

FORGET FINANCING

Sir Rodolphe Forget Talks to the House at Ottawa for an Hour and Replies to Lemieux

Sir Rodolphe Forget replied to his critics in the House at Ottawa this week. His arguments were divided between politics and finance. He stated that the reason why a license to commence business was not granted to La Banque Internationale by the Treasury Board under the late Liberal administration was because he was running in Montmorency against the son of Hon. S. N. Parent, a friend of Sir Wilfrid Laurier's. Sir Wilfrid denied this, stating that the certificate was refused because one of the directors was not properly qualified. This led to a warm passage between the two knights, during which Sir Wilfrid told Sir Rodolphe he was unable to accept the truth of the latter's statement.

Sir Rodolphe said that the Quebec Light, Heat and Power Company had acquired the stock of all the companies it had absorbed, and that Mr. Lemieux erred in saying that an issue of that company had at the outset been made in France. Later an issue of bonds had been disposed of in France. The bonds were quoted on the Paris Bourse and the interest had been regularly paid.

Quebec and Saguenay Railway.

The Quebec and Saguenay Railway was not commenced during the last election, as had been asserted. It was begun fourteen months earlier, and the work on construction had been continued. The securities which were floated in Canada were placed on the market and paid interest, and every dollar was expended on the road.

No bank, he said, could have kept its doors open in face of statements such as had been made with regard to the Banque Internationale. Some people had come over from France and had desired to open a bank with \$10,000,000 capital, \$7,000,000 of which was to be subscribed in France and the balance in Canada.

Returns From Paris.

An office was opened in Paris, and it was found that the returns from that office did not conform with the Canadian law. Consequently Sir Rodolphe went to France to have this practice changed. Sir Rodolphe said that prior to the general meeting of September last the French administrators had obtained proxies from shareholders for representatives by a circular which seemed to come from the bank itself, and did not indicate any intention of an effort to oust the Canadian directors. Three gentlemen had come to the meeting and had asked an adjournment, after filing their proxies.

Some of these proxies were unauthenticated, and others were from women and not authorized by the husbands. Four eminent jurists held that they were invalid, and they were thrown out. The French representatives were not ejected from the meeting, as Mr. Lemieux had said. Not a five cent piece was lost by the bank in Canada, and the loss in Paris was only about \$150,000. The Home Bank, or the syndicate which took over the Banque Internationale, was therefore getting a good bargain. Few banks, indeed, had succeeded as had the Banque Internationale.

Signing of Returns.

Sir Rodolphe said that Mr. Bickerdike, the vice-president of the bank, had signed the return upon which the trial before Judge Leet had been based. Had he been in Montreal he believed the transaction complained of was legal. Mr. D'Aoust's notes for \$200,000 had been discounted, and when the bank decided not to make further calls on the stock Mr. D'Aoust was notified and paid the notes.

Sir Rodolphe said that Quebec and Saguenay debentures were not issued in Paris, because they were taken up by the Quebec Light, Heat and Power Company, which had issued its own securities.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended January 24th:—O'Brien, 45,600; Coniagas, 87,000; Drummond, 85,200; City of Cobalt, 65,576; Nipissing, 64,000; Trethewey, 50,187; Cobalt Townsite, 61,000; La Rose, 62,410; McKinley, 66,916; Kerr Lake, 63,300; total, 651,498 pounds, or 325 tons. The total shipments since January 1st are now 2,899,771 pounds, or 1,449 tons.

In 1904 the camp produced 158 tons, valued at \$316,217; in 1905, 2,144 tons, valued at \$1,437,106; in 1906, 5,835 tons; in 1907, 4,850 tons; in 1908, 29,360 tons; in 1909, 29,941 tons; in 1910, 34,041 tons; in 1911, 25,089 tons; 1912, 21,509 tons.

NATIONAL TRUST COMPANY

Substantial profits were made by the National Trust Company during the past year. The statement presented at the fifteenth annual meeting of the shareholders at Toronto this week revealed not only that fact but indicated also that considerable progress had been made by the company during 1912 in several directions. There was an increase, for instance, of \$10,345,156 in the assets under the administration of the company. This is the largest gain in any one year in the history of the corporation. More than 90 per cent. of it is due to estates and trust funds committed to the company's care. In 1908 the assets under their administration totalled \$17,021,994. Last year they had reached \$38,598,768.

Enlarging upon these figures the president, Mr. J. W. Flavelle, stated that the public is more and more coming to recognize the advantages of a trust company over an individual as executor and trustee in the management of estates, and it was gratifying to know that this company was participating so largely in the growth of this most important branch of trust company work. It was important to bear in mind, he said, that the funds of each estate were ear-marked in the books of the company and kept separate from all other estates and trust funds, and from the company's own funds, while the sole remuneration or profit which the company received from any estate was the fee allowed for administration and management, and which was no greater than that allowed to a private executor.

Mr. Flavelle also stated that the company continued to place money on mortgage loans for the company and for its clients in the provinces of Manitoba, Saskatchewan and Alberta, where the company has four branch offices, and where rates of interest are higher on the whole than they are in the East. Loans in these provinces have been made principally upon the security of farm property. Whatever may be the view which is held with regard to real estate values in the cities and towns of the Dominion, it is agreed that, speaking generally, there has been no undue or unwarranted increase in the value of improved farm lands. The company's farm loans in these provinces average \$6.27 per acre, exclusive of the value of farm buildings. When it is borne in mind that the Canadian Pacific and Canadian Northern Railways are receiving more than twice this amount for undeveloped lands in the provinces mentioned, the safe character of the National Trust Company's loans will be appreciated. Interest payments continue to be well met.

Trade conditions in Canada, added Mr. Flavelle, were seldom, if ever, as active as they are at the moment, and the general business outlook for 1913 promises well, provided the country continues to secure fresh capital for its various activities. If no substantial disappointment is experienced in this regard, the present year should prove a satisfactory one.

The net profits last year totalled \$242,942. Adding to that the sum of \$21,823 brought forward from 1911, there was at credit of profit and loss account a sum of \$264,765 available for distribution. Quarterly dividends at the rate of 10 per cent. per annum accounted for \$150,000 of that sum, \$14,765 was carried forward in profit and loss account and \$100,000 was transferred to reserve fund, which now stands at \$1,400,000. The financial statement is an excellent one. The management and directorate of the National Trust Company are recognized as among the strongest in the Dominion.

DOMINION TAR AND CHEMICAL COMPANY

The timber preserving plant at Sydney of the Dominion Tar and Chemical Company, Limited, is far from being unable to accept orders, but is ready and anxious to treat all classes of timber, railroad ties, bridge timbers, piling, sheathing, etc.

It is not the only plant of its kind in Canada, as the Dominion Tar and Chemical Company, Limited, has a larger plant at Transcona, near Winnipeg, where they have three large treating cylinders operating, creosoting ties and other timbers chiefly for use of the Canadian Pacific Railway. The treating plant at Sydney is an adjunct to a large tar distilling plant of the company which produces in large quantities the creosote oils used in the preservative treatment of timber.

The company has another large tar distillery at Sault Ste. Marie, Ont., engaged in the same operations, except that there is no timber treating plant at that point.

The petition for a writ of quo warranto to restrain Sir Rodolphe Forget from sitting as president of La Banque Internationale has been withdrawn by the French shareholders who made it.