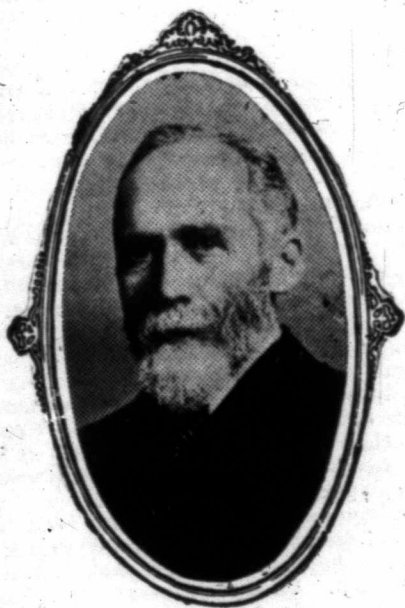


STEEL-COAL COMPANY'S DISPUTE.**Supreme Court of Nova Scotia Upholds Judge Longley's Decision in Favor of Steel Company.**

One of the most important events this week has been the announcement of the decision of the Supreme Court of Nova Scotia, maintaining the judgment of Mr. Justice Longley in favor of the Dominion Iron and Steel Company as against the Dominion Coal Company. As was expected, the decision of the Supreme Court was handed down on Tuesday.

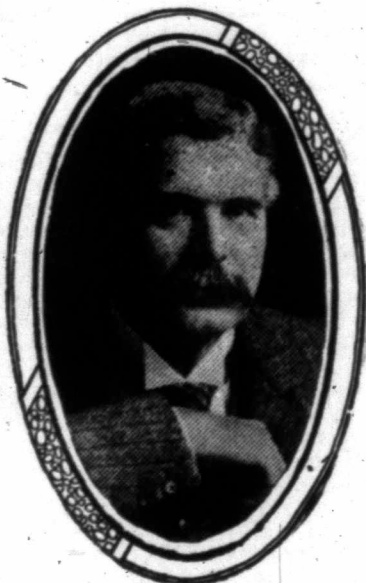
Damages for past injuries are awarded the Steel Company, and a decree of specific performance will be granted,



James Ross,
President, Dominion Coal Company.

compelling the Coal Company to live up to the contract of 1903 in future.

The decision of the Appeal Court is based not upon the ground that there was an implied warrant in this contract that the coal should be suitable, but that there was an express contract that the coal should be suitable for the Steel Company's purposes. Had the court put its decision on the former ground, it intimated that there would be a grave question as to the ruling out of some evidence rejected at the trial. In the view taken by the court this evidence becomes immaterial. Lengthy opinions were read by Chief Justice Townsend



J. H. Plummer,
President Dominion Iron & Steel Company.

and Judge Russell, covering all points in the case. Judge Meagher and Judge Lawrence concurred in the decision.

The chief points in Judge Longley's decision, delivered on September 16th, were:

"That the old contract was unbroken; that the Coal Company must perform the contract, a referee to be appointed to assess the damages payable by the Coal Company; that the damages should include all the amounts the Steel Company had paid for coal over and above \$1.24 a ton; that the coal

supplied from No. 6 mine was unfit for the uses of the Steel Company, and that if the Coal Company attempted to evade performance of the contract the Court had power to appoint a receiver."

In view of the present verdict it is interesting to recall the opinion expressed in September by Mr. James Ross, president of the Dominion Coal Company:

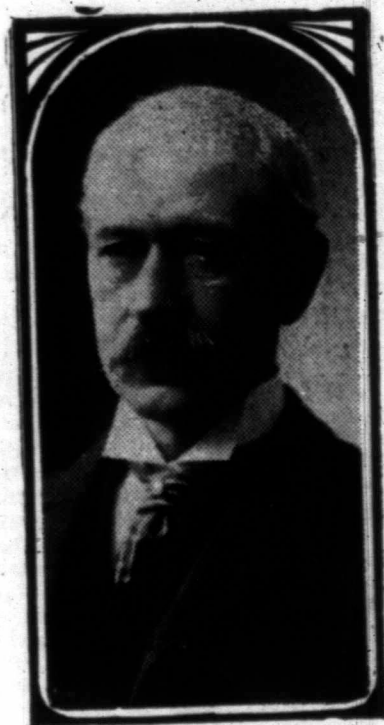
"It may not be proper to criticize a judge's decision, but we represent a large number of anxious shareholders, and, I think, it is our duty to state that we have the opinion of the most eminent counsel in Canada on the interpretation of the contract, and we are absolutely confident that Judge Longley's decision will be reversed in the higher courts."

Mr. Ross now says that his company will fight the case to the bitter end.

"I must decline to express any opinion upon the judgment. I have read only incomplete portions of it, and I am not in a position to speak on the matter. You may say, however, that the Coal Company will certainly appeal to the highest court."

The Appeal Court's decision in favor of the Steel Company naturally aroused much interest at Montreal. An informal gathering of the Dominion Steel directors was held, and satisfaction was expressed that the contentions of the company had been upheld by the highest court in Nova Scotia.

If the action of the Montreal stock market could have been considered as any indication of the decision of the court, every evidence was furnished on Monday of an unfavorable result



Justice Longley,
Who in September ruled in favor of the Steel Company and whose decision has now been upheld by the Supreme Court of Nova Scotia.

for the Steel Company. Sales began in the forenoon at practically 17 for the common stock. By closing time 14 had been reached, a fractional recovery thereafter taking place. During the same period, preferred stock sold down from 51 to 44. Upon the occasion of the first judgment upon the case, stock market gave a proper interpretation the previous afternoon. When, therefore, the selling commenced last Monday, it carried consternation into the ranks of the holders of Steel stock. When it was found in the morning that the decision favored the Steel Company, prices recovered immediately, common stock going to 17 and preferred to 53½. These prices subsequently lost a few points and experienced considerable fluctuation.

Application will be made to Parliament at this session by the Occidental Fire Insurance Company for an Act to incorporate that company with power to take over the business, assets and liabilities of the company; to make contracts of fire insurance in all its form and branches, and for other powers incidental to the company.

La Compagnie d'Assurance Mutuelle contre le feu du Canada, body politic and corporate, having its head office in Montreal, will apply to Parliament this session, for the passing of an Act for the purpose of obtaining a capital stock composed of shares of different classes, and to have the said shares subscribed and made transferable under certain conditions.