

PUBLIC UTILITIES MATTERS IN COURTS

Interesting Suit Has Arisen at Montreal—Power and Tramways Companies Involved

Monetary Times Office,
Montreal, January 16th.

An interesting action at law is being heard this week, in connection with which some of the leading public utility interests and lawyers of the city are giving evidence. The case is that Mr. Ernest E. Vipond and Mr. Herbert S. Vipond versus the Corporation Agencies, Limited, and Mr. H. A. Lovett, K.C.

It would seem that prior to October 22, 1909, plaintiffs were owners of the entire capital stock of the Montreal Electric Company, and also were the owners of an option to purchase the issued capital of the Electric Power Company of Montreal, the former holding the rights to a power site at the Lachine Rapids, a few miles above Montreal, and the latter having a site near Cedar Rapids, some thirty miles from Montreal.

At the time mentioned, plaintiffs were engaged in financing and organizing the companies to enter the field for the supply of power. In this connection, they were called upon by Mr. H. A. Lovett, the defendant, who proposed to undertake the work for them and to carry through the undertaking to the point of developing power and distributing it in the city of Montreal.

Agreement Was Made.

An agreement to this effect was drawn up between the Messrs. Vipond, plaintiffs, and Mr. Lovett, and the Corporation and Audit Company, which latter afterwards became the Corporation Agencies, Limited, defendants. The defendants were to carry out the purposes of the companies as already described, after having examined the powers, rights and franchises, and to this end were to incorporate another company to utilize the combined rights of the two concerns more effectively. Plaintiffs were to receive \$50,000 in first mortgage bonds of the new concern and \$250,000 of its shares and were to resign their option on the Electric Power Company of Montreal and to make over all the shares of the Montreal Electric Company.

The result of the agreement was that the Montreal Hydro-Electric Company was formed with a capital of \$10,000,000. Later, the absorption of the Montreal Hydro-Electric by the Tramways interests took place through the majority shares which were held by the Corporation Agencies, Limited. In this connection, the plaintiffs introduce the Canadian Light and Power Company, which, together with the Montreal Tramways Company and other public service

corporations, have been brought into one large holding company known as the Montreal Tramways and Power Company, Limited, and which holds the control of all these concerns. They allege that defendants did not carry out the spirit of the agreement and that the object and effect of the changes which took place were to rid the Canadian Light and Power of a possible rival, and also that the Corporation Agencies, Limited, being trustees of plaintiffs, had no right to hand over the control in the manner alleged.

What Plaintiffs and Defendants Say.

Plaintiffs claim that they have suffered damages and ask for the recovery of \$297,500, being the value of the rights and franchises made over by them as described.

Defendants, on the other hand, claim that on the date mentioned they acquired direct from Mr. Rodolphe Paradis the rights and privileges of the Electric Power Company, the plaintiffs, for the sum of one dollar, resigning what the plaintiffs might possess therein and consenting to the agreement between defendants and Paradis. As to the Montreal Light Company, it was organized in 1881 and never carried out its development but engaged in a retail business amounting to about \$2,500 per annum. By organizing the Montreal Hydro-Electric Company and handing over to plaintiffs the bonds and stock agreed upon, defendants claim they fulfilled their obligations. Afterwards, in view of the large developments which were taking place in connection with the power and tramways systems of Montreal, and also as one of the companies of the merged group was developing in the same vicinity as the site of the Montreal Electric Company, they considered the best way of advancing the interests of the Montreal Hydro-Electric Company was to enter the merger. This they accordingly did. They considered that the interests of plaintiffs in the merger were worth several times as much as they had previously been.

Guaranteed Principal and Interest.

Mr. Lovett gave evidence to the effect that the Tramways and Power Company had paid a large sum for the Montreal Hydro-Electric Company and had guaranteed the principal and interest on the bonds of the two small companies. It had also agreed to develop the power at Lachine Rapids, at the foot of the Lachine Rapids, as soon as conditions warranted. By the arrangement with the Tramways and Power Company, Mr. Lovett considered that the smaller concerns were placed in a more advantageous position for the development and sale of their power when such was developed, as it would have been difficult to finance them on the strength of their ability to develop their power and find a market for it in Montreal in competition with other concerns until the market enlarged. By the alliance with the larger and stronger company, the position of the smaller concerns was much improved.

STOCKS AND BONDS—CONTINUED FROM PAGE 221

Issue	Par Value	Bonds (Continued)	Dividend per cent.	TORONTO				MONTREAL						
				Price Jan. 18 1912	Price Jan. 9 1913	Price Jan. 16 1913	Sales Week ended Jan 16	Price Jan. 18 1912	Price Jan. 9 1913	Price Jan. 16 1913	Sales Week ended Jan 16			
7,000	500	Dom. Coal.....	5											
2,229	1000	Dom. Cotton.....	6											
8,000	1000	Dom. Iron & Steel.....	5					102	102	100	102	4000		
758	100	Dom. Textile a.....	6						95	94	94	8000		
1,162	100	" b.....	6							98	98			
1,000	100	" c.....	6						102	100	101	2000		
450	100	" d.....	6							98	98			
1,500	500	E. Canada P. & P.....	6								98			
10,000	500	Elec. Dev. of Ont.....	5	90	92	92	9000							
600	1000	Halifax Elect.....	5											
7,823	1000	Havana Elect.....	5											
237	500	Intercolonial Coal.....	5											
1,968	500	Kaministiquia.....	5											
750	500	Keewatin Flour Mills.....	6		100	100								
1,000	1000	Lake of Woods Mill.....	6						100	99	100	100		
1,200	1000	Laurentide Paper.....	6											
6,000	100	Mex. Elec. Light.....	5	86		108			110	107	108	4000		
10,000	500	Mex. L. & P.....	5	93	96	90			83	83	80			
11,500	100	Mont. L. H. & P.....	4						89	89	89			
500	100	Mont. St. Ry.....	4						100	99	99	3000		
		Montreal Tram.....												
		Mont. Wareh'n.....	5						100					
1,960	100	N. S. Steel & Coal.....	5											
1,000	1000	Ogilvie Milling.....	6						112					
750	1000	Ogilvie Milling B.....	6		95									
3,500	100	Ontario Loan.....	4		91									
2,000	100	Penmans.....	4	92	91	90			91	90	92	90		
3,000	100	Porto Rico.....	5		92	92			94	93	93	27300		
£1,000	1000	Price Bros. Ltd.....	5											
		Quebec Ry. L. H. & P.....	4	80		96			77		58	58	73700	
471	1000	Rich. & Ont. Nav.....	5											
2,500	100	Rio. de Janeiro.....	5	160		96								
25,000	100	Rio. 2nd Mtg.....	5						90					
6,000	500	Sao Paulo.....	5		100	100								
2,450	100	Sherwin Williams.....	5											
2,066	100	Spanish River.....	6		97	97	2500		101	100	100			
500	1000	St. John Ry.....	5						97	96	96			
7,500	100	Steel of Can.....	6		99	99	1000		99	100	100	8000		
		Tor. York Rad'l.....	5											
600	1000	West India Elect.....	5											
600	100	Windsor Hotel.....	4						100		99			
1,000	100	Winnipeg Elect Ry.....	4						104		103			

WINNIPEG STOCK EXCHANGE

Cap. in thou'ds	Par value	LISTED	Dividend	Price Jan. 1913	Price Jan. 1913
Subscribed					
\$ 500	550	Can. Fire.....	6+4	150	150
2,008	100	Canada Landed.....	8		
200,235	100	C.P.R.....	10	140	110
	100	City & Pro. Ln.....	8	108	115
1,000	50	Com. L'n & Trust.....	8	108	115
	100	Com. Loan Part pd.....	8	108	115
	100	Empire Loan.....	8	108	115
	100	Part pd.....	15	305	305
1,350	100	G. W. Life 55% pd.....	8	125	130
2,398	100	G. West P. L. & S.....	8	130	138
864	100	Home In. & Sav'g.....	6	96	98
2,500	100	North. Crown.....	6		
	100	Crown Cert. rights.....	8		115
	100	North. Cert. rights.....	8		100
	100	N.C.Mr.Co. 25%pd.....	8	118	128
	100	Nort.Mort. 30%pd.....	7	130	135
1,500	50	Northern Trust.....	8	105	105
	50	O'd'tal Fire 40%pd.....	8	187	196
	50	S. African Script.....	8	150	150
	50	Standard Trusts.....	8	150	150
	50	Union Bank.....	8	175	175
6,000	100	Winnipeg Electric.....	12	105	110
	100	Wpg. Land & Mort.....	8	105	110
	100	Wpg. Pa't & GI's pf.....	8	105	110

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