## MONTREAL STREET RAILWAY.

### Utilities Commission Give Decision in its Favor—Quebec Tax on Industrial Corporations—Canadian Northern and Montreal.

Monetary Times Office,
Montreal, November 8th.

Those who followed the reports concerning Montreal Street Railway affairs which have appeared in The Monetary Times during the past few weeks will recall that although the amalgamation proposals were accepted by a majority of votes at a special meeting of the Montreal Street Railway, called to consider the terms under which their shares could be exchanged for shares in the Montreal Tramways Company, the proposals were later opposed not only by a large shareholder but by the city itself. The shareholder referred to opposed the terms of exchange before the courts, making application for an injunction upon the matter. The decision was given against him, the judge taking the act of the legislature whereby the Tramways Company was empowered to put into effect the proposals. The matter then went before the Public Utilities Commission. Here again it encountered opposition from the same source.

The city sought to show reasons why the Public Utilities Commission should not give its permission for the carrying out of the deal. The reasons offered on behalf of the city were that the fixed charges on the Montreal Street Railway now consist only of interest on about $4,000,000 bonds. The stock capital is but $10,000,000. Upon this dividends of 10 per cent. are being paid. Instead of $10,000,000 in stock, the Montreal Tramways Company intends issuing $10,000,000 in 5 per cent. debenture bonds and $16,000,000 in 5 per cent. debenture stock, both of which are fixed charges, so that a fixed charge of $1,300,000 would take the place of a dividend of $1,000,000.

**City Would Be at Disadvantage.**

The city claimed that this would put it at a disadvantage in its negotiations, as the directors of the railway would insist upon these fixed charges being first earned. The city opposed the capitalization of the Tramways Company on the grounds that the capital was being watered to the extent of the value of the franchise.

The judgment of the Utilities Commission was favorable to the Tramways proposal. The judgment says that, having heard the argument both of the counsel for the city and Senator Beique, who had made application to have the proposed merger prohibited, there is not sufficient danger to the public interest to warrant a refusing to allow the merger to be carried out.

The merger will amalgamate the Montreal Street Railway Company, the Montreal Terminal Railway Company, the Montreal Park and Island Railway Company, and the Public Service Corporation.

**Quebec Provincial Tax on Industrial Corporations.**

Sir Lomer Gouin did not offer much encouragement to the deputation which waited upon him last week for the purpose of asking him to abolish the special tax on industrial corporations. The delegates were many and influential, representatives being sent from the Canadian Manufacturers' Association, the Montreal Board of Trade, the Chambre de Commerce, the Builders' Exchange, the Quebec Board of Trade and Sorel Board of Trade. Accompanying the delegation were many members of parliament. It was stated that the tax worked much as a discrimination against companies having their headquarters in Montreal and the bulk of their capital invested here. It was more advantageous that the headquarters should be somewhere else—say in Toronto. Ontario did not levy taxes of this character and Quebec is the only province which levies a special tax on industrial corporations.

Lieut.-Col. Smart, who spoke for the deputation, concluded with the following statement:—"I would like to submit a few figures as to what this tax means to us in dollars and cents. Take a company with a capital of $5,000,000, which in these days of big enterprises is not reckoned as of extraordinary size. Such a company, supposing the major part of its investment and its chief officers were in this province, is asked to pay into the provincial treasury $5,250 every year, besides a fixed tax of $50 per annum for each place of business in the cities of Montreal and Quebec and $20 for each office or warehouse in other places. This would be the tax even if only 60 per cent. of that capital were employed in this province, but it would be only $2,250 if only 40 per cent. of that capital were employed here. Should 60 per cent. of the capital be invested in this province and the head offices of the company be in Ontario the annual levy would be only $3,250 as compared with $5,250."

Sir Lomer Gouin said that he would be pleased to grant the petition were it not that it was necessary to raise money. Everyone wanted his taxes lowered and if taxes were lowered it would not be possible to make the increased grants to education and other worthy objects.

**Canadian Northern and Montreal.**

Montreal is interested over its Canadian Northern depot. Nearly every week a new site is selected. Lagauchetiere street happens to be close to the Windsor station and only a short distance from the Grand Trunk Railway station. It is convenient also to St. Catherine street. The hill is precipitous, thus affording a good opportunity for the tunnel, which the company intends to build under the mountain. The city attorney is corresponding with Ottawa on the subject, it being no doubt his object to watch the progress of the deal and protest against the granting of any rights which would interfere with the welfare of the city. It was ascertained that no charter had been issued and that the matter had only progressed as far as the notice of application.

It is doubtful if half the people in Montreal know that there is a Canadian Northern station in the city. The station is situated in the east end, some miles from the hub. It is an unobtrusive structure and by no means a centre of activity. A line running to the east end of the island and crossing over the river makes connection with the Canadian Northern Quebec through line. One may go to the city of Quebec by this route; and he may also go to Ottawa in the other direction.

No doubt the problem has occasioned Messrs. Mackenzie and Mann as much trouble as the construction of many hundreds of miles of railway.

## GRAND TRUNK ISSUE IN LONDON.

Issuing houses in London are taking advantage of the somewhat better reception given recent new issues. The new Grand Trunk loan of £1,250,000 fours was issued this week at 92 for general purposes of the company.

Seeing that the stock ranks for dividend after the debenture charges, some objection is raised to the new issue being called "guaranteed," but notwithstanding this the Financial Times says the stock has a free market and may be recommended as a safe lock-up.

The prospectus says the Midland five per cent. bonds are to be paid off out of the proceeds of the new issue, thereby reducing the preference charges of the company by £42,840 per annum.

The following is a list of the Grand Trunk Railway securities:—

| Description. | Amount Outstanding. | Date of Redemption. | Rate % |
|---|---|---|---|
| 2nd Equip. mortgage bonds. | £ 373,000 | July, 1919 | 6 |
| 5% perpetual debenture stock | 4,270,375 | Irred. | 5 |
| 4% perpetual cons. deb..... | 17,971,942 | Irred. | 4 |
| Gt. W. Perp., 5% deb. ...... | 2,723,080 | Irred. | 5 |
| Mid. of Can. 1st mort. ...... | 937,900 | Jan., 1912 | 5 |
| Nor. of Can. Perp. Deb. .... | 308,215 | Irred. | 4 |
| Atl. & St. Law. shares ...... | 1,129,000 | ...... | 6 |
| Buff. & L. Huron 1st mort... | 297,600 | Irred. | 5½ |
| Do. 2nd mortgage ...... | 466,158 | Irred. | 5½ |
| Do. £10 ord. shares .... | 525,130 | ...... | 5¼ |
| Canada Atl. 4% mort. ...... | 2,034,800 | Jan., 1955 | 4 |
| Cent. Counties 1st mort. .... | 97,500 | Mar., 1949 | 4 |
| Cent. Vermont 4% bonds .. | $10,654,500 | May, 1920 | 4 |
| Do. Cons. mortgage ..... | $2,852,900 | Nov., 1918 | 6 |
| Det. Gr. Haven Eqpmt. M... | $1,969,000 | Nov., 1918 | 6 |
| Gd. Trunk Junct. 5% Mt.... | £194,000 | Jan., 1934 | 5 |
| Gr. T. West. 1st Mt. Cur. .. | $7,165,500 | July, 1950 | 4 |
| Do. 5% 1st prefce. stk. ... | £784,900 | July, 1950 | 4 |
| Gr. Trunk 4% Guar. St. .... | £10,540,011 | ...... | 4 |
| Do. 5% 1st. prefce. stk. .. | 3,420,000 | ...... | 5 |
| Do. 5% 2nd. prefce. stk... | 2,530,000 | ...... | 5 |
| Do. 4% 3rd. prefce. stk . | 7,168,055 | ...... | 1 |
| Do. ordinary stock ...... | 22,475,985 | ...... | Nil. |

The result of the underwriting is awaited with interest.

The National Finance Company has moved its branch office from 26 Wellington Street East, to 10 Adelaide Street East. A suite of rooms is being occupied conjointly by the company's bond department, in charge of Mr. F. W. Moore, and by the Prudential Investment Company, of which Mr. Stuart is manager for Ontario.

A reward of $200 has been offered by the Oxford Farmers' and South Easthope Fire Insurance Companies for the apprehension and conviction of the party or parties responsible for the burning of the barns on lot 29, con. 30, of the 10th line, East Zorra, belonging to Messrs. George Patterson and Dan Gingerich, on October 19. These two barns were totally destroyed with the season's crop, the fires starting within half an hour of each other.

"Ralph Connor" is interesting himself in a petition to the Governor-General, which it is expected will be signed by many influential Winnipeg people, asking for the release of two bank clerks condemned to prison for thefts from the Union Bank. The petition urges that considering their age and responsible position the two bank clerks did not have sufficient supervision and points out that contact with habitual criminals will start them on a life of crime.