

That the trust declares the report to operate under the directions of the lower court, one of which was concurred in by President Taft when he was on the Federal Bench, is said at Washington not to establish that the trust will win its case. President Taft, it is said, has always held that the decision in the Heaton-Peninsular button case, in which he ruled that anyone using the patent shoe-buttoning machine which was in question must purchase the staples from the manufacturers of the machine, was open to reversal if additional evidence had been presented.

The contrast between the Sherman anti-trust law and the Canada anti-trust law is expected to be sharply defined by the trial of the action at Washington.

### THIRTY-FIVE MILLION DOLLARS FOR A FORMULA.

**This is the Sum Which the Internations Contracting Company, of Winnipeg, Proposes to Pay—Capital is Fifty Million Dollars—Cash to be Paid “on Terms.”**

Mr. Robert Lush Miller, of Winnipeg, discovered a formula for the separation of oils from coal tar without distillation and also of a process for the adaptation of the oil obtained by that formula to the preservative treatment of dimension timber. Such a formula and such a process undoubtedly would prove of value. Certain gentlemen who have formed the Internations Contracting Company, Limited, have placed a value upon these discoveries which will probably astonish even the Western Canadian who is accustomed without effort to talk of millions. We are told in the prospectus of the company that the purchase price of the formula and process is \$35,000,000, to be paid \$10,000,000 in cash (on terms), \$7,500,000 in preferred, and \$7,500,000 in common stock to the Carbon Oil Works, Limited, the company under whose auspices Mr. Miller made his discoveries, and \$5,000,000 in cash (on terms), and \$2,500,000 in preferred and \$2,500,000 in common stock to R. L. Miller, the latter paying all costs of incorporation and capitalization.

This is a dazzling array of ciphers and one is tempted to seek a legitimate reason therefor. Do the promoters sincerely believe that the formula is worth \$35,000,000, an amount equal to the subscribed capital of four of Canada's leading banks? Or do the promoters see an opportunity for the sale of considerable stock to the general public? Of the \$35,000,000 to be paid over to Mr. Miller and the Carbon Oil Works, Limited, \$20,000,000 represents stock of the Internations Contracting Company, the remaining \$15,000,000 being payment in cash “on terms.” The words “on terms” apparently cover a multitude of details, which should be in the possession of every intending investor. What are the terms on which these cash payments are to be made? Will the \$15,000,000 cash be paid only in the event of a certain amount of stock being sold?

#### Millions of Stock For Sale.

Leaving aside the cash considerations, we find that the Carbon Oil Works, Limited, will have on hand \$15,000,000 of preferred and common stock, that Robert Lush Miller will have \$5,000,000 worth of stock, and that the Internations Contracting Company will have \$15,000,000 of stock, a total of \$35,000,000 of preferred and common stock. One would imagine that if the invention is of such astonishing value, Mr. R. L. Miller and the Carbon Oil Works, Limited, would hold their combined \$20,000,000 worth of \$100 shares until the price rose considerably. But their philanthropy is apparently a prominent asset, for the prospectus states that to facilitate the securing of creosoting contracts in each of the principal countries, it has been decided to apportion \$30,000,000 of the capital stock of the Internations Contracting Company, Limited, in six countries.

Assuming that the cash payments of \$15,000,000 will be made from the authorized capital of \$50,000,000, \$5,000,000 worth of stock only will have a quiet time while the remaining \$30,000,000 worth is making its appeal to British, Canadian, American, German, French and Belgian investors.

#### Many Countries Will Be Asked.

The proposal is to apportion the stock as follows, in each case the amount being half preferred and half common stock:—

Great Britain .....	\$20,000,000
Canada .....	1,000,000
United States .....	4,000,000
Germany .....	2,000,000
France .....	2,000,000
Belgium .....	1,000,000

We doubt very much whether \$20,000,000 worth of the stock will be disposed of in Great Britain. Judging by the avidity with which certain Canadian investors have subscribed money to schemes of huge and unreasonable capitalization, Canada may swallow half a million of preferred stock with a half a million of common as a relish. American investors surely will not absorb \$4,000,000 worth of stock. A prominent German capitalist, who has extensive Canadian interests, was, we understand, approached by representatives of the Internations Contracting Company with a view to helping to place \$2,000,000 worth of the stock in Germany. He would not consider the proposal.

#### Is There Any Bond Issue?

French investors will probably obtain more value for \$2,000,000 in proved Canadian industrial stocks than in that of a company whose business judgment does not seem of the best, if only considered from the fact that it is thought advisable to pay \$35,000,000 in stock and cash for a discovery on which the company's business is to be founded. Would not Mr. Miller and the Carbon Oil Works have been contented with the cold cash amounting to \$15,000,000? Perhaps the fact that the money was to be paid “on terms” proved a barrier to their acceptance of the cash. Finally Belgium, we think, will not absorb \$1,000,000 of the stock. We almost fear to ask whether the company has in view any authorized bond issue.

The prospectus states that the provisional directors will act temporarily pending the election of directors by the shareholders at an early date. “We are unalterably opposed,” it says, “to the idea of selecting as permanent directors, those who are merely ‘big names,’ used for prospectus purposes, and we respectfully suggest that the shareholder elect only capable executive men, who will attend strictly to the business of the company.”

The prospectus contains much general matter, but the special claims of the company's material and process are briefly as follows:—(1) The separation of oils from coal tar without distillation; (2) high percentage of anthracene and creosote; (3) complete impregnation; (4) mobility; (5) restoration of fire-killed timber; (6) proof against white ants, other insects, pests and marine borers; (7) savings to railroads.

#### Will Buy Coal Lands.

One would think that with a formula for the separation of oils from coal tar without distillation, the necessary materials could be purchased, manufactured and sold to the buyers. That would be a simple and reasonable process. But the Internations Contracting Company, Limited, has a much more ambitious programme. Here it is:—

“1. To purchase coal lands and erect plants for the manufacture of tar direct from coal.

“2. To manufacture and sell our oil to all existing creosoting companies with whom we can make contracts, for while C.O.W.L. Brand preservative oil does not require high pressure it can be used in high pressure plants as well as any others.

“3. To negotiate exclusive territory with such new firms or corporations as will come into existence for the purpose of preserving timber with our oil and process.

“4. To lease such existing plants as can be leased, and make contracts direct with consumers for the treatment and delivery of treated timber. This refers particularly to railroads which at present operate their own plants.

“5. To purchase and operate timber limits, for the production of such (and other) timber as we may need to fill above suggested contracts.

“6. To erect portable or stationary plants to enable us to treat timber in any part of any country where good contracts are obtainable.”

#### What Are The Terms?

Even for this long list of proposals, \$50,000,000 of capital is far too large. We cannot but conclude that the maximum use of the formula will be made as the basis of a stock selling campaign. This is almost obvious from the information given in the prospectus.

In the meantime the disclosure of the terms on which the cash payments are to be made to Mr. Miller and to the Carbon Oil Works would probably throw interesting light on this heavily capitalized scheme.

Messrs. Mackenzie & Mann may operate the proposed Hudson Bay Railway under a lease from the Government.