The Monetary Times
MONTREAL SECTION
Office: B32 Board of Trade Building
Editorial, - T. C. ALLUM || Advertising, - A. H. CLAPP

NEW CAR WORKS FOR MONTREAL.

Effect of Earthquake on West India Electric—Introduction of Workmen's Compensation Act—Corn Exchange Electors—Insurance Matters.

Monetary Times Office,
Montreal, January 31st.

I learn from Mr. James Hutchison, stock broker, and agent of the West India Electric Company, in Montreal, that the property of the company was not nearly so badly damaged in Kingston, Jamaica, by the recent earthquakes, as was at first feared. He showed me the following cable which he had received: "Dam and pipe all right; principal records safe; transformer station being repaired, track being cleared to start; loss in assets comparatively small." Mr. Hutchison stated that he has since noticed from the Associated Press dispatches that the company had resumed operations, though he had not been so advised by cable.

The company has been in existence some seven years. It has a capitalization of $600,000 bonds and $800,000 common stock, and was organized by some of the leading financial men of Montreal and Nova Scotia for the purpose of operating an electric railway and lighting plant in Kingston, Jamaica.

West India Electric Was Doing Well.

The statement for 1905 showed that the company owed its bankers—the Bank of Montreal—the sum of $23,426, and had a balance on hand of $5,817. During the past year the indebtedness to the Bank of Montreal was wiped off, and the surplus, which a year ago amounted to $142,883, was to have been increased to $193,000. This would show that the net earnings for the year 1906 were $50,000, or 6 per cent. on the capital stock, as all earnings, since the company's organization, have been transferred to surplus at the end of each year. Besides the net earnings of $50,000 in 1906, the company expended a considerable sum upon capital account, and the prospects were that the earnings for 1907 would reach 8 per cent., so that dividends upon the common stock were already being earned and their payment was in sight

Lord Strathcona Was Interested.

The company was organized previous to the era of common stock bonuses. The $600,000 worth of 5 per cent. bonds were underwritten at par and the $800,000 worth of common stock at 40. Some of the leading financiers of the country were interested in the underwriting, among them being Lord Strathcona, Senator Forget, Messrs. R. B. Angus, E. S. Clouston, James Ross, Wm. McLennan, John Fair and F. L. Wanklyn. A considerable amount of the bonds and stock have since changed hands, but have gone into fairly strong hands. The stock sold around 50 previous to the disaster, but, as may be imagined, has not been dealt in since.

The company has a water-power development of 1,000 horse-power. A pipe, with a diameter of 8 feet and a length of a mile and a quarter, connects with the power house. A line, 24 miles in length, conveys the electricity to the transformed station.

Besides operating the street car system of Kingston, the company recently purchased the electric lighting concern and the steam plant was being renewed as an auxiliary of the water-power at the time of the earthquake.

The company lost five cars and a building through fire, the entire value of which was about $16,000. All was insured in the Guardian. Its other losses are not yet known, the tracks in the lower part of the city being covered with debris, and the transformer station being cracked. The officers are hopeful of being able to shortly repair their losses.

Workmen's Compensation Act.

I had a conversation with Mr. G. W. Stephens, M.L.A., chief of the new Harbor Commission, the other day. Among other topics discussed, was the probability of him resigning his seat in St. Lawrence Division, as result of his appointment to the Harbor Board. Mr. Stephens then told me that his principle reason for retaining his seat was that he was about to introduce before the Quebec Legislature a Workmen's Compensation Act. It is his desire to have this bill put through before he retires from the Provincial House.

It seems that the common law under which action for damages for injury or death of workmen is now taken, places the burden of proof upon the injured, and as this proof is frequently difficult to produce, employers are often enabled to avoid payment of just claims.

After Mr. Stephens had explained to me that it was the intention of the compensation bill to relieve the workman from the necessity of proof he now labored under, and to have the recovery of damages a certainty, I asked him if he did not think employers would object very strongly to such a measure.

"At first one might think so," he said, "but, I think, a large proportion of them will favor it after they have investigated the matter. Although this compensation act of mine is new here—in fact, if it is passed, it will be the only one in North America—the subject has been fought out and settled in Europe long since. I need not remind you that I myself am a large employer of labor; yet I am strongly in favor of the bill.

Dangers Inherent to Factory Employment.

"Switzerland brought in the first Compensation Act of the nature I propose, in 1881, and now all the great European countries have fallen into line. Steam, electricity, and the multiplication of machinery has brought about changes which make danger inherent to employment in a factory. The stage coach days under which the common law expected the injured party to prove negligence on the part of the employer, have passed away. Common humanity demands that something shall be done for those who are constantly exposed to these dangers. I have examined many of the European laws and taken the best I could from all. I shall mention a definite amount for death and the various injuries, so that the widow may have an annuity and the injured person a compensation which shall be their due without appeal to law. Employers will be more careful about their factory arrangements, and insure against risk to a greater extent than they now do. There their loss will end. It will be found that in many cases this insurance will amount to less than lawyers bills did in the past. As the injured person can only claim a certain amount, suits for enormous sums will never be heard of. So that it may be that the lawyers will feel worse over my bill than the employers."

Large Car Works for Montreal.

The claim is made that a number of capitalists, attracted by railway activity in Canada, are about to erect large car works at Montreal West. The names mentioned are those of Mr. Fred. Eaton, president American Car and Foundry Co., Berwick, Pa., and Frank L. Dunn and O. C. Kahler of the same city, the latter, having recently resigned from the Dominion Car Co. The site favored is near the Dominion Co., and it is claimed that the finest car works in Canada will here be erected. The capacity will be fifty cars a day, and the works will cost five million dollars. There will also be a forge, axle, truck and bolster shop and wheel and casting foundry, and it is hoped the wheels will be turning next fall Organization formalities, however, are still to come.

Suit Over Statement in Council.

The Montreal Light, Heat and Power Company took action for $25,000 damages against Ald. Clearihue for a statement made at a recent meeting of the City Council. The question of bribery of aldermen was mentioned and one of the aldermen asked, Ald. Clearihue if he had not been approached a few years previously. A reply in the affirmative was given Ald. Clearihue having made the statement at the time that he had been offered $3,000 by the interests in question to vote for a certain project.

The M. L. H. and P. Company, immediately after the meeting, notified Ald. Clearihue to retract and later took action against him for $25,000. Some of his strong supporters immediately undertook his defence, and matters began to look interesting. At the end of last week Ald. Clearihue rose in the Council and stated that some years ago the Royal Electric Company tendered for a contract with the city and that a certain individual had at that time offered him $3,000 to vote for the company. He claimed that he had stated that he had been offered the money by the company. The Royal has since been absorbed by the M. H. L. and P. Company, and it was this which gave rise to his remarks before the Council and the subsequent suit brought against him by the Power Company.

Reply to Underwriters' Complaint.

Chief Benoit of the Montreal Fire Brigade had some remarks to make at a recent meeting of the Fire Committee, respecting the complaints of the fire underwriters that they had lost $400,000 in fires during the past few weeks. The complaint was levelled at the fire department. The reply of the chief was to the effect that the underwriters expected the fire department to do miracles. They were great men in the matter of fault-finding. It was all very well for them to sit in their offices with pipes in their mouths, but he would like to see them battling with a fire in the recent bitter weather. The buildings were in some cases old, in others there was much inflammable material, and the fires had gained great headway before they were discovered. Replying to a question, he said that the water pressure was sufficient but Montreal had so few policemen that fires were not discovered till it was almost too late to do anything. Another thing the underwriters did not consider was the great quantity of sawdust between the floors of old buildings. He would make a report on the whole question.