the Public Service Commission of the State of New York, records 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."*

It is also stated that Niagara Falls power produced in the United States is so far from supplying the needs of portions of the state of New York, that if the importation of power were prohibited it "would plainly amount to a great public calamity."

When the demands in the United States for more electrical energy are such as those set forth by the foregoing quotations, it is not strange that public organizations and other interests have been prompted to urge action on the part of the Federal government of the United States to relieve this situation.

Various organizations, such as the Water Power Investigating Committee of the New York State Legislature, the Hydro-Electric Association of Buffalo and other places, the special committee of the Committee on Foreign Affairs of the United States House of Representatives, the United States War Department and others, have been studying the problem with a view to at least alleviating the present circumstances.

In the United States, the problem at Niagara is recognized as a national one, and of late special emphasis has been given to the fact that no federal policy of "war-preparedness" can successfully be carried out without increasing the pro-

ducing capacities of plants at Niagara, which plants are either manufacturing munitions of war, or materials and commodities which are essential to the production of war munitions.

In Canada, efforts put forth, by the Hydro-Electric Power Commission of Ontario\*, by the Commission of Conservation, Ottawa,\* by the Unions of various Municipalities, by Boards of Trade, and other organizations, have resulted in the conservation for Canada of a large amount of electrical energy which doubtless would not otherwise have been utilized. The activities of the Hydro-Electric Power Commission have very materially increased the consumption of Canadian electricity.

It is not possible within the confines of the present article to do more than briefly indicate some of the chief factors which enter into this problem of the exportation of electricity. Before concluding, however, it will be profitable very briefly to explain a few matters respecting which the public at large, including a large portion of the public press, is in comparative ignorance.

With the factors which we are about to mention held in mind—and not otherwise—one will be able, intelligently, to interpret the course of future discussion or legislation respecting power development at Niagara.

For many years the supply of Niagara waters for power purposes was regarded by the public as practically inexhaustible. Companies in the United States, however, had obtained power concessions which, if put into operation, would have drained Niagara dry. The United States federal government recognized the danger of this situation.

The International Waterways Commission, consisting of members appointed by the United States and by Canada, had originated in 1902, following a recommendation in "The Rivers and Harbours Act" of the United States. In 1905 this commission was requested to report upon the general conditions obtaining at Niagara Falls, with the request that there be co-operation between both countries to the end that proper and adequate steps be taken to prevent further depletion of the Niagara waters.

This commission conducted its investigation, co-operatively with the United States War Department and subsequently made its report. Certain recommendations with respect to the preservation of Niagara and the amount of water to be diverted on the United States side, were enacted into law by *The Burton Act*. This commission having completed its work, disbanded about a year ago.

**The Burton Act** of June 29, 1906, was "For the Control and Regulation of the Waters of the Niagara River, for the Preservation of Niagara Falls, and for Other Purposes." It was regarded chiefly as a temporary measure. It limited the diversion of water on the United States side to a rate not exceeding 15,600 cubic feet per second; and under special permits the *importation* of electrical energy from Canada into the United States, could be had to an aggregate amount of 160,000 horse-power. The Burton Act continued in force until 1913, when it lapsed by limitation.

Closely following the passage of the *Burton Act*, the government of Canada, on April 27, 1907, passed an **Act to Regulate the Exportation of Electric Power and Certain Liquids and Gases**. "The Fluid Exportation Act," as it is called, among other features, provides for the taking out each year, of a license permitting the *exportation* of electricity to the United States; and for a possible export tax not exceeding \$10 per horse-power per year.

Thus the *Burton Act*—a United States measure—regulated the *importation* into the United States, while the Canadian measure, the *Fluid Exportation Act*, regulated the *exportation* from Canada.

\*Consult the *Annual Reports* of these Commissions.