

ALBERTA PROVINCE WINS.

Court Holds That Proceeds of Bond Sale Belong to Province—Appeal to be Made.

RAILWAY BOND SUIT IN BRIEF.

Issue of \$7,400,000 5 per cent. 50-year first mortgage bonds of the Alberta and Great Waterways Railway, guaranteed by provincial government, made in London at 110 by Messrs. J. S. Morgan & Co., in December, 1909. Proceeds placed on deposit in three Canadian banks.

Route and length of road:—Edmonton, northeast of Athabasca River to Fort McMurray, 350 miles.

Government pressed railroad agreement, crisis occurred, and Provincial Cabinet was dissolved.

Royal Commission was appointed to investigate the deal. Their report was of little value, material witnesses not having been summoned to give evidence.

Provincial government cancelled railroad agreement, alleging that company had defaulted in bond interest.

Provincial government sought proceeds of bond sale from banks which had the money on deposit. Banks refused to hand it over without order of court.

Provincial government commenced action against company for the money and this week judicial decision was made in favor of province. The railway company will appeal.

Judge Stuart at Edmonton has declared that the province of Alberta has the right to collect from the bank the proceeds of the sale of the Alberta and Great Waterways Railway's bonds, guaranteed by the province. An appeal will be carried to the Supreme Court of Alberta. This is the first legal engagement in the suit brought by the province against the railway company to recover \$7,400,000. Others interested in the case were the Canada West Construction Company, a subsidiary concern, organized to build the railway; the Royal Bank of Canada, in which was deposited \$6,000,000; the Union Bank of Canada, which held \$1,000,000; and the Merchants' Bank, which held the remainder. The two latter banks paid the money held by them into court when the legal action commenced. The Royal Bank refused to pay over the money, contending that they were protecting their clients.

What the Judge Says.

In his decision Justice Stuart declares his belief that the confiscatory act of the Legislature was not ultra vires, in that as it by an act created the company out of persons living and doing business outside of the province, so also had it the right to annul this act and possess itself of the proceeds of the sale of the bonds.

The position in this matter of the Royal Bank of Canada which holds the bulk of the money, has been explained previously. Before accepting the deposit the Royal Bank required, and the government passed, an order-in-council undertaking that the funds would not be withdrawn except for the purpose of the construction of the railway. Subsequently the government of Alberta, having decided it was inadvisable to proceed with the contract, passed legislation cancelling the same, and to appropriate the amounts on deposit for other government purposes.

Railway Notified the Bank.

Whereupon the railway company notified the Royal Bank not to surrender the funds standing in their joint name, under penalty of damages. The Royal Bank, therefore, was compelled to decline to surrender the money on the demand of the government, as the ownership can only be determined by the highest court. Obviously the Royal Bank took the only course which could be followed by any chartered bank worthy of the name.

With regard to the other two banks concerned, an order was made in the Supreme Court in Edmonton in February, allowing them to pay their share of the proceeds of the bond sale into court, pending the decision in the case noted above.

NOTES OF BIDDING.

Two offers were received for the \$4,000 5 per cent. 30-year debentures of Minnedosa, Man., which were awarded to the National Finance Company, Vancouver.

For the Brock, Sask., \$2,000 7 per cent. village improvement debentures, three offers were made. The bid of Mr. T. R. Billett, of Winnipeg, was accepted.

For the \$35,000 4½ per cent. 30-year school debentures of Belleville, Ont., nine offers were received. As previously noted, the issue was awarded to Messrs. Wood, Gundy and Company, Toronto.

Eight bids were received for the \$18,000 5 per cent. 30-year bridge and school debentures of Etobicoke Township, Ont. As previously noted, the issue was awarded to the National Finance Company, Toronto branch.

BOND TENDERS INVITED.

Monetary Times' Weekly Register of Information for Bond Dealers and Municipal Officials.

Rivers, Man.—Until November 15th for \$6,000 6 per cent. 20-year. C. Howard, clerk.

Bracebridge, Ont.—Until November 14th for \$16,190.38 debentures. A. C. Salmon, town clerk.

Berlin, Ont.—The ratepayers will vote on a by-law to raise \$100,000 for waterworks extension.

Waldron, Sask.—For \$5,000 permanent improvement debentures. W. J. Johnston, secretary-treasurer.

Pangman, Sask.—For \$4,000 permanent improvement debentures. F. C. Goold, secretary-treasurer.

Ingersoll, Ont.—In January the ratepayers will vote on a by-law to raise \$125,000 for waterworks system.

Hamilton, Ont.—The ratepayers may vote on a by-law to raise \$85,000 or \$100,000, for new fire stations.

Shoal Lake, Man.—The citizens have authorized a by-law to raise \$12,000, to erect and equip municipal hall.

Colgate, Sask.—Tenders are called for \$2,500 for permanent improvements. L. M. More, secretary-treasurer.

Melville, Sask.—Until November 15th for \$19,000 5 per cent. 30-year debentures. J. Crow, secretary-treasurer.

Battleford, Sask.—The council will submit a by-law authorizing the borrowing of \$100,000 for further waterworks extension.

Kingston, Ont.—On November 16th the ratepayers will vote on a by-law to raise \$100,000, to promote the erection of a hotel.

St. Boniface, Man.—The ratepayers will vote on by-laws aggregating \$700,000, for waterworks, schools and municipal gas plant.

Rapid City, Man.—Until November 13th for \$2,650 5 per cent. 7-year local improvement debentures. C. G. Murray, secretary-treasurer.

Swan River, Man.—Until December 4th for \$3,000 5 per cent. 15-year local improvement debentures. B. E. Rothwell, secretary-treasurer.

Biggar, Sask.—The village council board has been authorized to borrow \$12,000 for permanent improvements. J. Lukey, secretary-treasurer.

St. Louis R.C. S.D. No. 21, Alta.—Until November 22nd for \$15,000 5 per cent. 30-year debentures. L. P. O. Noel, Medicine Hat, secretary-treasurer.

Fort William, Ont.—The ratepayers will vote on a by-law to raise \$100,000 4½ per cent. 10-year debentures, as loan to new iron and steel pipe factory.

Campbellford, Ont.—Until November 20th for \$31,500 5 per cent. 30-year power and \$3,000 5 per cent. 10-year school debentures. E. C. West, town clerk.

Pembroke, Ont.—Until November 15th for \$12,500 4½ per cent. 20-year debentures. A. J. Fortier, town clerk. (Official advertisement appears on another page.)

Plenty, Sask.—Until November 18th for \$4,800 6 per cent. 10-year debentures. A. M. Percival, secretary-treasurer. (Official advertisement appears on another page.)

Hanover Rural Municipality, Man.—On November 16th the ratepayers will vote on a by-law to raise \$1,800 for school purposes. J. K. Dueck, secretary-treasurer, Chorlitz.

Davidson, Sask.—Until November 20th for \$16,000 5½ per cent. 20-year, skating and curling rink, and electric light and power debentures. Arthur J. Robertson, town clerk.

Ayton, Ont.—For \$6,000 4½ per cent. 20-year school debentures, guaranteed by the township of Normanby. R. H. Fortune, secretary of school board. (Official advertisement appears on another page.)

Progress Municipality, Sask.—Until November 15th for \$20,000 20-year 4½ per cent. road debentures. The loan is authorized by the government of Saskatchewan. Mr. J. B. McConica, secretary-treasurer, Luseland.

Moose Jaw, Sask.—By-laws aggregating \$603,000 have been passed by the ratepayers as follows:—\$500,000 for water improvements; \$17,000 for fire apparatus and extensions, and \$136,000 for cement sidewalks. The new water supply will be brought from the springs at Caron, twenty miles distant.

New Westminster, B.C.—The ratepayers will vote on by-laws as follows:—\$35,000 for a parks improvement scheme; \$15,000 for the completion of the Horse Show building at Queen's Park; \$6,000 for the erection of a new isolation hospital; \$5,000 for the completion of a garbage collection system; and \$3,000 for the erection of a public laboratory.