

MONTREAL TRAMWAYS AND SUBSIDIARY COMPANIES

Judge Orders Documents to be Produced and Case is Then Referred to Court of Appeal

Monetary Times Office,
Montreal, January 22nd.

Matters in connection with the Montreal Tramways and Power Company and its subsidiaries are occupying almost the entire attention of financial circles in Montreal and the citizens generally. The Monetary Times last week reviewed the case of Messrs. Ernest E. Vipond and Herbert S. Vipond against the Corporation Agencies, Limited, and H. A. Lovett, K.C. Plaintiffs were suing for \$279,500 which they claimed was the value of the rights and franchises of the Montreal Hydro-Electric Company, which had been turned over to the Montreal Tramways and Power Company by defendant, the Montreal Hydro-Electric Company being a holding company or merger formed by Mr. Lovett of two concerns of which the Viponds were apparently the principal owners. They were the entire owners of the Montreal Electric and, they alleged, were the owners of an option on the other company, the Electric Power Company of Montreal, which, Mr. Lovett, in the direction of carrying out his contract to carry the scheme through to an operating basis, had merged into the Montreal Hydro-Electric. This was in 1911.

Fulfilment of Contract.

The Viponds claimed that defendants had not fulfilled their contract in the manner in which it was made but had turned the Hydro-Electric into the Montreal Tramways and Power which was the big concern formed to take in the Canadian Light and Power, the Tramways Company and a number of other smaller power concerns of the city. Their particular objection seemed to be to the inclusion of the Canadian Light and Power in the Tramways and Power Company.

In this connection, came up the name of the Imperial Trust Company, which had officiated in the transfer of the Hydro-Electric to the Tramways and Power Company. It was shown that it was under the same control as the Canadian Light and Power, the Tramways Company, and the Tramways and Power Company. Further connection was attempted by showing that Mr. H. A. Lovett, K.C., was closely associated with this group of companies also, as their counsel. Then was made an attempt to have certain documents relating to the deal produced by the Imperial Trust Company. Argument on this point went on for some hours and resulted in the Judge ordering the production of the documents. The official claimed he would have to consult those in authority first, upon which the Judge read him a lecture and ordered the documents to be produced.

To Court of Appeal.

At this juncture the counsel for the defence announced that under such circumstances he would beg to take the matter to the Court of Appeal. The matter will accordingly be brought before the Appeal next month.

Meantime, the Canadian Light and Power Company has sustained an attack from another direction, certain large contractors having entered suits for amounts aggregating, it is claimed, nearly half a million, on the grounds that contracts completed at the company's plant near Valleyfield had never been paid for and that their engineers had been prevented from making the final estimates necessary to secure the balance of payments due.

Jurisdiction of Utilities Commission.

During the past week, also, the appeal of the Tramways Company on the grounds of jurisdiction was made against the Public Utilities Commission of the province of Quebec. The arguments put forward were much the same as those outlined at Quebec recently, when the company was ordered to appear and show grounds why the Commission should not take other means to obtain the details of information previously ordered, and at the expense of the company. The burden of the appeal was that the government of the province had relieved the company of the jurisdiction of the control of the Commission. The lawyers who were to present the arguments to the contrary were not ready, so that the matter will be heard later.

Mr. Paul Jarvis has been appointed second vice-president of the Canada Industrial Bond Corporation. Mr. Jarvis resigned as secretary of the Toronto board of trade to accept a position with the banking house of Fisk and Robinson of New York, and was later associated with Messrs. Spencer, Trask and Company in their Chicago office. For the past two years Mr. Jarvis has been connected with the bond department of Messrs. A. E. Ames and Company.

CARRIAGE FACTORIES' REPORT

Good Statement Submitted—President Says Company's Operations, Not Selling Prices of Shares, Are the More Important

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The Carriage Factories, Limited, presented a satisfactory report at the annual meeting of shareholders. The company carried forward a surplus over bond interest and preferred dividends and other appropriations of about 4.6 per cent. on the common stock, the surplus for the year amounting to \$55,831. This added to the \$38,465 brought forward from the previous year makes a total of \$94,297 at the credit of profit and loss account.

The statement shows the following:—

Net sales	.....	\$2,199,230
Operating expenses, etc., and depreciation, etc.	.....	2,025,795
Net trading profits	.....	\$ 173,435
Interest received	.....	18,289
		\$ 191,724
Head office expenses	.....	\$10,156
Bond discount written off	.....	1,701
Formation expenses written off	.....	10,000
		21,857
Net profits	.....	\$ 169,867
Bond interest	.....	30,000
		\$ 139,867
Preferred dividend	.....	\$ 84,036
Year's surplus	.....	\$ 55,831
From previous year	.....	38,465
Total surplus	.....	\$ 94,297

Made Liberal Allowance.

The company made liberal allowance for various write-offs and contingencies. The formation expenses have now been almost deleted, the balance being less than \$1,000, the appropriation to that account this year being unusually large. An allowance for depreciation of \$21,059 was made, bringing the total at the credit of this account to \$49,803. A large sum, \$22,893, was placed to the credit of bad and doubtful debts, more especially to provide against certain accounts which have subsequently turned out satisfactorily. The total of this account is now \$51,763.

As To Bank Loan.

One feature of the statement which is not entirely desirable is the large bank loan and overdraft, amounting to \$970,628. However, the comparison between the current assets and liabilities this year and last is entirely favorable to this year, the figures a year ago being respectively \$1,664,700 and \$1,036,316, and those of this year being respectively \$1,880,342 and \$1,179,157.

That it is the intention of the directorate to maintain the company in its present position as was evidenced by the comments of President Tudhope, who remarked that it was not the intention to begin paying dividends on the common stock in the near future. He also said that there was no intention of listing the stock on the stock exchanges, it being the desire of the directors to concentrate upon the operations of the company rather than upon the selling price of the shares. Other directors as well as Mr. Garnet P. Grant, one of the organizers of the concern, expressed satisfaction at the results of the year, the profits being the best in the history of the company, although the sales were slightly less than a year ago.

GRAND TRUNK EQUIPMENT BONDS

Messrs. Blair & Company, New York, are offering the small unsold balance of \$3,360,000 Grand Trunk Railway equipment 4½ per cent. gold notes, series B, dated November 1, 1912, and due in semi-annual instalments of \$168,000 each to November 1, 1922.

The notes are a direct obligation of the Grand Trunk Railway, which, for the year ended June 30, 1912, had surplus earnings available for dividends of \$4,170,706. They are issued in part payment for 100 locomotives, 2,000 box cars, and 50 tank cars. Offering prices for the various maturities give a yield basis of 4.70 per cent.