

THE COAL AND STEEL COMPANIES.

The Dominion Coal Company's shareholders met together in Montreal on the 25th ult., and ratified the action of their directors in cancelling the agreement with the Dominion Coal Company. It is believed by those interested that its prospects are rendered materially brighter by this step, though its floating indebtedness is largely increased, owing to having to pay off the Steel Company. This amount, however, is provided for by means of a two year loan. The directors acknowledge that during the period when the coal property was being operated by the Steel Company, development work was carried on vigorously, the amount expended on the property from March 1st, 1902, to July 31st, 1903, having been nearly \$1,700,000. The president, Mr. James Ross, entered somewhat into the question of profit and loss as regards the cancellation of the lease. The coal company could, under its terms, re-enter upon its property after default in payment of rent, which the Steel Company could not meet, and upon such re-entry it could acquire all improvements etc. Yet the directors considered it would be best for everybody concerned to come to a friendly arrangement with the other company, thus avoiding legal complications with their losses and delays. At the same time, with the modified coal contract now made, some of the ambiguous and dangerous features of the old lease are removed. So, while a sum is paid by the Coal Company which is perhaps considerably in excess of the value of the acquired assets, yet this is offset by the immediate regaining of their property, and by the making of a new contract on more favorable terms. We gather from the statement of the company's position that the aggregate liabilities have increased to a greater extent than the liquid assets by the sum of \$1,093,018.68. As against this increase there has been a capital expenditure on the property of nearly \$1,700,000, and the common stockholders have received \$1,500,000 in dividends. Or during the seventeen months the Steel Company was in possession of your property, the shareholders of common stock received \$1,500,000 in dividend, \$1,700,000 was spent in improvements on the property, and the indebtedness of the company has only been increased \$1,100,000. The magnitude of the Coal Company's operations is shown by the fact that its gross earnings are at present about \$3,000,000 per year, while its output of coal has doubled within three years.

On the same day took place a meeting of the Dominion Iron & Steel Company, at which the action of the directors in abrogating the lease of the Coal Company's plant was approved. Authority was also given to issue second mortgage bonds to the extent of \$2,500,000, of which amount the directors have already subscribed \$1,500,000. Mr. J. H. Plummer, chairman of the committee of management, explained that the lease of the Coal Company had proved disastrous to the Steel Company, because, to carry on a coal business successfully, it was necessary to carry some \$2,000,000 of liquid assets. It was satisfactory to think that a corporation in the position such as that in which they found themselves had been able to sell out its assets at par. At a subsequent meeting, it was decided to pass the regular dividend on the preferred stock, due on October 1st, as the present earnings would not warrant its continuance. It is hoped, however, that with the completion of the mills and consequent increased earnings, dividends may be resumed. It, however, bears a cumulative dividend at the rate of 7 per cent. per annum, payable semi-annually, on October and April 1st. So that while its passing will mean the immediate saving of \$350,000 yearly, the relief is only temporary, as the dividends are cumulative.

OUR ST. JOHN LETTER.

The city of St. John has arranged with a Mr. McLean, a naval architect, to prepare plans for a new ferry boat. Since the inauguration of winter shipping business, traffic between the east and west sides of the harbor has grown rapidly, particularly the team traffic, and an improved ferry service has become a necessity. Mr. McLean has advised

a steel boat, 140 feet long, and suggests that she be built in England, shipped out here in sections, and put together under his directions. Mr. McLean is a Scotchman, now resident in New York. For his plans the city will pay him \$800, and he will get \$50 each month for the expenses of a trip of inspection to see how the work of construction is progressing. The estimated cost of the ferry is \$75,000. There are many in the city who think that a wooden boat, equally well adapted for the service, could be built for half the money, and they regard as very much of an extravagance the capital expenditure of from \$75,000 to \$100,000 that is only going to permit of the carriage of two teams more than are carried on the present boats, built more than thirty years ago. While the city has agreed to have Mr. McLean prepare the plans, it has not yet committed itself to the project of having the boat built in England, and if there are Canadian builders anxious to figure on the job, it would pay them to get into communication with the civic authorities.

There is considerable feeling among owners of private wharves in the harbor of St. John over the action of the Railway Department in renting to Messrs. Wm. Thomson & Co. a portion of the I.C.R. deep water wharf, as a terminal for the steamer Senlac, which the firm is building to run between St. John and the South Shore of Nova Scotia. The private wharf owners contend that the wharf was built for export trade, and that as the Government property escapes taxation, it should not be rented in competition with private properties. The Messrs. Thomson are pushing along the work on the steamer, and expect to launch her in a few weeks now, and to have her on the route probably before the first of the year.

The destruction last week of the river steamer David Weston has brought about some changes in the river service. The steamer Majestic, which has been running between St. John and Georgetown, has been purchased by the Star Line, owner of the David Weston, and is now on the St. John-Fredericton route. It is expected that the Star Line will build a new steamer during this winter, and will then keep the Majestic as a spare boat for picnics, etc., in midsummer, and for service in the spring and fall when it is not desirable to operate the larger boats.

A second river tragedy, more appalling than the burning of the David Weston, was threatened on Monday, when the St. John Board of Trade gave an excursion trip to the Chamber of Commerce delegates, who arrived here Saturday night. The party, about a hundred and fifty all told, including forty-five visitors and many of the leading citizens of St. John with their wives, went up river on the steamer Crystal Stream. Leaving the main river, the steamer was turned into the Kennebeccosis, a route with which the officers were not familiar. When near Rothesay a sunken rock was struck. Fortunately the steamer did not ground, but slid over into deep water. Then it was found that she was taking water faster than the pumps could throw off. Those who realized the condition of affairs said little, but devoted their energies to keeping the boat on an even keel, while the officers ran her with all speed for the dock, which was safely reached, but not before the water had risen almost to the grate bars of the furnaces. The English guests who were hurried ashore, did not realize that there had been imminent danger of sinking. Five engines and tugs had to be summoned to keep the steamer afloat, while a diver went down and made temporary repairs.

The erratic course of the Daily Telegraph on the Trans-continental railway question, has revived talk of a new Liberal paper in St. John. Recently it was to be an evening paper to oppose the Globe, because it did not endorse the New Brunswick Local Government. Now it is a morning journal that is talked of to take the place of the Telegraph, as the chief Government organ in this province. Whether or not anything comes of the talk remains to be seen, but there is at present much speculation over the future course of The Telegraph.

The fall fairs now being held in different sections of the province bear evidence of the constant improvement that is taking place in agricultural matters. The reports are