MONETARY AFFAIRS IN MONTREAL.

Chances of a New Gas Contract: Railroad Transfer: Better Mails.

(From Our Own Correspondent.)

Montreal, August 1st, 1906.

Although Montreal, for reasons which it is not necessary to go into, seldom presents a united front in matters affecting the city's interests, the anticipated renewal of the gas contract with the Montreal Light, Heat and Power Co. is being condemned by most citizens.

The Montreal Light, Heat and Power Co. is probably the best hated and most anathematized corporation in Montreal. It was formed some half dozen years ago of all the companies, save one, of its nature doing business in the city. The exception was the Lachine Hydraulic, which said it would never be bought up, but which got its price and was taken in, in 1903. The consolidation now supplies all the gas and practically all the electric power and light in the city or on the island—save for a few services of a semi-private nature and a municipal plant recently established in Westmount. At the present time, the citizens of Montreal are paying $1 per thousand cubic feet for their cooking gas and $1.20 for their lighting, no discount being allowed. The contract of the company with the city expires in 1910, and for a year past the City Council and the company have been negotiating. The advisability of the city establishing its own plant was discussed by the Council last year, and Prof. Beemis was employed to report on the gas question.

Of late, the matter has come before the public again. The City Council a short time ago came to the decision to take a two months' holiday, and before doing so appointed a committee to negotiate with the Power Company. A week ago it was semi-officially announced that a tentative agreement had been reached to extend the franchise for thirty years from its expiration, about four years hence, the price of gas to be reduced on a sliding scale, eventually to 75 cents per thousand. This proposition was involved with electric lighting prices, increased discounts, division of profits and most bewildering sliding scales. The feature which caused most anger was the proposition that the first reduction in the price would only give the citizens 95 cent gas. Toronto and New York are only paying 80 cents for gas.

A storm of protests was raised, and when the chairman of the committee came back from his holidays, he promptly denied that the committee had any right to do anything in his absence. There is a suspicion amongst the well-informed that all sorts of rumors are systematically spread in such a way that no one can be held for them, with the object of seeing what kind of a deal the citizens will stand for.

It is stated on good authority that this afternoon the following offer was definitely made in writing, by the special gas committee, to the Power company's officials:

(1) An extension of the contract for thirty years after the expiration of the existing contract, on the following conditions:

(2) Immediate reduction in the price of gas, as follows: From $1.10 to $1 for lighting and from $1 to 95 cents for cooking, this reduction to have effect until the expiration of the present contract.

(3) From the beginning and during the existence of the new 30-year contract, a flat rate of 90 cents, the company to pay to the city, annually, one-third of its net profits.

Prospects of Better Service.

Robert Bickerdike, M.P., tells me he has every reason to believe the government will agree to the representations of the Montreal Produce Merchants' Association to the Postmaster-General regarding a Saturday mail steamship to Liverpool, and that the service would be inaugurated by the Dominion line next Saturday. He is trying to arrange to have the mails carried to other ports of Great Britain, by the fastest ships leaving Montreal each week for those ports. The whole matter arose through the fact that Montreal merchants ship the bulk of their goods on Saturday—the greater number of ships sailing on that day—and as the steamship companies cannot give them a bill of lading until some hours after the sailing, these cannot be forwarded from here or from New York till the following week. The agitation was to persuade the Government to have a mail ship leave here Saturday and Quebec Saturday night or Sunday morning, at such an hour that mails sent from here by fast express on Saturday afternoon would be taken on board at Quebec. This will permit of the bills of lading for goods shipped by Saturday morning ships, catching the mail ship at Quebec, and will prevent the trouble experienced in England through the goods arriving there in advance of the bills of lading.

After a most interesting legal fight, the Deleware and Hudson Railway has gained possession of the Quebec Southern System, by the decision of the Privy Council, announced a few days ago, in the case of Frank D. White vs. Hon. F. L. Beique. The Quebec Southern is really three separate roads—the South Shore Railway, from Montreal through Sorel to Nicolet; the United Counties Railway, from St. Hyacinthe to Sorel and the East Richelieu Valley Road from St. Hyacinthe, through St. Johns, to Noyan Junction.

The system was unsuccessful, and its many creditors had to take control of it. These creditors included the late Hon. Raymond Prefontaine, for $25,000. Another was the Bank of St. Hyacinthe, for $750,000. The others were for large and small amounts, aggregating probably $2,500,000. It is believed that several claims will be contested shortly.

To protect themselves, the bondholders were compelled, eventually, to obtain an act of Parliament, authorizing the sale of the road. Sealed tenders were called for to be sent to Ottawa, and in November last these were opened in Montreal.

Among the bids was one from Senator Beique, for $551,000, for two of the branch lines—the United Counties and the East Richelieu. Another tender was from E. A. D. Morgan, offering $503,000 for the remaining branch—the South Shore. These two tenders together amounted to $1,054,000 for the whole road. It later appeared that Senator Beique acted for the D. & H. R. R., and Mr. Morgan for the Grand Trunk.

There was also another tender from Senator Beique, offering $1,051,000 for the entire system, or $3,000 less than the two seperate tenders came to.

The Judge decided to accept Senator Beique's bid for the entire line, believing this to be in the interest of the creditors. The rival claimants, immediately contested the award, claiming that the Judge had no right to accept the lower bid—if so it may be styled—and holding that Senator Beique was otherwise disqualified.

The Supreme Court decided against the plaintiffs, and the Privy Council upholds the Supreme Court. The Exchequer Court is preparing a decision of the claims fyled by the creditors.

* * *

MISCELLANEOUS ITEMS OF NEWS.

Schram & Brown have started a plant for cement brick making at Medicine Hat.

The Canada Plate Glass Co. will erect a glass bending factory on Ashbridge's marsh, Toronto.

C. Burgener, a Swiss, has started a Schweitzer cheese factory in Wellesley township, Ontario. He has 25,000 pounds in process of curing.

Invitations are out for the annual meeting of the Maritime Board of Trade at Amherst, Nova Scotia, on Wednesday, August 15th. This year's president is Mr. Joseph Read, of Summerside, Prince Edward Island.

The Federal Government, desirous of securing to new settlers cheap supplies of lumber, has rescinded the regulation regarding the grant of permits under public competition to take timber. In future permits will be granted, at the discretion of the Minister of the Interior, to the first applicant, who is the owner of a sawmill.

S. M. Luke, H. D. Metcalfe and other Montrealers, are organizing the Dominion Orchard Co. to operate what they hope to be the largest apple plantation in the world. Six hundred acres of land not far from Montreal are said to have been secured already. The bulk of the fruit is intended for the European market.

The Dominion Government, acting through Joseph Riopelle, is buying up a large number of properties in Ottawa, lying between Rideau, Cathcart and Sussex Streets and Mackenzie Avenue, with a view to the building of a great Departmental building. Departmental offices are now scattered in various sections of the city, besides which there is congestion. The properties involved will be expropriated, and, failing agreement as to price, it will be arbitrated.

* * *

BANKERS' AD ASSOCIATION.

The Bankers' Ad Association, of Pittsburgh, has been formed for the three-fold purpose:—(1) The study of bank and trust company advertising, with a view to furthering and protecting the interests of the banking institutions of the Pittsburgh district; (2) mutual helpfulness, through the interchange of ideas, and the meeting together of men interested in similar lines of work; and (3) concerted effort to educate the public in regard to practical banking matters. One line of protection to banking in Pittsburgh is the concerted defence against fake and blackmail advertising. A considerable number of fakirs have operated on Pennsylvania banks. The Association takes credit for reducing their number, and for the capture of a bogus directory man, who had been preying upon financial houses in Pittsburgh for some time. At the recent meeting of the Association the advertising manager of the Citizens' Saving & Trust Co., of Cleveland gave his views on proper advertising for the banking institutions, in which he disparaged any attempt at sensationalism, and Mr. Robert Frothingham, of "Everybody's Magazine," discoursed on "Prejudice in Advertising." Veracious report says that all who heard this address agreed that even one such meeting a year would fully justify the existence of the Association as an educational institution.