

tic tendencies of the Ontario Government. In quoting THE POST'S recent editorial on the subject of heavy capital expenditures under the prevailing financial conditions, it is pointed out that there is evidently more concern being shown for the welfare of the province than for the Dominion or the Empire. We quote:—

The Socialistic Government which now controls the Province of Ontario is more concerned with the welfare of the people of that Province than with that of the Dominion of Canada or of the Empire. Otherwise it would not be lightly proceeding with the scheme for an enormous expenditure of public money on works which might very well have been deferred until after the end of the war. In this it runs counter to the wishes of the Lieutenant-Governor of Ontario, whose Christmas message contained a grave warning as to the inexpediency of promoting unnecessary public work at this juncture. It will be remembered that the program of the Hydro-Electric Commission, who are the nominees of the Ontario Government, involves the expenditure of a sum of from 20 to 30 million dollars for a power plant on the Chippewa River, where it joins the Niagara River above the Falls, and 10 million dollars for a fresh transmission line. To accomplish this project they have ridden roughshod over the rights of the British investors who subscribed to the bonds of the Electrical Development Company of Ontario on the faith of a contract which was subsequently set aside by an Act rushed through the Ontario Legislature. The plan also involved the construction of a hydro-radial railway system throughout the Province, and, incredible as it may seem, this hare-brained scheme is being persisted in, notwithstanding the urgent need of the Empire for the capital, the labor and the materials that will be absorbed by this purely local undertaking.

The proposal has been sharply criticized by the Canadian financial press, and it is fitting that the attention of British investors should again be drawn to the scandal. In proceeding with this big expenditure of public money on "improvements" which are of little more than parochial value the Hydro-Electric Commission is doing a dis-service to the Ontarians who are serving with the Colors, including many of its own employees, and is setting a bad example to public bodies throughout Canada. The provision of radial railways throughout the Province may be advisable, though, as THE FINANCIAL POST OF CANADA points out, there is absolutely no proof that such railways would pay working expenses, but their construction at the present time would be little short of a crime against the welfare of the country. Our contemporary goes on to show that before the war Canada had in the aggregate spent a disproportionate amount of her resources in actual means and had seriously strained her credit by excessive public works, especially railways. Steel is just now not only at a high price, but every

pound which is made is needed for the purposes of the war. The demand for money for the purposes of the war is also heavy, so heavy as to cause anxiety to everyone who takes a serious view of the future. Yet, in spite of these facts, says THE POST, we have a few persons who have never exhibited any real sagacity in public life urging the expenditure of immense sums of money and the addition to the demand for steel of very large quantities at this tragical moment. Surely it is time that these "few persons" were called sharply to account by the responsible authorities at Ottawa, who have it in their power to prevent the perpetration of a grave injustice to the credit of the Dominion and to the brave Canadians who are fighting for the Empire.

The annual report of the Toronto Hydro-Electric Commission, issued in July, contained no mention of this contemplated expenditure. The hydro-radial railways project was not even referred to, but the growth of the City of Toronto was alleged to compel further extensions from time to time. The vague promise was made that "every care will be taken at all times, but especially during the present time of war stress, to limit the extensions within the requirements of a sound and conservative policy." Apparently this promise is to be treated as was the contract with the syndicate which afterwards became the Electrical Development Company of Ontario—that is to say, as a mere scrap of paper. It is true that in its public advertisements the Hydro-Electric Commission claims that in voting for the by-laws authorizing the hydro-radial project they are not voting money. But they are voting authority to the Commission to incur obligations to an unlimited extent, for which the people will have to pay, and the reputation of the Commission in financial circles is not such that the money will be found on easy terms.

February 17, 1917.

PUBLIC ENTITLED TO HYDRO-ELECTRIC AUDIT

Government Announced a Year Ago
That Examination of Accounts
Would be Made.

About a year ago the Government announced in the newspapers that Messrs. Clarkson & Sons, chartered accountants, had been instructed to examine the accounts of the Provincial Hydro-Electric Commission and to prepare a report upon them. A sufficient length of time has now elapsed to justify the belief that the report is now in the hands of the Government. The question is, when is it going to be put in the hands of the public? The Provincial Treasurer an-