

Mr. Rodolphe Forget's Paris agent held in trust over \$1,000,000 of the subscribed capital and it was also shown that Mr. Daoust's wife held \$250,000 of the subscribed capital. There was also a legal question in this connection which was shortly of consideration, namely, whether stock subscription signed for in Paris could under the Bank Act of Canada be legal and binding.

Once the Conservatives took office Mr. Rodolphe Forget appeared on the scene then as usual very insistent. The Conservative party owed him a debt of gratitude by reason of the part he had taken in the elections in the Province of Quebec. He must have his pound of flesh and accordingly the certificate was granted, and the Bank started its on meteoric career.

It eventually transpired that Mr. D'Aoust who had placed the most of this stock in France had a claim for \$200,000 against the Bank which had been treated as a private agreement by the General Manager and appeared as an asset of the Bank instead of a liability. This was followed by quarrels between the French shareholders and Mr. Forget. The French shareholders came to Montreal armed with proxies for 52% of the stock. The President very arbitrarily ruled that they had no say in the matter which is further proof that the Forget interests must not be interfered with in any way. A law suit followed which ended in the French subscribers selling out their stock and losing thereby \$300,000 or half their investment.

This was the climax of a bit of high financing by this Hon. gentleman, Sir Rodolphe Forget.

The Quebec Saguenay Railway Deal

Another Forget interest which as everybody knows was during the Session of 1916 purchased outright by the Government.

As far back as February 6th, 1913 the Hon. Rodolphe Lemieux brought to the attention of the Government the Quebec Saguenay Railway matter. Money had been secured in France because too many people in Canada knew that the enterprise was risky. The Company had dazzled the French investor with a beautiful prospectus, advertising Murray Bay as the summer residence of President Taft and ex-President Roosevelt, while the name of L. P. Pelletier, Postmaster General was used in some of the literature which set down the cost of the road at \$31,197 per mile.

In the same way the possibilities of this wild and rugged country were portrayed in glowing terms. At that time it was charged that unearned dividends had been declared to keep up prices while some of the shrewd holders unloaded.

In this way the \$2,500,000 had been secured from France and still the road was unfinished. The Government was warned that if they allowed Sir Rodolphe Forget to persuade them to