

THE STEEL-COAL SUIT.

Tuesday of this week witnessed the formal opening at Sydney, C.B., of the legal fight between the Dominion Iron & Steel Company and the Dominion Coal Company. Judge Longley was on the bench. The array of counsel on each side was a large one. For the Dominion Iron & Steel Company were ex-Judge Nesbitt, W. B. A. Ritchie, K.C., Hector McInnes, K.C., A. J. Brown, and W. Crowe; for the Dominion Coal Company, J. J. Ritchie, K.C., E. McDonald and H. A. Lovitt, K.C.

The case for the steel company was opened by W. B. A. Ritchie who dwelt briefly on the history of the companies and on the statement of claim, which, he said, would explain the contract entered into by the two companies.

In the agreement after the lease between the Steel and Coal companies, the word "coal" was used, and Mr. Ritchie said it would be proved that the article supplied by the Coal Company was not "coal" in the commercial every-day use of the word, and could not be used by the Steel Company in their ordinary work. The coal had to be such that the Steel Company could use and from seams described by the Steel Company. He stated the real issue to be whether the Steel Company was justified in refusing this coal, and if not, was the Coal Company even then justified in cancelling the contract? He held that no one party to a contract can repudiate it unless the other side does something inconsistent to the privilege of the agreement, and that the breaking of the contract caused heavy damages to the Steel Company.

Ex-Judge Nesbitt here stated that in ordinary cases the parties to a contract might repudiate it, yet in this case they could not do so, as against the bondholders. "The National Trust Company is trustee for the bondholders, and, as the contract with the Coal Company was deposited with the Trust Company as security for the issue of bonds, and, therefore, they were a party to the contract, and could not be interfered with, we hold that the Coal Company could not refuse to deliver the coal, but were bound to do so under the contract. We also take issue on the other question of the Phalen seam."

Sir William Van Horne was the first witness called, his evidence being chiefly historical, and relating to his resignation from the Coal Company directorate about a year ago. Re-examined by Mr. Nesbitt, he said:

"The suggestion that I should go back on the board was in the hope of peace. I was with the Steel people because I believed these people to be right. There might be personal reasons why some of the directors should stand by Mr. Ross. Before the date of the contract we made enquiries, and it was a matter of doubt as to whether slack coal could be used for the manufacture of steel."

Manager White of the National Trust Company gave evidence as to the part taken by that corporation in connection with the Steel-Coal contract, etc.

F. P. Jones, general manager of the Steel Company since September, 1905, was the next witness. The gist of Mr. Jones' evidence was that there was no official notice given to designate any particular seam from which coal was to be taken and that the coal supplied by the Dominion Coal Company was not up to the contract. Its attention was re-

peatedly called to this and 153 cars in all were declined.

Mr. Jones further stated that Mr. Duggan had told him that he had instructions from Mr. James Ross that he was not to give a pound of coal to the Steel Company that he was able to sell elsewhere.

Correspondence between the two companies as to points in dispute was put in evidence.

C.P.R. NET PROFITS for June show a gain of \$477,056 over the corresponding month of 1906. For the twelve months ending June 30, the gain was \$2,329,996. The totals for the month and for the year are as follow:

	June, 1907.	July 1 to June 30, 1907.
Gross earn	\$6,817,712.41	\$72,217,527.64
Working expenses	4,402,606.13	46,914,218.83
Net profits	\$2,415,106.28	\$25,303,308.81

The profits would have been considerably larger but for the most unfavourable winter in Canada's railroad history. The rapidity with which the business of the system is increasing is shown by the fact that since the close of the fiscal year 1904-5, the gross earnings of the company have increased by over \$22,000,000—at the rate of almost a million dollars a month.

THE NEW WINNIPEG STOCK EXCHANGE was formally organized last week. By-laws were adopted and officers elected. A limited membership of 25 seats was decided upon. It is not necessarily the intention to open the exchange for business at once, as there is a great deal of preliminary work. The organization was accomplished under a charter granted in 1903. Officers elected are: Chairman, A. M. Nanton; Vice-Chairman, H. T. Champion; Secretary-Treasurer, W. Sanford Evans; Committee, R. T. Riley, Hugh Sutherland and W. R. Allan.

WE REGRET TO CHRONICLE the death of Mr. C. H. J. Maguire which occurred on Wednesday, at his summer residence "The Glace," Boisbriant, after a short illness. Mr. Maguire was a member of the firm of Esinhart & Maguire, chief agents for the Scottish Union and National and the German-American Insurance Companies. He was a son of the late Judge Maguire, of the Quebec Superior Court.

IT IS REPORTED that the Ontario Fire Insurance Company (Wm. Thomson & Co.), are taking over the business of the Ottawa Fire Insurance Co., a controlling interest in which was recently purchased by the firm of Burnett, Ormsby & Clapp, Toronto.

CUSTOMS COLLECTIONS for July at the port of Montreal were \$1,646,474, an increase of \$458,361 over July 1906. The gross total for May, June and July this year was \$4,750,228 an increase of \$1,214,935 over the corresponding period of last year.

THE MERCHANTS BANK OF CANADA has purchased the Renouf Building at the corner of St. Catherine and University Streets. The price paid is said to be \$159,000. The situation is an excellent one.

TORONTO CUSTOMS DUTIES for July this year were \$1,055,853—an increase of \$280,523 over July 1906.