

MONTREAL TRAMWAYS DEAL.

Shareholders May Disregard Cash Offer—Basis of the Transaction.

Monetary Times Office,
Montreal, December 6th.

The exchange of the Montreal Street Railway shares for the debentures, cash and common stock of the Montreal Tramways Company, is in progress. Upwards of \$9,000,000 has been received from Boston, being sent up in shipments of gold to the Merchants' Bank the acting banker in the matter. For some time Montreal has been anxiously regarding the terms of the exchange, and the completion of the deal.

Whenever the financial stringency has been referred to, it seemed to be natural to remark that as soon as the Street Railway deal was completed, money would be considerably easier. It so happens that this is not the case, money being at the moment firmer than for many months past. The probabilities are, that it would have been very much firmer than it is, had it not been for the distribution of considerable quantities of money among shareholders this week.

May Disregard Cash Offer.

During the week, it is estimated that more than 75 per cent., or 75,000 shares, of Street Railway stock have been turned in for exchange. Of these, by far the greater portion elected to accept the original offer of the Tramways Company, to give \$87.75 in cash, \$160 in 5 per cent. debenture stock and \$20 in common stock for each share of Street Railway. Some 15 per cent. of the total shares may disregard the cash offer and accept \$250 in debentures and the \$20 in common stock instead. There may be considerable delay in turning in the remaining 25,000 shares of Street Railway stock for exchange.

It will be interesting to see how, on the above basis, the exchange will be made. It may be remembered that Messrs. N. W. Harris & Company advertised \$10,445,000 bonds for sale, a natural assumption from which being that the Tramways Company may have issued a round lot of \$10,500,000. It was stated that the bonds were sold to Messrs. Harris & Company at approximately 95 per cent. of par, so that the total amount received for these bonds would be about \$9,975,000.

The Basis of the Transaction.

On the above basis the situation would work out as follows for the Tramway Company:—

	Debentures, 5%.	Common stock.	Cash.
15,000 shares exchanged for	\$3,750,000	\$300,000	\$.....
85,000 shares exchanged for	13,600,000	1,700,000	7,458,750

Tramway Company issue in exchange for \$100,000			
Street Railway shares...	\$17,350,000	\$2,000,000	\$7,458,750

Received from sale of bonds as above.... \$9,975,000
Paid to Street Railway shareholders 7,458,750

Balance going to treasury \$2,516,250

The interest account of the Montreal Street Railway last year amounted to \$185,097, which was an increase of \$9,666 as compared with the previous year. Although the railway has now a total general surplus of \$2,735,000, the interest account would seem to indicate that a considerable amount of financing was requisite.

Assuming that this is the case, the company should be in a considerably easier position because of the balance remaining in the treasury as shown above. Either that or it will have this much extra funds to apply to other equally advantageous purposes,

As liquidators of the York County Loan, the National Trust Company, Toronto, have sent out 102,000 checks to persons now residing all over the world, some having been directed to China, Japan, Australia, France and Sweden, whither shareholders have returned from their temporary homes in Canada. The amount of the dividend was \$741,000, and the immense mass of postal matter required over \$1,500 in postage. There are still several thousand shareholders who have never turned in their books, and who, consequently, received nothing. There is some \$150,000 reserved for them in case their books turn up.

NEW BRUNSWICK.

(Staff Correspondence.)

Saint John, New Brunswick, 5th December.

Wholesale trade in New Brunswick during November was better than in October. The demand for lumberman's supplies is smaller this year than for some years past, but in other directions conditions are normal. The great demand in Quebec and Ontario for New Brunswick potatoes at higher than ordinary prices, has continued, and has yielded large profits to the farmers. The volume of Christmas trade promises to be large.

The winter steamship season at St. John has opened well, with steamers of the Canadian Pacific Railway, the Allan and Donaldson lines in port, and those of other lines on the way. There will be sailings to South Africa and Australia this season as usual, in addition to the lines to British and Continental ports. Leading officials of the Canadian Pacific Railway and Allan lines say that they expect a larger business, both in freight and passengers, than that of last winter, when the value of the exports alone was close to \$25,000,000. The Intercolonial Railway will handle more grain and general freight this season than last.

Premier Flemming has made an important statement concerning the Valley Railway, from St. John to Grand Falls, to be operated as part of the Intercolonial and connecting with the Grand Trunk Pacific. He says the contract for its construction will be signed very soon, as complete arrangements have been made between the Provincial and Federal Governments. It is intimated that freight from the West, coming over the Grand Trunk Pacific, will reach St. John over the Valley Railway. Its construction next year will mean large expenditure in wages and for materials.

Premier Flemming, Messrs. John Gibson of Benton, Charles Rogers of Woodstock, and others, have bought for \$30,000 the mill and timber property of Gibson Brothers, of Northampton, York county. They will improve the water-power and operate the mill.

The city council of St. John has agreed to grant a fifty years' franchise to the New Brunswick Hydro-Electric Company, to deliver light and power from Lepreaux. The company agree to maximum rates lower than those now in effect in the city. Legislation must be secured before the agreement goes into effect.

There will be 10,000,000 feet of logs hauled over a short section to the mills this winter for Messrs. Donald Fraser & Sons.

The Canadian Northern Railway has asked the New Brunswick Government to aid in placing on the land one thousand immigrants, which it proposes to bring to the province next year.

The fine new power plant of the town of Campbellton has been successfully set in operation.—W. E. A.

ECHOES OF THE SOVEREIGN BANK FAILURE.

An order has been made by Master in Chambers Cartwright, Toronto, for the consolidation of eight actions regarding claims in connection with the liquidation of the Sovereign Bank. One action is to be proceeded with, and the results of the others will be determined by it. The suits were brought by Archibald Campbell, W. K. McNaught, Albert E. Dymont, and Donald McMillan, against the Sovereign Bank and the International Assets, Limited, and by the International Assets, Limited, against the four directors, who are plaintiffs in the other actions. The point at issue is explained by the Master in Chambers in his judgment:—

"The directors, either personally, or on behalf of the bank, were interested in some dealings with the stock of the Penman Company. As a result of these 100 shares of the preferred and 856 of the common were transferred to the directors, and afterwards by them assigned to the bank. They now claim that these shares were their personal property, and that it was on this assumption that they subscribed for the International Assets stock. On the other hand, it is contended that these shares were always the property of the bank and represented the profit arising from its assistance in dealings with the Penman Company stock."

The Canadian Appraisal Company, Limited, of Montreal, have issued a booklet containing the names of their clients throughout the Dominion. The valuations which they make include physical assets of every kind, stock-in-trade, raw materials and goods in process of manufacture being alone excepted. Their certificate, in conjunction with the certificate of profits and liquid assets prepared by leading firms of chartered accountants, furnishes a complete verification of a company's assets.