

MONTREAL SECTION

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MONEY IN FRANCE.

Interesting Interview Regarding French Financial Conditions—Dominion Steel Meeting—News and Notes.

Monetary Times Office,

Montreal, Oct. 10th.

The deferred annual meeting of the Dominion Iron and Steel Co., held at the Windsor Hotel on Wednesday, was almost featureless. No attempt was made to stampede the meeting or to elect a new board of directors which would be more favorable to the Coal Company. President Plummer stated he was prepared to fight the Dominion Coal Co. just as far as the Coal Company wanted to go. At the same time he would be willing at any time to make a settlement fair to the Steel Company.

It was unanimously decided that Vice-President Forget should cast a ballot to elect the board of directors. Only one new member was included, Sir Montagu Allan, who replaced Sir Henry Pellatt.

The board of directors were unanimously elected as follows: President, Mr. J. H. Plummer; vice-president, Senator L. J. Forget; directors, Sir William Van Horne, Sir Montagu Allan, Senator Robert Mackay, Senator David MacKeen, Senator George A. Cox, F. S. Pearson, M.D., Elias Rogers, H. F. Dimock, Frederic Nicholls, H. W. Whitney, W. G. Ross, George Caverhill, and William McMaster.

Company's Finances in Good Shape.

Mr. Plummer was in the chair, Mr. C. S. Cameron acted as secretary, and Messrs. Percy Cowans and J. J. Pangman as scrutineers. From the sinking fund \$91,000 first mortgage bonds had been redeemed, making \$417,000 so far. Notwithstanding the increased price of coal the Steel Company's finances were in splendid shape. It was not politic, added Mr. Plummer, to make quarterly statements, requiring, as they did, four stock-takings a year, which involved much expense.

The decrease in cost of production had just about offset the decrease in the bounties. In the Wabana property the company had two good seams of coal running out under the sea, and these were showing constant improvement with development. The president asked for the continued confidence of the shareholders. Votes of thanks to the directors were unanimously passed.

That Canadian securities are certain to become constantly more popular in France is the opinion of Mr. Martial Chevalier, general manager of the Credit Foncier Franco-Canadien, who returned to Montreal last Saturday, after an absence of six weeks in Europe. Most of this time was spent in Paris, where Mr. Chevalier was in constant touch with the French board of directors of his company. The Credit Foncier Franco-Canadien is one of the largest loan companies in Canada. While its headquarters are in Canada, its capital has been practically all subscribed in France, hence Mr. Chevalier's visit to Paris. He was asked by the Monetary Times as to the situation in France.

Americans Exploiting French Opportunities.

"It might be described as unsettled," he said. "There does not appear to be any actual shortage of money there, but those who have it are not disposed to part with it lightly. The number of promoters one meets in Paris is astonishing. They are there from all over the world, but more particularly from the United States. The Americans appear to have concluded that there is much money to be had in France if one only goes the right way about it. And they are right."

"Were they meeting with success?"

"I do not think so," said Mr. Chevalier. "The truth is, American securities are in bad odour at the moment on the other side of the Atlantic. I saw first-class bonds offered in Paris by the representatives of American concerns at a rate to return around 7 per cent. on the investment, but apparently with very unsatisfactory results. All kinds of American securities are unpopular in France just now."

"How do you account for this?"

"It is due entirely to the uncertainty regarding the attitude of the United States Government towards capital. There is a feeling in Europe that the Government, in order to court popularity with the crowd, may interfere in some way or other with the conduct of different institutions, more particularly with railways and public utility corporations. As any such interference will naturally affect the profits of

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these concerns, and consequently with their security, French investors are fighting shy of them."

"Does this feeling extend to Canadian securities?"

Canadian Securities Not Well Known.

"No; so far as the Canadian Government is concerned, it has inspired French investors with confidence. Canadian securities are not at all well known in France, and consequently there is little general interest in them. But so far as they are known, they are very favorably looked upon. There will be an effort made next year, I hope, to bring the securities of this country more prominently before Frenchmen. Some time since there was formed here the Societe d'Administration Generale, largely owned by the Credit Foncier Franco-Canadien, and including many of the most prominent French-Canadian capitalists on its board.

"It is the object of this company to supply French investors with full information regarding Canadian securities. The company has been doing business in Canada as a trust company, but hitherto it has had no office in Paris. I hope that within the next year this will be remedied, and that the Paris office of the company will be fully equipped for keeping Canadian securities before the French investor. The securities to which attention would be more particularly given would probably be the bonds and stock of railways, traction companies, and lighting and power companies, and other large concerns whose earning power and security is well known here, but practically never heard of outside this country."

Being asked if he accomplished any particular business while absent, Mr. Chevalier said: "I discussed the question of the best means of obtaining more money for the use of the Credit Foncier here with the directorate, and we decided that, as debentures would probably not take the market any too well just now, we would raise the desired funds by calling up unpaid subscriptions on the company's stock as well as by increasing its capital."

Fifty Per Cent. Stock Paid Up.

When this call is made, the stock will be nearly 50 per cent. paid up. The capital of 25,000,000 francs is paid up to the extent of 187.50 francs, and a further payment of 62.50 francs will be called. The new stock will be issued at a premium, and 70 per cent. will be offered to present shareholders. I am confident that it will all be taken.

The stock of the Credit Foncier Franco-Canadien is quoted in Paris at 625 francs for 500 par, so that it is highly thought of. One of the troubles in Paris just now is that investors have big ideas concerning the amount of interest. Instead of 3 and 4 per cent. they want double that amount in many cases, and it seems of little use to tell them that the period of dear money is passing, and that conditions which prevailed previously will presently reappear."

In the statement issued to the shareholders of the Cuba Railway, of which Sir William Van Horne is president, a dividend on the preferred stock of the company is indicated as one of the probabilities of the next year or two. The annual report shows gross earnings of \$1,953,309 for the year ended June 30, 1907, and net earnings of \$658,354, notwithstanding the large amount of \$157,738 included in the working expenses for the past year for extraordinary replacements, which really had little relation to the year's work.

Notes of the Cuba Railway Meeting.

Interest on bonds amounted to \$325,930. The general surplus amounts to \$698,031. The statement says: "It will be seen that, allowing for the extraordinary replacements referred to, we are not far from a dividend on our preferred stock, but we have need of many things, and it might be unwise to press our borrowing powers too far to provide for these, and it will, no doubt, be best to delay the consideration of a dividend for a year or two."