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PRINCIPAL CONTENTS OF THIS ISSUE.

ONTARIO'S FINANCES.

The Minister of Justice has refused to grant the petition for disallowance of the Ontario Hydro-Electric Act. The provincial government has disposed of its loan of $3,500,000 for the construction of the Hydro-Electric power transmission line. And Sir James Whitney has written a typical "Finis" to the first book of an exciting story. Leaving aside the statement that Ontario legislation in this matter has hurt Ontario's credit and that of Canada, undoubtedly the wide and bitter discussion of the subject did that credit little good. Sir James states that the secret history of the campaign waged against the provincial government's scheme would amaze the public. The electric interests in Toronto, he says, were the bitter opponents of this legislation. "All the stock gamblers were against it. So-called financial journals in England blossomed out with editorials made up very largely of misrepresentation and frigid, calculated falsehoods. The unfair and dishonest methods adopted against this legislation prove that when men's pockets govern their action they are not as a rule particular as to the nature of the means they are willing to adopt in order to succeed."

It is difficult to allow for bias on the part of various parties and to look the Hydro-Electric incident squarely in the face. The matter perhaps can be examined briefly under three headings—the scheme itself, the legislation and the financing of the enterprise. When it was known that the Ontario government proposed to distribute electric power in that province, the power to be supplied by a private company, fear and jealously naturally arose in the headquarters of other electric companies performing the services of both generation and distribution. Capital will always fight for the best return. Sir James does not imagine that the electric interests of Ontario would sit inactive in calm resignation and with crossed hands. When a government sees trouble ahead, it usually fights for future existence. These companies saw new competition looming in the distance, competition which would introduce a somewhat new phase in that a private company would generate the power and a provincial government distribute it. A campaign against the legislation came in the natural course of events That it was as dark, as underhand and as unworthy as Sir James says we can hardly believe. It is too early to say whether or not the government's enterprise will be an unqualified success. Sir James Whitney may yet believe that while actuated with the thought and desire that the province should benefit by this power distribution scheme, that other interests favoring the undertaking saw more therein than the general welfare of the province.

The enterprise itself is not seriously considered in relation to Ontario's or the Dominion's credit. The phase which aroused most discussion in London, where Canadian borrowings continue at an astonishing rate, was the provincial government's authority to expropriate without compensation. Sir James and his colleagues might probably have averted considerable punching of the credit ball had a little more tact been used in respect to the legislative features of the Hydro-Electric venture. Our credit has not suffered alarmingly on account of the unfortunate brawl. London recognized at length that politics and local considerations were making much more noise than was necessary.

These and other circumstances made it necessary that the provincial loan of $3,500,000 should be floated at home instead of in London. The provincial treasurer, Honorable A. J. Matheson, had a somewhat difficult task before him. In nine months he has disposed of the bonds. All things considered, this reflects credit upon his work. The Ontario provincial securities listed in London stand