MONTREAL'S GAS DIFFICULTIES.

New Agreement Almost Concluded; More Cotton Troubles Possible; Cannot Enforce Early Closing Regulations.

(From Our Own Correspondent.)

Montreal, Oct. 31st.

While the Consumers Gas Co., of Toronto, was voluntarily reducing the price of gas to 75 cents per thousand feet, the special committee of the Montreal City Council was treating with the representatives of the Montreal Light, Heat and Power Co. for a reduction in the price of gas to $1.10 till May 1, 1910, and thereafter to 90 cents. The negotiations were carried to the point of settlement, when a demand, by the committee, for a fixed amount of profits, instead of a percentage, was refused and negotiations stopped. This is the negotiators' story. There are other stories to the effect that the whole matter was settled some time ago, and that the present negotiations are only for the purpose of deluding the people into the idea that the company is making valuable concessions.

The situation is now as follows, so far as made public: Under the old contract, which runs till May 1st, 1910, the company gets $1.20 for lighting gas (or $1.05 from those not paying more than $150 per annum for rent—of whom there are few; and probably none of these would use gas), cooking gas being $1.

Electricity is $60 per arc lamp, $35 per 65 candle power lamp, $15 per 32 candle power lamp; no provision being made for private consumers.

The agreement said to have been all but concluded was for $1.10 for lighting gas and 95 cents for heating from now till May 1st, 1910, or $1.05 flat rate, one meter; and 15 per cent. off present prices for electricity.

Complications About Profit Percentages.

After May 1, 1910, the price of gas was to be 90 cents, flat rate, to be reduced by consumers' share of profits, the city also to receive a share and the company a share, after first allowing provision for a reserve of 20 per cent. on capital, 1 per cent. for depreciation, and a dividend of 6 per cent.

Reductions of 20 and 25 per cent. were also to be made in the price of electricity, and the gas company was to get a thirty-year contract.

The company also offered to pay the city $100,000 per annum after 1915 in lieu of its third in the share in surplus profits. It is claimed that a deadlock was occasioned, however, when the special committee demanded $50,000 profits a year for the city, beginning next May 1st, and $75,000 from 1910 to 1915, and $100,000 thereafter. This the company is said to have refused.

If the 6 per cent. (which has to be paid in dividends before any of the profits are applied towards the reduction of the cost of gas or payment to the city) were 6 per cent. on the actual value of the gas plant, the citizens might consider themselves as well off in the matter of the cost of gas as those of Toronto, and the $1.10, to which it is proposed to reduce their gas for the next three years, would not seem so enormous as compared to the 75 cents now granted in Toronto.

Early Closing By-law Quashed.

Judge Archibald has quashed the by-law, passed in February, 1905, ordering the closing of stores at 7 p.m. on Wednesdays and Thursdays.

The principal arguments presented in opposition to the by-law were that it involved restraint of trade, thus encroaching upon the rights of Federal Parliament, the Provincial Legislature having no power to authorize the city to pass such a by-law; that it was opposed to individual liberty; that it was unjust, oppressive and partial, favoring by its exceptions certain classes to the detriment of others, etc. The statute in question, not being founded on any specific power of the Legislature, and affecting trade and commerce as it undoubtedly does, is not to be considered as a matter of merely local or private interest in the Province.

The judge declared that "there was no just reason for passing the by-law; that it was a totally unwarranted interference with individual liberty; that it was unjust and oppressive in its operation; that . . . there being no object for the preservation of public health, morals, safety or welfare discernible in it, but only an interference with individual liberty under the guise of regulating business, it is one which the courts will strike down as unwarranted."

"Street" Shareholders Inquisitive.

There will be a fight at the Street Railway shareholders meeting on November 7th. Questioning will not be confined to the issuing stock at a premium of 25 per cent., but will go further into the inner workings of the company.

Those who are interesting themselves more especially in the enquiry are Hon. Senator Beique, the Hon. Arthur Boyer, Ald. Deserres, Messrs. A. L. Kent and J. M. Wilson. These gentlemen have formulated their plans, and have interviewed Senator Forget, who asked for complaints to be put in writing, and promising a reply.

One criticism affects the giving out of contracts. G. W. Ross, managing director of the railway, is connected with a company which received a contract from the railway, and Mr. Blackwell, a director of the railway, is an officer of the Switch Company. It is asked whether tenders were always obtained, and at what price contracts were awarded.

Then, too, there is a feeling that the road is being run by a few of the directors, and that the directorate badly needs enlargement and new blood. It is said the stock holdings of some of the directors is light in comparison with the holdings of many who are opposed to their policy. The Seminary St. Sulpice, one of the largest holders, is understood to be among the kickers. In fact, it looks as though the decision to issue new stock at a premium has simply been the signal for the uncorking of a bottle full of wrongs, fancied or otherwise.

CONSUMERS' GAS COMPANY OF TORONTO.

The 58th annual meeting of the Toronto Consumers' Gas Company was held on Monday. Outside the reports of the president and general manager, the only important event was the retirement of the president, Mr. G. R. R. Cockburn, owning to his desire not to drag the Gas Company along with him, "in the present excited state of public opinion." He referred only indirectly to the affairs of the Ontario Bank and spoke for a moment of the strain he had been under since the news reached him of the bank's troubles. He was confident that the investigation into the matter would prove that there was not a blot on his honor and that his record was clean.

Mr. John L. Blaikie, vice-president of the company, was appointed president and Mr. A. W. Austin vice-president. Mr. Herbert Langlois was elected to the board of directors to fill the vacancy caused by Mr. Cockburn's resignation. The new board will, therefore, be composed of the following: John L. Blaikie, president; A. W. Austin, vice-president; and Messrs. A. H. Campbell, jr., W. Mortimer Clark, K.C., LL.D.; Wellington Francis, F. Le M. Grasett, M.D., James Henderson, M.A., D.C.L., James Hoskin, K.C., LL.D., D.C.L., Herbert Langlois, Thos. Long, E. B. Osler, Andrew Smith, F.R.V.C.S.

The president's report gave the following facts in regard to the year's business. The output of gas for the year amounted to 1,537,818,000 cubic feet, an increase of 163,704,000 cubic feet, or 11.91 per cent. over last year. Over 16 miles of new mains were laid, making a total of 318 miles. There were 4,427 new services installed. The new retort house and purifier house had been completed and a coal house and coke house were in process of construction. Contracts had been entered into for a stack of retorts and for purifiers capable of dealing with 2,500,000 cubic feet per day. It was expected that these, and all the other apparatus and machinery for the new works would be ready by October 1, 1907. The by-law, which it was proposed to have submitted for the reduction of the number of elective directors from 12 to 9, was not presented. The number of street lamps for the year ending September 30 was 1,026, an increase of 24. The number of meters was 43,860, an increase of 4,149. The gas rental amounted to $1,136,884, an increase of $130,463.

The annual report of the company as presented by the general manager, Mr. W. H. Pearson showed a balance of income over operating expenses of $509,952, an increase over 1905 of $97,700. The balance of $509,952, and the interest on debentures held by the company, making a total of $513,928, was distributed as follows:—

		Increase.
Dividends	$236,770	$16,843
Interest	6,574	1,659
Plant and buildings renewal fund—5 per cent. on value plant and buildings in use	179,653	8,762
Reserve fund	26,844	6,385
Special surplus account	64,085	64,080

The details of the company's receipts are as follows:—

Coke	$ 82,723	$ 10,455
Gas rents	1,136,884	130,463
Tar	11,582	1,459
Ammon. liquor	9,133	3,717
Office rents	1,506	86
Total	$1,241,830	$146,180

During the last fiscal year of Granby Consolidated the copper production was about 1,650,000 pounds of refined metal per month. It is estimated that the current year will give it about 25,000,000 pounds, with an average profit of ten cents per pound, or $2,500,000 net profit.