

enable that system to compete with us in the same territory covered by our extensive distribution system. Our obligation is to supply customers' requirements in Canada at rates no higher than those obtainable in the United States. This we have always done, and have even supplied the Hydro System with 16,000 horse-power all the winter months of 1915-16 at a rate considerably lower than was obtainable in the United States.

"On that occasion we expressed our willingness to enter into a contract for five years for the supply of this 16,000 horse-power, but the Hydro Commission refused to take it for a term longer than six months, and as there was not demand for it on the Canadian side we contracted to sell it on the American side after the six months, and this is part of what we are exporting now."

"When this company finds the demands of its customers are growing beyond its plant capacity it installs steam equipment to meet that demand, which results in a cost of power considerably greater than the Hydro System will pay, and is only profitable to us because of the rate obtainable on export power."

Now, sir, your knowledge obtained as Chairman of the Hydro-electric Commission or the experience of your large staff of engineers and advisers should show you that to furnish 28,150 horse-power at Toronto we would be obliged to generate more than 30,000 horse-power at Niagara Falls. As stated above, we can furnish 38,150 horse-power in Toronto during the Toronto peak period, by reason of which we might claim to have the equivalent of 40,000 horse-power or more for export if we so desire.

Any statements this company or its representatives have made to the Government at Ottawa or to your Commission, or any other interested person or Commission, will stand the closest investigation, and present a marked contrast to those to which you have given utterance.

We are amenable to the courts. You have so constituted yourself as to be above the courts, and refuse to allow yourself or your actions to be reviewed at the bar of justice. You are quoted as saying: "The company had practically defied them and had said they would fight it in the courts. The courts, Sir Adam said, were too slow. There will have to be other measures of dealing with them."

It might interest you to know that we have munition plants on our line whose demands total more than 60,000 horse-power, and that when you seek to embarrass the operation of our Niagara plant, as you have been doing for many a day, you do not ad-