

Personalities and Problems

13--Sir Rodolphe Forget

Brilliant in Finance, a Leader in Politics and the Maker of a Comprehensive Practical Creed

By AUGUSTUS BRIDLE

A LONG Notre Dame St. and towards the big parish church—seven times round a corner may you see the broad gilt sign on the seven windows: R. FORGET—lest you forget. The aristocracy of money knows no mere titular distinctions. "Sir Rodolphe" is all very well among the lorgnettes in the opera boxes. Plain FORGET is the thing for the street and the Stock Exchange. And there is an undeniable amount of Forget in Montreal. Lately more than usual.

A few days ago there was a very episodic meeting of the directors of the Banque Internationale—one of Sir Rodolphe's recent babies. This bank has both Canadian and French capital. It was originated somewhat out of the Forget connections in Paris, where Sir Rodolphe has had a branch of his business for some time. It is said that French shareholders represent more than fifty per cent. of the stock. There was to be an annual meeting of the shareholders. There was one. But it was different from what had been expected. Of course many French shareholders could not come. But they sent proxies—totalling more than half the shares of the bank. There was some intention—to elect a board of directors consisting of five French and four Canadian directors. This was not agreeable to the Forget interests. The proxies were ruled out as not being regular. This was in camera. The newspaper reports were mere tabloids. But there was an election in which the French interests were not represented. Sir Rodolphe was re-elected President.

Now the case is to go to the courts; which wherever the blame may lie is a regrettable situation—and should not, as one financial writer said, jeopardize French capital interests in this country.

This was somewhat of a sequel, the beginning of which concerns the Quebec Railway, Light, Heat and Power Co., of which Sir Rodolphe Forget is President, and in which a good share of the stock is also held by French investors. This company is a consolidation effected by Sir Rodolphe less than two years ago merging the Quebec Jacques Cartier Electric Co., Frontenac Gas Co., Quebec Gas Co., Quebec Railway, Light and Power Co., Canadian Electric Light Co., and the Quebec and Saguenay Railway Co., authorized capital \$10,000,000.

In the Quebec Railway, Light and Power branch of the consolidation there had been a minor setback owing to the resignation of some French directors and the failure to secure the contract for lighting Quebec City. Stocks of the Q. R. L. H. P. declined. This had some bearing on the affair of the Banque Internationale. It also affected the stocks of the Richelieu and Ontario Navigation Co., of which Sir Rodolphe is President, re-elected after the reorganization meeting last May, when the company became a huge merger of lower lake lines of passenger and freight, in all seventy vessels, much increasing the recent capitalization of \$10,000,000, and intending to list the securities in the London market, where much of the stock is held.

So much for personality in finance.

There was no economic reason why the stocks of the R. & O. should have a flutter over Q. R. L. H. P., except as expressed by a financial writer—"This caused considerable selling of French holdings on the market, and the weakening of marginal accounts caused liquidation in other issues as well." The dividend on the old R. & O. company was eight per cent. In the consolidated company, in spite of a very bad season on the lakes, the dividends were expected to go to between 11 and 13 per cent.

SIMILARLY with the stock of the Montreal Light, Heat and Power Co., of which Sir Rodolphe is vice-president; capitalization \$17,000,000. M. L. H. P. had a bit of a nervous tremor; just nicely perceptible without being dangerous.

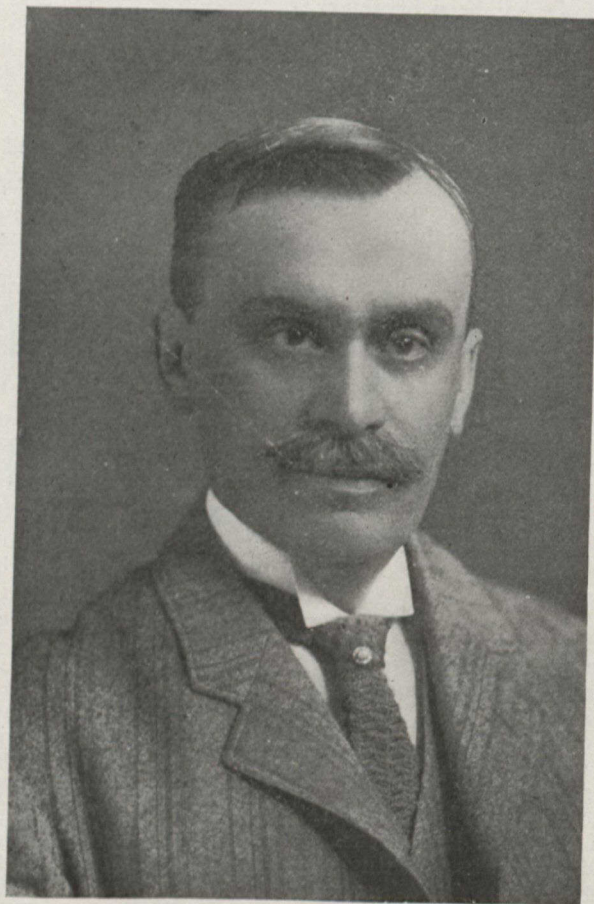
Such is the almost phantom influence of a personality in an aggregation of interests.

Of course the street crowd will understand just why these little sympathetic tremolos occur among the stocks when a single remote interest of one personality is affected. They will shrug and tell you that of course such things would be expected to happen. But to an unfinancial person, especially to a journalist, these phenomena are a magnificent mystery.

The Banque Internationale and the R. & O. Nav. Co. are two of the most recent proofs that the finan-

cial genius of Rodolphe Forget is neither mere-Canadian nor confined to America. The reorganized R. & O. has a large percentage of British capital. The Banque Internationale has been considerably built upon the contents of the "long, red stocking" from Paris. There is that magnificent arc to the Forget manoeuvres. Sir Rodolphe is both a big, constructive Imperialist, and an entente-cordialeist. Himself French-Canadian—born at Terrebonne, P.Q., in 1851—he is as much at home among Paris financiers as on account of his empire proclivities he is familiar with the Old Lady of Threadneedle St. He is still second to Sir William Mackenzie among the money barons of England. But he is the one Canadian who has made it more than a hobby to get the long, red stocking stretched as far as Canada.

I don't know whether it was in the least a political turn that led him to Paris. No doubt he believes that modern Frenchmen who remember how the red stocking was ransacked to pay Germany for



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the Franco-Prussian War ought to shell out freely for the sake of a country which was once New France and is now the first overseas dominion in the Empire now being threatened by the newspapers with a German scare. Maybe Sir Rodolphe never bothered with the analysis. As a rule he doesn't. He acts from a financial instinct that at times becomes almost dazzlingly brilliant and as quick as chain lightning. He has the kind of brain that banks heavily on intuition backed up by overwhelming enthusiasm. He goes headlong—but not heedlessly. He has a towering ambition. It seems to be the prerogative of high finance to think in continents. Sir Rodolphe thinks in empires. In less than half of the forty years or less since he went into the brokerage office of his uncle, Louis Forget, who had heavy doings with the C. P. R., he has worked his way into a huge aggregation of financial interests, of which the mere names are impressive.

So they have called him the Napoleon of finance in Montreal, where from 1908 to 1911 he was chairman of the Stock Exchange. Somehow it always seems a little unkind to dub a man Napoleon—who had his Waterloo. Quite apart from nicknames none but a man of magnificent mental attainments in finance, none but a man who can think in millions without getting dizzy, could have become the

leading personal element in so many co-ordinate yet diverse enterprises.

AND at the same time—his politics. He is a parliamentarian. Three times as an Independent Conservative he has represented Charlevoix in the House of Commons. At the last election when he wanted to show how superbly he believed in empire as opposed to reciprocity he worked like a house afire to turn Quebec over to the Conservatives. At that time he was not openly scornful of Henri Bourassa and the Nationalists. He himself was twice elected, on September 21st. He was grandly worked up—*en haut*. Tradition says that he had the refusal of a portfolio in the Borden Cabinet.

Which to one of Sir Rodolphe's alliance of big interests might have seemed a waste of valuable time and energy. At any rate he preferred to remain one of the powers behind. And a power he undoubtedly is; for with all his addiction to high finance he takes to politics as a duck takes to water. He is the one French-Canadian who has managed to mix politics and finance by a process of higher mathematics.

And Sir Rodolphe has established a strong personal following. He is a born though somewhat spectacular leader. He has projected his personality into a multitude of things. In so doing he has scarcely taken time to go over all the connections.

Now he has come to a bit of a deadlock; which compared to the things he has put through may be about the size of a flea compared to a dog.

But one flea sometimes worries a very large dog. This affair of the Banque Internationale and the Q. R. L. H. P.—no doubt he will get it all adjusted. He has been used to hard and swift tussles. And he has made a big issue of what may be termed personalism in finance; which many years ago on a far different principle from anything clearly known in Canada began on the continent of America with Daniel Drew and Jay Gould, Jim Fisk and Commodore Vanderbilt. These men founded Wall St. At various times they did their worst to wreck the United States for the sake of boosting Wall St. They were the pioneers in steamboat and railroad business. One or more of them was always "on the inside" in Wall St.

This pioneer quartette who operated before any one invented "The Star-Spangled Banner" loved their country. Some of them were sorry when the Civil War was over; because somehow the war which killed off so many young men was good for stocks. They had a good deal to do with Legislatures in New York State and New Jersey and with Congress at Washington. There were times when through the manoeuvrings of Boss Tweed and Jay Gould they got what they wanted from governments. They took a great personal interest in politics. They knew all about the issues and they helped to make some of them. They were at the basis of the country's finance; for a good share of the time they were right underground. Once three of them packed up all the books and chattels of the Erie Road plus nine million dollars hammered out of Vanderbilt in sales of Erie on Wall St., and to keep out of the clutches of the Commodore's injunctions moved the head offices of the Erie Road across the North River to New Jersey, where they set up temporary offices in Taylor's Hotel. The newspapers lambasted these men; but as there was no public opinion behind the personal journalism the leaders of personal finance didn't care much for the editors. The courts never could faze on them because they bribed one judge to quash the injunction of another. Laws were of no account—because they knew the price of every law-maker.

THESE crude reminiscences are outlined in order to note the contrast between the personal financery that built the United States and that which now and then dominates the Wall St. of Canada, which is by some considered to be the Montreal Stock Exchange. Of course there is really no Wall St. in Canada since Toronto also has a stock exchange and Winnipeg one in the making. And the head offices of Canadian banks are pretty evenly divided between Toronto and Montreal, with a few down east and a few little ones out west.

But the Montreal Stock Exchange, whose gloomy