Temiscouata Railway Matters.

Judge Curran, of the Quebec Court of Review, recently gave judgment in the case of A. R. Macdonald against E. D. Boswell, C. Riordan & J. J. Macdonald, reversing the judgment of the Superior Court unanimously. The case arose out of the construction of the Temiscouata Ry. The judgment of the Superior Court ordered defendants to hand over to plaintiff bonds, with interest coupons attached from April 8, 1890, & being a first lien on the railway for $193,000, & in default to pay that sum to plaintiff, with interest & cost of suit. Plaintiff alleged in his declaration that he had entered into an agreement with defendants, for the building of 66 miles of railway from Fraserville to the boundary line of New Brunswick, with a capital stock of $100,000, to be divided into 4 shares of 25% each, ¼ of the whole to be held by plaintiff & the remainder by the 3 defendants. It was further agreed that plaintiff was not to be liable to calls, & that the capital should be supplied by defendants; the defendants were to build the road, & out of the bonds issued plaintiff's share should be as follows: 15% in addition to his interest in such bonds as one of the shareholders of the Co., the amounts of 15% were to be paid to plaintiff & in excess of the 25% as a shareholder in the said Co. Bonds were issued to the extent of $1,600,000, & the road was built & finished in 1890. Plaintiff claimed he is entitled to receive $240,000 of the Co.'s bonds, with a first charge for the payment of the same upon the railway. J. J. Macdonald died in March last, & appointed as his testamentary executors the three defendants, Dame Cecilia Macdonald, R. Ryan & G. P. Brophy, declaring that defendants had accepted to act as such, & that during the years that followed the formation of the Co. up to Jan. 1, 1890, defendants have paid to plaintiff on account of the $240,000, & different accounts amounting together to $400,000.

The chief plea of the defence was that plaintiff was the President & a director of the Temiscouata Ry. Co., & that these contracts were unlawful & corrupt agreements in violation of the Consolidated Railway Act, 1879, & of the laws in that behalf enacted; that the plaintiff, in consequence of his position, could not lawfully become a partner in the construction company for the building of the railway, nor could he validly stipulate for the payment & delivery to him of the bonds of the railway company. The Superior Court judgment was in favor of Mr. Macdonald, but the Judge of the Court of Review, in reversing this judgment, said the main question was whether agreements regarding the appropriation of part of the bond issue was legal or illegal. In the present instance, Parliament having declared the act done by the plaintiff to be a misdemeanor, it brought the act within the purview of the criminal law. That act is a criminal act in all the Provinces of the Dominion, & the pretensions of the plaintiff that it interferes with civil rights in the Province of Quebec cannot avail. It is impossible to say that the clauses referring to the 15% upon the bonds are independent of the rest of the contract. The payment of this 15% is an integral part of the document, a condition of the contract pure & simple, without which, presumably, plaintiff would not have contracted with defendants at all, but would have sought others willing to accede to his terms. No reason that he can give will make his action valid in having made such a stipulation, which is in direct contravention of the law. Finally, plaintiff put forward the following argument:—"Should the court be of opinion that plaintiff has a right to no more than $60,000, being 15% upon the first issue of bonds, he has still a first claim of $13,000, inasmuch as it has been proved that defendants paid to the promoters $47,000, & no more." Here, again, plaintiff met with the same fatal objection. Defendants contended that the 15% was to go to certain persons, who are described as promoters of the original charter of this company, & their assertions that the names of those persons were to be furnished, that they were furnished, & the amount of their claims ($47,000) duly paid have been fully established.

On this point the Judge said:—"The balance is so much money that plaintiff, in contravention of the law, stipulated should be paid to himself. He has no right to this $13,000 any more than to the full amount of the 15% on the entire emission of the bonds. We consider, therefore, that the judgment in favor of plaintiff should be reversed, & that is the unanimous judgment of this court."

THE PURSUED IN PURSUIT.

Shortly after the decision above mentioned had been given the Temiscouata Ry. Co. entered a suit against A. R. Macdonald, to compel him to render an account of the profits realized by him under contracts of May & Sept., 1886, for the construction of the railway, or, in default, to pay over to the Co. $300,000. The action is for an accounting for all money, benefits & advantages derived by Mr. Macdonald under his agreement with the contractors. The Co. alleges that this agreement was illegal, corrupt & detrimental to the interests of the Co., & that, inasmuch as Macdonald received these benefits while acting in the fiduciary capacity of president & director of the railway Co., he is obliged to account for & deliver to the Co. any profits so derived by him. These profits & securities in cash, stock & bonds are estimated by plaintiffs of the value of $300,000, & for this amount plaintiffs ask an alternative condemnation against defendant in case of his failure to account for & pay to the Co. the moneys, profits, benefits & advantages obtained by him under the agreements held to have been illegally entered into with the contractors for the building of the road.

CIRCULAR TO THE BONDHOLDERS.

Following is a copy of a circular recently issued to the bondholders: "The last interest coupon upon the main line bonds payable by the Quebec Government having now been cashed, & default on the bonds being therefore imminent, it will shortly be necessary for the committee to take steps to prepare to enforce the bondholders' security & rights. To this end it is essential that the main line bondholders should at once deposit their bonds with the committee, giving the latter full power to act in such a way as they may think fit, & to the same extent that each bondholder could himself. To facilitate the arrangements which the default on the main line bonds will necessitate, the committee has been advised that it is desirable to register itself as a limited company, under the name of the Temiscouata Railway Bondholders' Committee, Ltd. This has accordingly been done, & you are requested to send your bonds at once to the Trustees', Executors', & Securities Insurance Corporation, as agents for the committee, who will give a receipt for the bonds lodged, which will subsequently be exchangeable for the certificate of the Temiscouata Railway Bondholders' Committee, Ltd. In making this deposit you will incur no pecuniary liability, but without possession & control of the main line bonds it will be impossible for the committee to take action to safeguard the bondholders' interests in view of the default now imminent. In the case of bearer bonds that have been registered, it will be necessary to unregister the bonds before they are transferred to the committee or the latter issue their certificate. The committee will be prepared to effect this unregistration on behalf of any bondholder, merely charging him the nominal sum which has to be paid by the holder for this purpose. In due course after the deposit by any holder of a registered bond, the document or documents required to unregister it will be sent to him for signature. As soon as sufficient bonds have been deposited, application will be made to the Stock Exchange for a quotation of the committee's certificates. The interest on the St. Francis Branch bonds, payable by the Quebec Government, having still some time to run, the committee do not yet require the deposit of those bonds."

Grand Trunk Earnings, Expenses, &c.

The following statement of earnings supplied from the Montreal office, includes the G.T. of Canada, the Chicago & G.T., & the Detroit, Grand Haven & Milwaukee Rys:

	1898	1897	Decrease	Increase
July	$1,860,884	$1,992,628	$131,744	......
August	1,992,802	2,091,235	98,433	......
Sept	2,261,148	2,341,960	80,812	......
Oct	2,260,573	2,348,463	87,890	......
Nov	2,190,079	2,162,726	......	$27,353
Dec	2,176,940	2,181,851	4,911	......
	$12,742,426	$13,118,863	$376,437	$27,353

The following figures are issued from the London, Eng., office:

GRAND TRUNK RAILWAY.

Revenue Statement for Nov., 1898:

	1898.	1897.	Increase.	Decrease.
Gross receipts	£373,363	£376,574	....	£3,211
Working expenses	241,773	243,858	....	2,085
Net profit	131,590	132,716	...	1,126

Aggregate for 5 months to Nov. 30, 1898:

	1898.	1897.	Increase.	Decrease.
Gross receipts	£1,781,224	£1,877,948	....	£96,724
Working expenses	1,134,089	1,186,741	....	52,652
Net profit	647,135	691,207	....	44,072

CHICAGO & GRAND TRUNK RAILWAY.

Revenue Statement for Nov., 1898:

	1898.	1897.	Increase.	Decrease.
Gross receipts	£60,102	£51,217	£8,885	....
Working expenses	54,158	47,750	6,408	....
Net profit	5,944	3,467	2,477	....

Aggregate for 5 months to Nov. 30, 1898:

	1898.	1897.	Increase.	Decrease.
Gross receipts	£298,979	£277,948	£21,031	....
Working expenses	250,811	245,859	4,952	....
Net profit	48,168	32,089	16,079	....

DETROIT, GRAND HAVEN & MILWAUKEE.

Revenue Statement for Nov., 1898:

	1898.	1897.	Increase.	Decrease.
Gross receipts	£16,549	£18,255	......	£1,706
Working expenses	13,407	13,536	......	129
Net profit	3,142	4,719	......	1,577

Aggregate for 5 months to Nov. 30, 1898:

	1898.	1897.	Increase.	Decrease.
Gross receipts	£90,777	£98,427	.....	£7,650
Working expenses	64,876	67,883	......	3,007
Net profit	25,901	30,544	......	4,643

RECEIPTS OF THE SYSTEM.

From July 1 to Dec. 31, the receipts were:

	1898.	1897.	Increase.	Decrease.
Grand Trunk	£2,137,478	£2,248,805	......	£111,327
Chicago & G.T.	273,690	337,972	£35,718	....
D., G. H. & M.	107,139	108,877	......	1,738
Total	£2,618,307	£2,695,654		£77,347

DETAILS OF GRAND TRUNK RECEIPTS.

	1898.	1897.
Passengers, number	3,273,380	3,041,540
" amount	£ 495,111	£ 533,473
Immigrants, number	6 315	4,799
" amount	£ 3,582	£ 3,114
Mails, express, &c	£ 87,842	£ 91,441
Freight, tons	3,905,617	4,236,732
" amount	£1,141,784	£1,225,676
Miscellaneous receipts	£ 52,909	£ 24,246
Total receipts	£1,781,228	£1,877,950
Decrease	£ 96,722	....

Velvet Lisango.—In a recent case in England, in the Queen's Bench Division, Lister & Co., Ltd., of Manningham, manufacturers of the pure mohair velvet "Lisango," so largely used for upholstering railway cars & steamship saloons, &c., obtained judgment against Dix Bros. for an infringement of their patent of 1889 for the manufacture of Lisango velvet.