

MONTREAL SECTION

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QUEBEC BRIDGE DISASTER

Is Prominent Topic in Montreal—Some Financial Meetings—Banking News.

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The Quebec Bridge catastrophe has been the chief topic of conversation. Besides causing the loss of some seventy lives, the accident will nullify the fruits of two years' efforts and destroy upwards of \$2,000,000. Considerable discussion has been heard regarding the question of responsibility and its financial bearing. Already four actions for damages, aggregating \$25,000, have been entered against the Phoenix Bridge Company, by relatives of the dead. At an average of \$1,000 for each person who lost his life on the bridge, a low estimate, the Bridge Company, or other defendants, might be called upon to pay \$70,000 on this score alone.

Question of Insurance.

In the matter of accident insurance, it is quite likely that a similar sum may change hands while the amount of life insurance carried by those who lost their lives, might be estimated at \$25,000. Many of the workmen were Indians.

Presuming that the collapse of the bridge means the loss of \$2,000,000, who will lose this money? It would be interesting to know whether or not the Quebec Bridge Company, or the Dominion Government, or whoever was the other party to the contract, saw that the contractors for the work put up the usual deposit as a guarantee of the quality of the work being performed. If this deposit was obtained, it will naturally be retained and held a guarantee against loss. If it was not obtained, it is in order for those financially involved to ask why.

Notes of the Bridge Situation.

A few weeks ago it was announced in these columns that at a meeting of the Quebec Bridge Company it was decided to call upon the Governor-in-Council for the sum of \$6,678,200 under the Government guarantee, in order to retire the debt of the Company to the Bank of Montreal. I asked Mr. Macnider, Inspector of the Bank of Montreal, if the company had yet discharged its indebtedness. Mr. Macnider replied that it was unimportant, as, if it had not been discharged, it would be, the entire sum being guaranteed by the Government. The bank was consequently absolutely insured.

It would seem, therefore, that, if either the Quebec Bridge and Railway Company, or the Phoenix Bridge Company cannot discharge their obligations in respect to this unfortunate affair, the claimants will turn their eyes towards the Dominion Government. There are many items which the Government would utterly repudiate; but the bonds of the Quebec Bridge Company it cannot repudiate.

According to the report of the treasurer of the Quebec Bridge Company, there has already been paid to the Phoenix Bridge Company the sum of \$3,116,000, and there is still due some \$163,000 on work completed. More light on this subject is being anxiously awaited.

The special committee of business men, who were appointed to inaugurate and carry out a programme for the betterment of the Montreal fire protection service met last week and decided to engage the services of a competent outside engineer for the purpose of reporting upon the situation. Mr. Louis L. Hirt, of New York, was later chosen.

What the Water Superintendent Thinks.

Superintendent Janin, of the Water Department, speaking of the action of the business men, said that they seemed to entirely overlook the fact that the scheme of improvements about to be carried out by the city had been endorsed by the finest engineers in the country. He said that it would take two or three months study before an expert outside engineer would be prepared to express an opinion of any value upon the situation, and then it would be no more valuable than that expressed by so many of the foremost of the profession in favour of the scheme about to be carried by the city.

In another year the big conduit would be able to supply the 70,000,000 gallons daily, and by means of new turbines and pumps worked by waterpower only, which would be sufficient to supply the city for years to come. No new steam pumps would then be needed. At the time of lowest water, this conduit would supply 50,000 gallons per day, as against the present 35,000,000 gallons.

A special meeting of the Soo Railway Company will be held on Tuesday week. The shareholders will meet upon this occasion to vote upon the increase of the capital stock of the company, proposed by the directors some time since. No opposition is looked for. The directors last July decided upon the advisability of increasing the capital stock of the company to \$42,000,000, this being double the present capitalization. The stock will, as at present, be one third preferred and two thirds common. It was proposed to issue only \$4,000,000 just now, the issue to be at par.

The earnings of the Canadian railways continue to increase. Those of the C.P.R. for the week ending August 31, amounted to \$2,243,000, gross, against \$1,962,000 a year ago, making an increase of \$281,000. For the same week the gross earnings of the G.T.R. amounted to \$1,408,940, against \$1,323,216 for the corresponding week of last year, being an increase of \$85,724.

The National Trust Company, Ltd., is calling for tenders, until noon on the 10th inst., at its Montreal office, for bonds of the Dominion Iron & Steel Company. According to the deed of trust, the Steel Company furnishes the Trust Company with \$50,000 each year, at the first of July, for the purpose of purchasing, by tender, outstanding bonds of the company, and retiring them. In addition to the \$50,000, the amount of the interest which would have been paid on the total of the previously retired bonds, is added to the \$50,000, and applied in the same way, as a sinking fund.

Iron and Steel Bonds.

This amounted to \$16,300 this year, so that the company will expend the sum of \$66,300 in retiring bonds this year. Up to the present, about \$326,000 bonds have been retired, and this year about \$70,000 more will be purchased with the sinking fund appropriation, making a total of about \$400,000 retired. This makes the security of the outstanding bonds more valuable. At the same time the value of the bonds has declined everywhere, so that Steel bonds may be purchased at a very low price.

The market value of these about the first of each July, beginning in 1902, has been as follows: 90 to 92 in 1902; 64 to 76 in 1903; 55½ to 64½ in 1904; 83½ to 86 in 1905; 82½ to 83½ in 1906, and at present they are selling at about 71 to 72. The price by tender is practically the same as the market, being perhaps a fraction better.

Senators Forget, Mackay, Mackeen, and Messrs. Elias Rogers, W. G. Ross, Wm. McMaster, and Geo. Caverhill, directors of the Dominion Iron and Steel Company, accompanied by Messrs. Plummer and Jones, visited the plant of the company on Wednesday morning, and held a board meeting in the afternoon.

MONTREAL WATER SUPPLY.

A meeting was held last week in Montreal, when representatives of the Board of Trade, the Chambre de Commerce, the Manufacturers' Association, and leading business men met to discuss the present situation, and to scheme how to induce the City Council to take the necessary steps to remedy it. It was agreed by all the speakers that the urgent matter at present is the water supply, and that something should be done without delay to see that this is made to keep pace with the city's growth. The result of the past neglect is that it has become not merely a question of increased insurance rates, but the absolute refusal of fire insurance companies to carry more than a limited amount of risks in Montreal. Mr. Morrissey, president of the C.F.U.A., made a statement of the position of the city's water system, which, he concluded had not been improved in the manner necessary to keep pace with the rapid growth of the city. Since 1899, he stated, the consumption of water has more than doubled, while the pumping capacity has not been increased in anything like that proportion. The insurance companies had repeatedly presented statements of the needs of the situation to the City Council, accompanied by reports of their experts, but, in the opinion of the companies, the council had not given the matter the attention it required.

After addresses from several other persons present the following resolution, presented by Sir George Drummond, was unanimously adopted:—"That a committee be appointed to consist of two members each from the Board of Trade, the Chambre de Commerce and the Manufacturers' Association, with Messrs. E. S. Clouston, manager of the Bank of Montreal; F. H. Matheson, manager of the Canadian Bank of Commerce; Sir George A. Drummond and Mr. E. B. Greenshields. This committee to consider the whole question of the water supply of the city of Montreal, with power to act."

The following were then selected as the official representatives on the committee:—Board of Trade, T. J. Drummond and ex-Ald. Farquhar Robertson; Chambre de Commerce, A. V. Roy and S. D. Ballieres; Manufacturers' Association, S. H. Ewing and Jeffrey Burland.