

QUEBEC AND SECURITIES REGULATION

Provincial Treasurer Says Order is Encroachment of Provincial Rights—Montreal Attorney's Views

While the Dominion government's restriction on provincial borrowings brought an official protest from the government of Quebec, a reply made by Hon. Walter Mitchell, provincial treasurer, in the legislative assembly, which resumed its deliberations on January 8th, indicates that the order-in-council will not have any practical effect on the province's financial dealings. Replying to Mr Sauve, leader of the Opposition, as to whether it was the intention of the government to make any loans this year, the provincial treasurer answered "No."

In his budget speech Mr. Mitchell maintained that the federal order was an encroachment of provincial rights. "What we want is unity of effort and co-operation," he said. "We are willing to help to the full measure of our resources, conducted with full knowledge of all the facts and circumstances, but all within our respective rights and constitutional authority."

"There is no controversy between the Canadian government and ourselves as to the advisability of the control of borrowing. Credit should be saved as much as anything else. Conservation of credit is all essential. We have not only advised this since the beginning of the war, but, what is more, have practised it."

City Attorney's Views.

City Attorney Laurendeau, who was formerly a judge of the Superior Court, in a written opinion, informed the Montreal city council this week that he regarded the recent Federal order-in-council by which provinces and municipalities would require to have the consent of the minister of finance before raising loans, as unconstitutional and contrary to the British North America Act. Finally, added the city attorney, when the time came for the city to enter the money market, it would be opportune to resolve whether or not the Federal order should be ignored.

The city attorney stated that he had been asked by the council whether the Federal government could intervene in the administration of the affairs of the municipalities. By a decree of December 22, the Federal government declared it

would be illegal for the Provincial government or corporations to sell, offer for sale, bonds, obligations, or other values attesting the obligation to reimburse a loan of money unless this offer of sale should be previously authorized by the minister of finance.

The city attorney declared that the Quebec provincial government had, by a decree of January 5, announced the opinion that the Federal government had not the power to pass the order-in-council of December 22, that the order-in-council is illegal and unconstitutional, and was not binding in any fashion on the province.

Says Does Not Bind City.

In conclusion the city attorney says: "If the Federal order-in-council is illegal and unconstitutional and does not bind the province, neither does it bind the city of Montreal. We are also of the opinion the order-in-council of the Federal government of December 22, encroaches on the rights of the province, that the parliament of Canada had not the power to adopt it, nor to delegate to the government of Canada the power to adopt it, that the power exercised by the Federal government by its order-in-council of December 22, belongs exclusively to the provinces, by virtue of the British North America Act of 1867. If the city of Montreal is under the necessity to raise loans referred to by the order-in-council of December 22, it will be for the city authorities to decide if this order-in-council should be ignored."

United States Follows our Example.

Advices from Washington State that legislation is being drafted under the direction of the United States administration which would authorize the treasury department to license each issue of securities considered essential for the conduct of the war and to refuse approval to enterprises regarded as not essential. In addition, it was reported, plans were being made for the formation of a government corporation, with a possible capitalization of \$500,000,000, which would form a reservoir of capital from which to draw for the development of needed industries. While the contemplated legislation could not prohibit the issue of any new capital, it could, and, according to the Washington report, would bar such unapproved issues from interstate sale. The government, it was pointed out, also could probably rely upon the people to reject any issue of which it did not approve, and if necessary, could bring to bear pressure that would doom to failure any attempt to market stocks and bonds without its sanction.

GOVERNMENT FINANCE

PUBLIC DEBT		1917	ASSETS—		1917	REVENUE AND EXPENDITURE ON ACCOUNT OF CONSOLIDATED FD.		Total 31st Dec. 1917	EXPENDITURE ON CAPITAL ACCOUNT, ETC.		Total 31st Dec. 1917.
LIABILITIES—		\$ cts.	Investments—Sinking Fds.		\$ cts.	REVENUE—		\$ cts.	War.....		\$ cts.
Payable in Canada.....	519,349,551	05	Other Investments.....		245,822,905	14	Customs.....	112,759,758	76	Public Works, Railways and Canals.....	16,362,213
Payable in London.....	362,763,312	40	Province Accounts.....		2,296,327	90	Excise.....	19,668,365	76	Railway Subsidies.....	713,204
Payable in New York.....	75,878,000	00	Miscel and Bkg. Accounts.....		658,182,302	11	Post Office.....	14,850,000	00		
Temporary Loans.....	556,700,464	07	Total Assets.....		922,197,630	07	Pbc. Works, R'lways & Canals.....	22,921,312	19		
Bank Circul'n Redemp. Fd.....	5,793,601	27	Total Net Debt 31st Dec.....		976,428,504	18	Miscellaneous.....	20,459,933	81		
Dominion Notes.....	274,063,856	54	Total Net Debt 30th Nov.....		958,000,700	61	Total.....	190,659,370	52		
Savings Banks.....	53,707,440	55	Increase of Debt.....		18,427,803	57	EXPENDITURE.....	96,982,537	12		
Trust Funds.....	10,763,699	29									
Province Accounts.....	11,920,481	20									
Miscel. and Bkg. Accounts.....	27,744,709	88									
Debt.....	1898,626,034	25									

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto.
(Week ended Jan. 16th, 1918.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power.....6's	89.50		Dom. Iron & Steel 5's.1939	73	78	Maritime Coal & Ry.com.	16	21	Rosedale Golf Club.....	285	
.....pref.	80	87	Dom. Linseed Oil.....	65		.....5's	67	72	South Can. Power.com.	14	20
Amer. Sales Bk.....6's		96	Dom. Permanent Loan	60	70	Massey Harris.....	110	129	Sovereign Life.....	45	49
Atlantic Sugar.....pref.	26	29.50	D. Power & Trans.....pref.	89	96	McDonald.....pref.	80	85	Stan. Reliance (par 50) xd	11	
Arena (Toronto) Bonds.....		90	.....5's		89	Mexican Mahogany.com.		11	Sterling Coal.....Com.	9	73
Belding Paul.....pref.	70	75.50	Dom. Power.....com.	50	56	Matthew-Lang.....6's	93	98	.....bonds	69	73
Brand-Henderson.....6's	95		Eastern Car.....6's	90	95	Morrow Screw.....6's	86	92.50	Sterling Bank.....	80	90
Can. Marconi.....	1.75	2.75	Frost & Wood.....pref.		92	Mutual Steamships...6's	94		St. Lawrence Sugar...6's	93.50	96.50
Can. Cereal & Flour.com.		.85	Goodyear Tire.....	175	195	National Drug 7%...pref.	75	90	Temple(Allen)Thea.com.	50	
Can. Mortgage.....	75	85	Home Bank.....	61	68	National Life.....	30		Toronto Paper.....6's	85	90
Canada Machinery.com.	7	12.50	Imperial Oil.....	290	320	National Telephone...5's	48	54	Trust & Guarantee...xd	80	87
.....pref.	44	53	Imperial Trust Co.....		55	North. Crown Bank.....	67		Toronto Y'k Rad. 5's. 1919		96
.....6's	70	77	Inter Lake Steamship.6's	94		Nova Scotia Steel 6% deb.	80	90	West. Assurance.....	4	6
Continental Life.....	18	25	Inter. Mill.....pref.	84	90	Ont. Pulp Bonds.....	80	93	West Can. Flour.....com.	90	115
Chapman Ball Bearing.....	20	30	Lambton Golf Club.....	325	370	Ottawa Electric.....5's		95	.....6's (1931)	93	98
Cockshutt Plow.....pref.	65	75	London Loan & Savings.....	100	115	Peoples Loan.....	82	92	West Can. Power...5's.	48	55
Domin. Glass.....pref.	75	82									

Statistics relating to Dominion Savings Banks, Post Office Savings Banks, National Debt, Building Permits Compared, Index Numbers of Commodities, Trade of Canada by Countries, and Preliminary Monthly Statement of Canada's Trade appear once a month as issued by the various Government departments.